RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 12 February 2025**. The decisions will come into force and may be implemented from **Monday 24 February 2025** unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

---

## Medium Term Financial Plan(15) 2025/26-2028/29 [Key Decision: CORP/R/2025/001]

### Summary

The Cabinet considered a report of the Corporate Director of Resources which provided comprehensive financial information to enable Cabinet to agree the 2025/26 balanced revenue budget, an outline Medium Term Financial Plan (MTFP(15)) 2025/26 to 2028/29, a fully funded capital programme to be recommended to Council on 19 February 2025 and an updated Capital and Treasury Management Strategy for 2025/26.

These assumptions factored in a detailed analysis of the announcements made in the Chancellor of the Exchequer’s Autumn Budget Statement on 30 October 2024, and the publication of the provisional Local Government Finance Settlement on 18 December 2024. The final Local Government Finance Settlement had not been published at the time of reporting however it was expected to be published for the final budget report to Council on 19 February 2025.

The report provided a detailed analysis of the results of the Phase 2 consultation on the additional savings which were presented to Cabinet on 4 December 2024, which ran from 6 December 2024 to Friday 17 January 2025 and proposed amendments because of the feedback received. The report contained details of the final budget savings proposals to be presented to Council on 19 February 2025 to assist with balancing the budget and MTFP(15) financial challenge.

The report provided analysis of the Government's Consultation, which closed on 12 February 2025, and which sought views on its commitment to undertake a wholesale review and implement reforms of the methodology by which local government funding is distributed, in advance of planned implementation of change from 1 April 2026 as part of a multi-year settlement for the sector.

The report also outlined recommended changes to the Council Tax Empty Property and Second Homes Premium Charge Section 13A(1)(c) Reduction Policy, following adjustments to Council Tax premiums for empty properties and the introduction of a premium from 1 April 2025, for those properties categorised as second homes.

The Cabinet are committed to strong financial governance and getting value for money from the investment of public money whilst ensuring that the Council sets a sustainable balanced budget with any council tax increases being justified and affordable. The Council's financial position remains very challenging despite the additional government grant funding being provided next year.

The budget and medium-term financial plan sought to balance the need for short, and long-term investment in front line services with the need for financial prudence. In summary, the budget proposals in the report included:

i. Additional Government Grant increases of £48.825 million in 2025/26, and £60.104 million across the four-year period of MTFP(15), of which £19.5 million (40.0% of the extra grant funding for 2025/26) is specific grant funding with specific spending requirements associated with it. Included in the additional Government Grant is an increase in the Social Care Grant of £11.979 million next year, which is being provided to help meet the increased costs of children and adult social care statutory placement costs, however, this only covers 35% of the £34.486 million of unavoidable cost pressures the council faces in these budgets next year;

ii. An increase in Council tax of 4.99% overall next year, which is made up of a 2.99% core council tax increase and a 2.00% adult social care precept increase. The proposed increase in council tax levels is in line with the Governments expectations, and is below the referendum limits;

    The council tax increase proposed next year is expected to generate an additional £14.400 million of income to the Council in 2025/26, of which circa £5.8 million relates to the Adult Social Care precept. The Adult Social Care precept only covers 32% of the unavoidable budget growth required in the council's Adult Social care budget next year of £17.876 million;

Every 1% increase in council tax generates circa £2.9 million of additional council tax revenue, which is broadly equivalent to the cost pressures the council faces from every 1% of increase in its pay bill. Pay awards are negotiated nationally and in 2025/26 the council is forecasting a 3% pay award will be agreed.

iii. The Council Tax increases proposed are a key element of the Government's estimated increase in the Council's Core Spending Power of 8.2% in 2025/26. In the later three years of MTFP(15), further annual Council Tax increases of 2.99% per annum are assumed, with no further continuance of the adult social care precept beyond 2025/26 assumed at this stage. Total additional council tax rise income to be generated from increases in the level of council tax across the MTFP(15) period is £41.750 million;

iv. An increase in the Council Tax Base, the net impact of changes in discounts and exemptions and new house building, will generate an additional £3.300 million of Council Tax income next year and the implementation of a 100% premium for council tax on second homeowners, following the consultation undertaken last year, is expected to generate an additional £0.650 million in 2025/26 also. Across the four-year period of MTFP(15), the Council Tax base growth is forecast to generate £8.450 million of additional council tax income;

v. An increase in the Business Rates Tax Base of £1.148 million in 2025/26 is included to reflect assumed growth in the council's share of the Business Rates Local Share of Business Rates growth next year, with total Business Rates Tax Base growth across the four-year period assumed to be £2.898 million;

vi. A significant increase is required in the Council's revenue expenditure budgets of £85.830 million in 2025/26, and £178.422 million in total across the four-year MTFP(15) period, which relates to a significant increase in the costs of provision of various statutory services, changes in government policy (with accompanying additional funding), a significant increase in direct employer costs (including the impact of assumed pay awards across the MTFP planning period, where every 1% rise in salary costs creates an additional £3 million cost pressure, and changes to Employee National Insurance contributions next year), rising capital financing costs and various continuing inflationary and demand pressures which impact on the cost of delivering council services;

vii. The implementation of revenue budget savings totalling £18.036 million in 2025/26, which are split between savings proposals approved by Full Council on 28 February 2024 for MTFP (14) of £3.389 million and new MTFP(15) savings of £14.647 million, which will be implemented in 2025/26. Across the four-year period of the MTFP(15) financial planning period, revenue budget savings of £23.404 million are planned;

viii. The Council's 2024/25 budget was based on the planned use of £3.720 million of reserves, which is an additional budget pressure that needs to be addressed in 2025/26 as it must be reversed out to reflect the fact it is not sustainable to continue to use reserves to underpin the core budget;

ix. Despite the additional government grant being received next year and the additional income generated from council tax and business rates increases and tax base changes, the council's spending pressures exceed the resources available to it by £21.227 million next year. Savings of £18.036 million next year will reduce the budget deficit to £3.191 million and the Council will need to use £3.191 million of its reserves in 2025/26 to balance the budget. The £3.191 million shortfall in 2025/26 will need to be funded from the MTFP Support Reserve, which currently stands at £32.579 million;

x. There remains a significant revenue budget gap across the four-year planning period of MTFP(15) of £45.536 million which needs to be addressed as part of the MTFP(16) planning process, which has now started. The 2025/26 budget and MTFP(15) position was summarised in a table within the report.

xi. The four-year gap is likely to change but is forecast to be significantly more than the level of the MTFP Support Reserve available. The budget gap in 2026/27 is currently forecast to be £23.040 million and is of significant immediate concern. Across the medium-term financial plan planning period there will be a need to transform what the Council delivers and how the Council delivers its services, if these financial forecasts come to fruition. A comparison of the MTFP(15) forecasts with the assumptions set out in the MTFP(14) report – excluding the new MTFP(15) savings was set out in a table within the report, for illustrative purposes.

xii. The current capital programme totals £675.881 million, of which £288.096 million relates to planned investment in 2024/25 and £387.785 million relates to 2025/26 and beyond. New additional capital investment of £158.687 million is set out in this report – primarily across 2025/26 and 2026/27, meaning that the total MTFP(15) Capital Programme will total £546.472 million.

The new additional capital investments include additional new prudential borrowing commitments totalling £38.637 million, a significant "self-financing" borrowing allocation to fund the investment in the Milburngate Development of £55 million (which remains subject to Cabinet Approval in a separate report dated 12 February 2025) and new government and regional grant funding related expenditure of £65.050 million (some of which remains subject to further confirmation). Included in this is £23 million of City Regional Sustainable Transport Funding which was announced in late January 2025. This is much less than funding that was previously expected based on the previous government's announcements, where it was announced that the council would be allocated £72.8 million of Local Transport Fund grant, so the funding awarded is less than one third of the originally announced funding level.

**Autumn Budget Statement**

On 30 October 2024, the Chancellor of the Exchequer published an Autumn Budget Statement. The Autumn Statement contained important announcements on future forecasts for government borrowing, taxation, and public sector expenditure, alongside the Office for Budget Responsibility forecasts for inflation, economic growth and taxation yields. The following announcements / changes were made:

i. The Government announced new Fiscal Rules, which included a "Stability Rule," where day-to-day spending is matched by taxation revenue, and an "Investment Rule", whereby government debt levels are measured based on Public Sector Net Financial Liabilities (PSNFL) as a share of the size of the economy. The measure differs from the previously used measure (Public Sector Net Debt), by allowing for illiquid financial assets to be included in the calculation.

ii. The introduction of £40 billion of taxation increases to address an inherited unsustainable public spending position. The bulk of these tax increases were to come from increases in Employer National Insurance Contributions (ENICs) levels, and other changes including changes to Capital Gains Tax, Stamp Duty and VAT on private school fees.

iii. Employers National Insurance Contributions (ENICs) are being increased from April 2025 and these changes are two-fold: an increase in the rate of ENICs to 15% (from 13.8%) and, more significantly, a lowering of the threshold from which employers begin to pay employer national insurance contributions for an individual employee to £5,000 per employee (down from the current threshold of £9,000);

iv. National Living Wage: a 6.7% increase to £12.21 per hour and a 18% rise in the rate for 18-21 years old from April 2025.

v. A commitment to reforming the Local Government funding distribution system, to be implemented from 2026/27, which it was announced would be targeted towards addressing the in-balance and unfairness in the current system by providing a greater proportion of funding to local authorities with higher levels of deprivation and lower income-raising capacity. The Government also committed to providing multi-year settlements from 2026/27.

vi. In terms of overall Local Government Funding, the key Autumn Budget Statement announcements were:

a) A real terms increase in local authority core spending power of 3.2%, based on the assumption that council tax rises by 5%, and a £1.3 billion increase in grant funding for local government;
b) £1.1 billion of new grant funding for changes to waste disposal and waste collection services, generated from the Extended Producer Responsibility Scheme that will be implemented next year;
c) £1 billion uplift in funding for SEND and alternative provision;
d) £500 million of additional funding for local roads maintenance;
e) £233 million additional homelessness prevention grant funding; and
f) £86 million of additional investment in Disabled Facilities Grant.

vii. The Institute of Fiscal Studies analysis of the Autumn Budget Statement highlighted that day-to-day public service funding would grow by just 1.3% per year in the years after 2025/26. This was highlighted as creating challenging settlements for public services, especially in unprotected departments such as local government, from 2026/27 onwards.

viii. Business Rates:

a) Permanently lowering business rates for retail, leisure & hospitality businesses from 2026/27;
b) Providing 40% relief in 2025/26 on bills for retail, leisure & hospitality business premises, down from 75%, up to a £110,000 cash cap;
c) Freezing the small business rates multiplier from 2025/26;
d) Removing business rates charitable relief for private sector schools from 1 April 2025;

e) The publication of a business rates discussion paper to set out the Government’s priority areas for Business Rates Reform; and
f) Assurances were provided that Local Government Income would be protected from changes to business rates tax policy changes and compensation would be provided for rising administrative costs.

ix. Other items:

a) The Household Support Fund and Discretionary Housing Payments scheme will be extended into 2025/26;
b) Funding of £263 million will be allocated to support Children’s Social Care reforms;
c) The long-term plans for Towns will be retained and reformed into a new regeneration programme.

**Local Government Finance Settlement**

The provisional Local Government Finance Settlement for 2025/26 was published on 18 December 2024. The final Local Government Finance Settlement was published week commencing 3 February 2025 and any changes to the provisional settlement will be factored into the final Budget Report to Council on 19 February 2025. A summary of the key announcements in the provisional settlement and their implications on the Council’s budget and MTFP(15) planning assumptions were set out below:

(i) The Core Spending Power (CSP) for English local authorities will increase by 6.0% nationally in 2025-26, representing a 3.5% real term increase, or £3.9 billion increase in spending power (inclusive of assumed Council Tax increases). The £3.9 billion increase in spending power includes £2 billion in additional grant for local government and £1.9 billion from assumed Council Tax increases. The additional grant being provided to Local Government is £700 million more than was announced at the Autumn Budget Statement on 30 October 2024 and brings total local government funding to £69 billion in 2025/26. The provisional Local Government Finance Settlement states that it is guaranteed that no council will see a reduction in their Core Spending Power after factoring in expected increases in Council Tax;

In 2025/26 the Council’s Core Spending Power will increase by 8.2% - assuming core council tax is increased by 2.99% next year (yielding circa £8.7 million) and the adult social care precept of 2% is levied (yielding circa £5.8 million) and after factoring in the Recovery Grant the council will receive as part of the settlement.

This increase in core spending power does meet the unavoidable increase in spending requirements of the Council next year – the majority of which relates to the provision of statutory social care services and other inflationary or demand led pressures – nor does it go anywhere near addressing the inequalities that have exacerbated over the last ten years since the existing formula was frozen.

(ii) A new Recovery Grant (totalling £600 million nationally) is being made available in 2025/26, to start the process of redistributing resources within the local government finance system to local authorities who are challenged by higher levels of deprivation and lower council-tax raising ability. This additional funding is being distributed using the Index of Multiple Deprivation (IMD), 2023 Population data and is targeted towards councils who are disadvantaged by their relative low council-tax raising ability. Many councils will receive no Recovery Grant allocations next year. The Council has been allocated £13.851 million of Recovery Grant (2.3% of the £600 million national pot) in 2025/26, in recognition of its relatively high levels of deprivation and low tax raising capacity compared to other councils;

(iii) The increase in the Social Care Grant announced in the Autumn Budget Statement was confirmed in the provisional Local Government Finance Settlement, with the increase in funding being £880 million nationally next year. This is £200 million higher than was announced in the Autumn Budget Statement. More significantly, a proportion of this additional funding (£240 million nationally) has been adjusted and equalised to reflect the varying abilities of councils to generate increased income from the adult social care council tax precept that social care authorities are expected to apply. In 2025/26 the Council will receive an additional £11.979 million in Social Care Grant funding. The extra funding is significantly outweighed by the additional unavoidable costs for Adult Social Care and Children Looked After placements next year, which are outlined in more detail in this report and which total an additional £34.486 million of required budget uplifts next year;

(iv) A new grant, called the Local Authority Better Care Grant, has been created next year. The funding for this is however not new or additional. The new grant has been created from a combination of the current Improved Better Care Fund (£2.193 billion nationally), and the Adult Social Care Hospital Discharge Fund (£500 million nationally). The total national allocation for this new grant is £2.693 billion.

The Council will not receive any additional net funding, however there are likely to be less restrictions applied to the funding which previously related to hospital discharge funding (the council's share of this in 2024/25 was £7.2 million) and therefore this may give the council more flexibility on how this is applied to improve outcomes across Adult Social Care going forward;

(v) The Government has announced a new specific grant – the Children's Social Care Prevention Grant – which is intended to allow local authorities to identify additional solutions to manage demand and cost pressures in children's social care provision. This new grant was not announced in the Autumn Budget Statement. The grant is £250 million nationally and has been distributed using an interim children's relative needs-based formula. The Council's share of this is grant £2.763 million in 2025/26, which provides welcome additional funding to meet the additional costs associated with the Children's Commissioning and Sufficiency Strategy, which is currently being updated, with a report scheduled for Cabinet consideration in July 2025. This new specific grant is fully offset by anticipated additional equal and opposite expenditure next year;

(vi) Council Tax increases for local authorities with social care responsibilities in 2025/26 are 2.99% for Core Council Tax (yielding circa £8.7 million), and 2.00% for an ASC Precept in 2025/26 (yielding circa £5.8 million) – totalling a maximum permitted increase of 4.99% in council tax, without recourse to holding a local referendum or seeking special dispensation from the Secretary of State to raise council tax above 5%;

In the provisional Local Government Finance Settlement, the Government have indicated that they expect social care authorities to apply the Adult Social Care Precept increase next year. The maximum increases permitted are included in the Core Spending Power calculations published by the Government;
The provisional Local Government Finance Settlement announcements provided no clarity on whether the Adult Social Care precepts would continue beyond 2025/26, so the MTFP(15) planning assumptions remain unchanged beyond 2025/26 (i.e. continue to be based on an assumed 2.99% increase in council tax between 2026/27 and 2028/29);

(vii) The Domestic Abuse Safe Accommodation Grant (£1.216 million in 2024/25, representing the Council's share of the national funding of £160 million) has now been included within Core Spending Power.

In 2025/26 there will be an increase in this funding of £30 million nationally, which will equate to an additional £0.300 million of funding being allocated to the Council. This additional funding will be passported to fund related activity undertaken by Adult and Health Services to support victims and survivors of domestic abuse;

(viii) The Government has announced a further and final instalment of New Homes Bonus grant in 2025/26. The national allocations are at the same overall level nationally as they were in 2024/25 (£290 million). This has provided the Council with circa £1.5 million of additional New Homes Bonus funding compared to 2024/25, due to the changes in the council's tax base over the last year relative to other councils. Whilst the New Homes Bonus is expected to end in 2026/27, the MTFP(15) modelling assumptions do not factor in a budget pressure from the loss of this funding in 2026/27 on the assumption that the Council will receive uplifts in other funding to offset this when the new finding formula is implemented;

(ix) Various specific grants currently received by the Council, have been rolled into the Revenue Support Grant next year. These grants total circa £2.5 million and the uplift in Revenue Support Grant is equal and oppositive to this, so these transfers will have a net neutral impact on the Council's funding position. The provisional Local Government Finance Settlement confirmed that the Council will receive an inflationary uplift for the core Revenue Support Grant of 1.7% (£0.586 million) in 2025/26;

(x) The Government announced funding of £515 million nationally to compensate authorities for the increase in Employer National Insurance Contributions (ENICs) on directly employed staff. The Council's allocation of this funding is estimated to be £4.744 million (allocations will be confirmed in the final Local Government Finance Settlement), which is £3.496 million less than the estimated costs of ENICs that the council will incur next year, so the funding being made available is likely to only cover 58% of the costs we will face next year. This is contrary to the announcements made at the time of the Autumn Budget Statement, when it was stated that local authorities would be fully compensated for the increase in direct staffing costs;

(xi) The Council's allocation of Extended Producer Responsibility (EPR) Grant for 2025/26 will be £9.8 million, which is to be used to fund additional expenditure associated with collecting, managing, recycling and disposing of separate streams of household waste.

This funding is not included in the Council's Core Spending Power allocations. DEFRA have issued some updated guidance which will result in a fundamental and significant change to the proposals for Food Waste Collection and will likely result in changes to how other types of households and trade waste are collected. The grant funding will be used to fund new budget commitments for Persistent Organic Pollutants (£0.250 million) and for additional waste disposal costs (£0.500 million) next year, with the balance (£9.050 million) expected to be required to fund the required changes to waste collection and recycling arrangements in line with the updated DEFRA guidance;

(xii) The Council will receive additional Homelessness and Rough Sleeping Funding for 2025/26 totalling £1.149 million, increasing the specific grant for Homelessness and Rough Sleeping to £4.340 million next year. This funding will be used on targeted interventions to prevent homelessness, as well as the provision of temporary accommodation to alleviate the significant increase in demand which the Council has seen for this service. £0.400 million of this funding has been used to meet the costs of temporary accommodation.

**Savings Plans**

Since 2011/12, and to the end of the current year, the Council has had to identify and deliver savings proposals totalling £270 million to meet the challenges of reduced funding and an inability to raise sufficient income locally to meet unavoidable inflationary and increased demand for services – particularly in statutory Adult and Children's Social Care and within the Home to School Transport budgets. The Council has continually strived to identify efficiency savings which can be realised without unduly impacting upon front line service delivery. A range of savings options were detailed in the 18 September 2024 and 4 December 2024 Cabinet reports. The savings proposals were subject to two phases of budget consultation, held between 20 September to 1 November 2024, and 6 December 2024 to 17 January 2025.

To balance the 2025/26 budget, savings proposals of £18.036 million are recommended to be implemented. Most of these savings' proposals will not impact on frontline services. The savings are split between savings of £3.389 million which were approved by County Council on 28 February 2024 as part of MTFP(14), and £14.647 million of new savings proposals which were published in the 4 December Cabinet report, and which have been consulted on, alongside the savings from the reduction in council membership from May 2025 following consideration of the Independent Remuneration Panel's review of the Members Allowance Scheme at County Council on 22 January 2025.

Across the four years of MTFP(15), savings of £23.404 million have been identified and are to be implemented to help meet the significant challenge of balancing the Council's budget next year and beyond.

To balance the underlying remaining deficit beyond 2025/26, more substantial transformational savings will need to be found, with the current funding gap of £23.040 million in 2026/27 being of particular concern.

**Capital Investment**

The council continues to prioritise investment in its long-term assets, by investing in an ambitious and extensive capital programme. In developing the capital programme, the council carefully considers its ability to borrow to fund the capital programme, and the revenue consequences of any capital investment decisions, both in terms of capital financing costs (any prudential borrowing impacts) and on running costs.

MTFP(15) contains significant additional investment in the capital programme, with new additional MTFP(15) schemes for the period 2025/26 to 2026/27 totalling £158.687 million.

This additional investment includes additional non-self-financed prudential borrowing commitments of £38.637 million, a significant additional self-financing borrowing allocation to fund the investment in the Milburngate Development of £55 million (which remains subject to Cabinet Approval in a separate report dated 12 February 2025) and new government and regional grant funding which is estimated to total £65.050 million (and remains subject to further confirmation).

The additional and augmented borrowing commitments include additional capital budget for the demolition of County Hall (£2.9 million), a potential corporate borrowing commitment to secure a new facility at Netpark for a potential major inward investment (£12.7 million), additional capital funding for investment in our buildings (£8.0 million), continuing investment in Member Neighbourhood and Community Network budgets (£1.8 million), investment in essential digital infrastructure, systems and equipment (£5.7 million), a top-up to the wider demolition budget (£1.0 million), capital investment to support the Children's Sufficiency Strategy (£2.0 million), an initial investment in the Aykley Heads Joint Venture pre-development costs (£2.5 million) and required investment to fund planned bridge works at Wolsingham of £2.0 million.

In light of the very challenging financial position and the significant uncertainty facing the council at this stage, and in advance of the outcome of the upcoming Comprehensive Spending Review and Fair Funding Review, which will have a significant bearing on the Council's underlying financial position (where a budget deficit of £23.040 million is forecast in 2026/27 and £45.356 million to 2028/29 is forecast), the Capital Programme does not include budget provision to fund further investment in the Leisure Transformation Programme.

The Cabinet remain committed to providing new build leisure facilities in Chester-le-Street and Seaham, when the financial capacity exists to fund these investments. So far, a total of £62.820 million has been invested in leisure transformation across the county, however, investment in another two new leisure centres is now estimated to cost circa £70 million in total, which would incur additional borrowing costs of £4 million per annum. In the current climate, this is not affordable. Committing to undertaking additional capital investment at this scale would not be financially prudent and would invariably result in additional cuts to front line services should the financial forecasts set out in this report come to fruition.

In terms of future funding opportunities for investment in new council leisure centres, and in the absence of any national or regional funding that may become available, the council could consider utilising any income generated from the Milburngate development (which remains subject to Cabinet Approval in a separate report dated 12 February 2025) to finance capital expenditure. Whilst at this stage it is not possible to determine the revenue or capital sums that could be available, as this will be dependent on future decisions made in relation to how the development is managed and any capital receipt opportunities that may be available, the Cabinet will consider how any available surplus funding from the council purchasing (using self-financed borrowing) and owning the Milburngate Development can be used to fund capital expenditure priorities in future capital programmes, including new leisure centre provision.

## Council Tax

In the setting of council tax levels for 2025/26, careful consideration needs to be given to the significant current and future financial pressures facing the council and the uncertainty that exists from 2026/27 onwards.

All elected members have a fiduciary responsibility for managing public finances and for facilitating the setting of a balanced budget. These responsibilities are set out in Appendix 3. Consideration also needs to be given to the Government's expectations for social care authorities to raise council tax by the maximum permitted amount and to the impact of increases in council tax on residents.

The Government has confirmed that the council tax referendum limit for 2025/26 will be 2.99% and that social care authorities have the “option” to increase council tax by an additional 2% for an Adult Social Care Precept. The Government’s published Core Spending Power figures assume all upper tier local authorities maximise the full permitted percentage increase in council tax (without recourse to a local referendum or seeking extended permissions from the Secretary of State) i.e. by the maximum possible sum in 2025/26, which for the Council would be a 4.99% increase.

As a broad guide, a 1% increase in Council Tax generates an additional £2.900 per annum for the Council in 2025/26. This is broadly equivalent to the cost pressures that arise from a 1% increase in the councils pay bill. The 2025/26 budget forecasts a 3% pay award will be agreed next year.

After considering the impact on the Council’s budget and on local council taxpayers, the most financially vulnerable of which continue to be fully protected by our Local Council Tax Support Scheme (in terms of an entitlement to receive a 100% discount), the increase in the National Living Wage from April 2025 (6.7%) and the support available through the council’s welfare assistance programme, this report recommends that the council utilises the full 4.99% council tax increase available to it.

Costs within Adult Social Care and Health, which is the Council largest budget area, will rise significantly in 2025/26 (by an estimated £17.876 million) due to a combination of the 6.7% increase in the National Living Wage and the increase in Employer National Insurance costs which are likely to add a further 3.5% onto the overall wage bill of adult social care providers. On that basis, a 2% increase in the adult social care council tax precept (which would generate circa £5.8 million of additional revenue) is more than justified and will help ensure that these unavoidable cost increases can be partially mitigated in 2025/26.

The overall council tax increase, including the resources generated from the Adult Social Care precept, will generate additional council tax income of around £14.400 million next year. The increase would result in a Band D increase of £1.86 per week and an increase of £1.24 per week for the majority of Council Taxpayers in County Durham, 56.5% of whom live in the lowest value properties (Band A).

The council has been able to set a balanced budget for 2025/26 with £18.036 million of savings but also with the utilisation of £3.191 million of the MTFP Support Reserve.

It is forecast that significant additional savings will be required over the period 2026/27 to 2028/29 to enable budgets to be balanced in future years.

The budget deficit / savings requirements in future years will be very much influenced by the outcome of any possible restriction in funding for the public sector from 2026/27 onwards (to be set out in the planned Comprehensive Spending Review), by the outcome of the planned Fair Funding Review scheduled for implementation in 2026/27 and the further refinement of further inflationary and demographic social care-related base budget pressures. At this point, the forecast savings shortfall for the period 2025/26 to 2028/29 is £45.536 million, of which £23.040 million (50.6%) of this fall into the first two years of MTFP(15) and will need addressing in the 2026/27 budget.

It is not prudent for the Council to constantly rely on reserves to balance its budget over coming years, as this is not a sustainable budget strategy to adopt and, in any event, the council will not have sufficient reserves to meet the financial challenges it faces.

**Reserves**

The Council's General Reserve is forecast to be £26.727 million at 31 March 2025, based on the latest quarter two forecast of outturn. This is £1.5 million below the required 5% minimum threshold (of the Council's net revenue budgets) set out in the Reserves Policy agreed by Council and will necessitate a transfer from the MTFP Support Reserve at year end to ensure the position is at least 5% moving into the new financial year.

At 31 March 2025, the Council is forecasting that £163.4 million of earmarked reserves will be held, with £63.9 million of this related to corporate strategic reserves, which are essential for MTFP(15) planning purposes.

The Council's reserves' position is closely monitored and benchmarked against other local authorities and is a measure of the financial resilience of a local authority. An early warning sign of a financially distressed council is when a council is running its reserves down to an unacceptably low level or is running its reserves down at a very fast rate. The CIPFA Financial Resilience Index has in recent years highlighted that the Council has had a higher-than-average reduction in its reserves, when compared to other upper tier authorities over the three years to March 2023.

The latest CIPFA Resilience Index information was published on 23 January 2025. This provides comparisons across local government for a range of financial indices or measures of financial resilience. The council has historically always had a strong position in these comparators.

The most recent published information for the period to 31 March 2024 highlights that the Council's reserve levels (excluding schools and public health reserves) as at 31 March 2024 are 41.1% of the Council's net revenue budget (compared to, and down from, 44.1% as at 31 March 2023).

The Council's drop in reserves across a three-year period up to 31 March 2024 is now a 22.5% fall in reserves (compared to a 5.3% fall in reserves over a three-year period up to 31 March 2023). The Council's comparative position to other local authorities has however improved. The CIPFA Resilience report identifies a concerning trend in unitary local authorities at present regarding a reducing level of reserves and a rising use-rate of reserves across a rolling three-year period.

The significant and increasing Dedicated Schools Grant High Needs Block (HNB) deficit position is a serious continuing concern for the Council and many other upper tier local authorities. The exceptional accounting override that allows councils to exclude HNB deficits from their main council general revenue funding position is due to end in 2026/27, at which point the HNB deficit may need to be funded by council resources requiring a significant (and unaffordable / unsustainable) call on reserves and further annual budget pressures that are not factored into the current MTFP(15) forecasts. Should this accounting override be removed, and additional funding is not provided in 2026/27 then many authorities will be forced into a s114 position as the cumulative deficits accrued in some authorities already runs well into the tens of millions. The report proposes that the current Reserve Policy of maintaining the General Reserve of between 5% and 7.5% of the Net Budget Requirement is retained. This will result in an increased General Reserve range due to the increase in the Net Budget Requirement, of between £31.2 million and up to £46.8 million in 2025/26.

**Dedicated Schools Grant**

The Schools Block allocation for 2025/26 has increased by £27.015 million year on year. This increase includes the incorporation of the supplementary grant funding from 2024/25 into the Schools Block for 2025/26. The supplementary funding in 2024/25 was £23.270 million, therefore the net increase is £3.983 million. This net increase in funding includes a year on year reduction of 885 pupils (625 Primary and 260 Secondary) between 2024/25 and 2025/26, with funding being circa £5.6 million lower than it would have been if pupil numbers had remained at the same level as the current year. The government has confirmed that an additional funding stream will be provided in 2025/26 to support schools with the additional direct costs associated with changes to Employer National Insurance Contributions announced in the Autumn Budget in October 2024. Further information on the quantum of this funding and the basis for allocation to schools is yet to be published and may not be published until just before the start of the new financial year.

The local formula to be applied in 2025/26, which is subject to approval from the DfE, is aligned to the National Funding Formula for Schools and is set out in the report. The provisional formula was set out in the report to Cabinet on 15 January 2025 and this has been updated to reflect the final pupil and DSG allocations, which were published on 18 December 2024.

For 2025/26 the Council’s High Needs Block (HNB) allocation is £101.177 million, which is £7.350 million (or 7.8%) higher than the 2024/25 HNB allocation of £93.827 million.

This increase in funding is significantly lower than the average annual increase in spending requirements on Special Educational Needs of 15% over the period 2021/22 to 2023/24 but is higher than the increase of 4.5% in 2024/25. This increase in funding reflects an additional £1 billion of SEND funding being made available nationally that was announced in the Autumn Budget Statement.

The financial pressures on the HNB are forecast to continue to outstrip the allocated HNB funding next year, with a forecast in-year deficit in 2025/26 of circa £14 million expected and the forecast cumulative deficit forecast to rise to £38 million by 31 March 2026. This is the sum that would need to be funded from councils reserves if the exceptional accounting override is withdrawn in 2026/27 and the Government fails to provide funding to write off the accumulated deficit at that point, with the in-year deficit that would exist at that point becoming a base budget pressure in MTFP(16).

The significant and increasing HNB deficit position is a serious concern for the Council and many other upper tier / unitary authorities. The cumulative deficit is also placing pressure on the Council’s cash-flow arrangements, and it is estimated that loss of interest due to carrying the accumulated HNB deficit is circa £1.000 million in 2024/25, increasing to circa £1.5 million in 2025/26.
For 2025/26 the Central Schools Services Block (CSSB) is £3.349 million, which is £77,000 lower than the 2024/25 CSSB allocation of £3.426 million (after adjusting for specific grants now rolled into the CSSB).

**Other considerations**

As part of the budget setting process, the council will need to consider and agree updates to the Pay Policy, the Treasury Management Policy and Strategy, including the Prudential Indicators, the Investment Management Strategy and Reserves Policy.  This report also sets out amendments to the council’s Section 13(A) Policy for Council Tax on Empty Homes and Second Homes, which will be applied from 1 April 2025.

Revised and updated policies and strategies, which will ensure the Council continues to fully comply with relevant statutory requirements were set out in the report.

## Decision

The Cabinet:

### a. 2025/26 Revenue Budget and MTFP(15) Financial Forecasts

i. considered and approved the final MTFP(15) financial forecasts, as set out at Appendix 2;
ii. noted the fiduciary and legal responsibilities on all members to set a balanced budget by 11 March (as set out at Appendix 3);
iii. approved the inclusion of the identified base budget pressures included in Table 2 in the budget report to County Council;
iv. approved recommending the savings plans detailed in Appendix 4 and 5 to County Council, which total £18.036 million in 2025/26, £4.081 million in 2026/27 and £1.288 million in 2027/28, to Council on 19 February 2025;
v. approved recommending a 2.99% core Council Tax increase and a 2% increase which relates to the Adult Social Care precept, to create a combined 4.99% overall increase in council tax in 2025/26 to County Council on 19 February 2025;
vi. approved the 2025/26 Net Budget Requirement of £623.433 million for consideration by County Council on 19 February 2025, as summarised in Table 5;
vii. noted and agreed the forecast 2025/26 revenue budget forecasts , as set out at Appendix 6 and 7 – which breaks down the Council's revenue budgets by Expenditure and Income type (Appendix 6) and by Service Grouping (Appendix 7);
viii. agreed to set aside sufficient sums in Earmarked Reserves as are considered prudent and that the Corporate Director of Resources should continue to be authorised to establish such reserves, as required, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Finance and to Cabinet; and
ix. agreed to aim to maintain the General Reserve in the medium term between 5% and 7.5% of the Net Budget Requirement which in cash terms will be between £31.172 million and £46.757 million, based on the forecast Net Budget Requirement in 2025/26

**b. Savings Proposals, Equality Impact Assessment and Budget Consultation**

i. noted the approach taken by service groupings to achieve the required savings to help balance the Council's revenue budget;
ii. considered the identified equality impacts and mitigations associated with the savings proposals proposed in 2025/26, as set out at Appendix 8;
iii. noted the programme of future work to ensure full impact assessments are included where appropriate at the point of decision once all necessary consultations have been complete;
iv. noted the outcome of the budget consultation on the proposed saving proposals, as set out in Appendix 16 and the changes made to the proposals, which were originally set out in the 4 December 2024 Cabinet report; and
v. approved the recommending of the savings proposals set out in Appendix 4 and Appendix 5 and summarised in Table 3 to Council for approval on 19 February 2025.

**c. Capital Budget**

i. approved the amendments to the 2024/25 Capital Budget and agreed the revised MTFP(14) Capital Budget of £675,881 million (£288.096 million in 2024/25), as per Table 10;
ii. approved the recommending of the Capital Strategy at Appendix 9 to Council for approval on 19 February 2025;
iii. approved the updated current capital programme in Appendix 10 (before new additional capital schemes are allocated), reflecting previously notified additions and reprofiling of capital schemes;
iv. approved recommending that the additional new capital investments detailed at Appendix 11, totalling £158.687 million, are included in the MTFP(15) Capital Budget. These schemes will be financed from a combination of additional capital grants, capital receipts and from new prudential borrowing and self-financing borrowing;
v. approved the recommending of the updated MTFP(15) Capital Budget of £546.473 million for 2025/26 to 2028/29 as detailed in Table 16 to Council for approval on 19 February 2025; and

vi. confirmed and reapproved the Cabinet’s desire to progress new build leisure centres in Chester-le-Steet and Seaham once the funding and affordability challenges that prevent these from being included in the MTFP(15) capital programme are addressed.

**d. Prudential Code, Treasury Management and Property Investment**

i. agreed to the recommending of the Prudential Indicators and Limits for 2025/26 – 2028/29 contained within Appendix 12, including the Authorised Limit Prudential Indicator to Council for approval on 19 February 2025;
ii. agreed the recommending of the Minimum Revenue Provision (MRP) Statement contained within Appendix 12, which sets out the Council’s policy on MRP (which was approved by Full Council on 11 December 2024) to Council for approval on 19 February 2025;
iii. agreed the recommending of the Treasury Management Strategy and the Treasury Prudential Indicators contained within Appendix 12 to Council for approval on 19 February 2025;
iv. agreed the recommending of the Annual Investment Strategy 2025/26 contained in the Treasury Management Strategy contained within Appendix 12, including the detailed criteria) to Council for approval on 19 February 2025.
v. approved the recommending of the Property Investment Strategy at Appendix 13 to Council for approval on 19 February 2025.

**e. Dedicated Schools Grant**

i. noted the Dedicated Schools Grant allocations for 2025/26 as set out in the report; and
ii. approved the updated local formula for schools, as set out in Table 18, and authorise the Corporate Director of Resources to approve any amendments required following review by the Department for Education.

**f. Pay Policy**

i. approved the recommending of the Pay Policy Statement at Appendix 14 to Council for approval on 19 February 2025.

**g. Risk Assessment**

i. noted the risks to be managed in 2025/26 and over the MTFP(15) planning period as outlined / summarised in Appendix 1 and in detail within the report.

**h. Proposal for changes to the Council Tax Section 13A(1)(c) Reduction Policy**

i. approved the updated Council Tax Empty Property Premium Charge Section 13A(1)(c) Reduction Policy attached at Appendix 15, effective from 1 April 2025, noting the alignment of the second homes approach to the current empty homes approach.

**i. Fair Funding Reform**

i. noted the updates provided on the Government's consultation for reform of Local Government Funding, which closes on 12 February 2025.

## School Admission Arrangements Academic Year 2026/27<br>Key Decision: CYPS/2025/02

### Summary

The Cabinet considered a report of the Corporate Director of Children and Young People's Services which requested Cabinet to consider and approve the proposed admission arrangements and oversubscription criteria for Community and Voluntary Controlled Schools for the 2026/27 academic year.

It is a mandatory requirement of the National School Admissions Code that all schools must have admission arrangements that clearly set out how children will be admitted, including the criteria that will be applied if there are more applications than places at the school. All admission authorities must agree admission arrangements annually. However, if there are no changes proposed they only need to be consulted on at least every 7 years. The current admission arrangements were consulted on between 1 October to 31 December 2022. There is no need to consult this year other than where it is proposed that some Community and Voluntary Controlled schools have a reduction in the admission number.

The proposed admission number for each Community and Voluntary Controlled School was detailed in Appendix 2 to the report.

### Decision

The Cabinet agreed the following recommendations in respect of Community and Voluntary Controlled Schools when determining the admission arrangements for 2026/2027:

a) that the proposed admission numbers as recommended in Appendix 2 for Community and Voluntary Controlled schools be approved.

b) that the admission numbers advised by Governing Bodies of Voluntary Aided Schools and Academies be noted.

c) that the admission arrangements in Appendix 3 be approved.

## East Durham Community Athletics Track, Option Agreement & Ground Lease at Less Than Best Consideration

### Summary

The Cabinet considered a report of the Corporate Director of Resources which set out the background information necessary to consider a request from East Durham Community Athletics Track (EDCAT) for the council to grant an Option Agreement on 16.204 acres of land at NETPark, which is currently included in the Local Plan as land for industrial development. The primary objective of the Option Agreement was twofold, firstly to remove the specified land from NETPark's available development areas and to grant the group the necessary legal rights and time to:

i. Develop a robust and sustainable business plan for the proposed facility (including ancillary structures such as changing rooms and car parking);
ii. Secure the necessary funding for its construction and operation; and
iii. Provide the Council with the requisite assurances regarding their ability to successfully deliver the project.

Upon successful fulfilment of these conditions, the land will be transferred to the group via a 30-year lease. The purpose of the Option Agreement is to remove the land requested from the developable area at NETPark (currently approximately 116 acres of land is available for future development) and provide the group with the legal entitlement and time it needs to prepare a comprehensive and sustainable business plan to build and operate the proposed facility, raise the necessary funding to do so and to provide the Council with the necessary assurances that it needs, that it can do so.

Should they be successful in doing this, the land would be transferred to them on a 30 year lease.  Removing this land from the developable area at NETPark will leave circa 100 acres still available for future development.

This report set out the terms and conditions of the proposed lease that would be exercised if the group are able to meet the conditions that will be set out in the Options Agreement, to enable the development of the athletics track.

The East Durham Community Athletics Track is a charity that was set up in 2010 by members of the local athletics club, Sedgefield Harriers. The activities of the charity are to: '*raise funds in order to build and maintain an athletics facility in Sedgefield, Co-Durham. The facility will be suitable for disabled use and its aim is to support the aspirations of athletes and be available to those wanting to try sports and train"***.**

The main strategic aim of the council supporting this project is to support the sporting activities in this locality for the benefit of the local community and wider athletic groups. Since 2010, volunteers working on the project have investigated possible sites for the creation of a community athletics track, with the support of council officers. Steered by officers and supported by Local Ward members, and after investigating a number of suggested sites, the group have settled on a preferred site at NETPark. For this site, EDCAT have prepared an outline business plan for approval, submitted a planning application (which has received conditional consent) and have been negotiating a long-term lease with the council to secure the land.

The business plan was reviewed by council officers, who view it as broadly acceptable but ambitious in terms of predicted numbers of users of the facility and therefore the ability to generate revenue to offset the likely running costs once constructed.  This is an important factor for the long term sustainability of the facility.

In order to support the development and provide the group with the ability to make capital funding bids, EDCAT have requested that the council grant them an Option Agreement leading to a 30 year lease. EDCAT have requested that the lease is provided at a peppercorn rent, rather than a market rent for community sports provision in order to assist their business plan and reduce running costs.

In March 2023, EDCAT were advised that it may be possible to accept a peppercorn rent on the basis that it fulfilled the requirements of the councils 'under-value' process. This requires the council to be satisfied that the benefits of the scheme would promote or improve the economic, social or environmental wellbeing of all or part of the area, or all, or any residents within the County and that this outweighs the loss of income from applying a market rate within the lease (or in any sale process).

When the original proposal from EDCAT was received and reviewed by the council in 2019, it was agreed in principle to recommend to lease an area of land on the east side of NETPark to them for a minimum of 30 years on a peppercorn rent, this being subject to receipt of a sustainable business plan and evidence that EDCAT could raise the funding to construct the proposed facilities.

NETPark (Northeast Technology Park) is owned by the Council and having been established for over twenty years, is the region's only science park. It consists of a range of properties for early stage and growing science and technology businesses. In September 2021, the council committed to the NETPark Phase 3 development, which is currently under construction. NETPark Phase 3 will deliver up to 270,000 sq. ft of new laboratory, office, production and storage space, based on demand from existing NETPark tenants and potential further inward investment to the site. Over the last decade, NETPark has had approximately £100 million of investment with circa 116 acres of development land remaining of which 33 acres of land is now being developed as employment land.

The scale and speed of the current expansion was not foreseen in 2019 when the original proposition was received from EDCAT. This means that the granting of an option to EDCAT, which is a departure from the strategic plan allocation of the land for employment land, will result in the loss of circa 16 acres of land for strategic employment in the future, leaving circa 100 acres of developable land available still for future strategic employment development. Removal of the developable land for future strategic employment needs to be given careful consideration. Since 2019, officers have continued to work with EDCAT to support the development of their business plan.

EDCAT have continued to work diligently on the project and in 2022 were successful in securing planning permission (subject to conditions regarding ecology and offsetting) for the development of the proposed facilities: an Athletics Track, and associated facilities, including floodlighting, changing facilities and car parking.

In March 2024, a meeting with EDCAT identified two requirements that had to be addressed for project to succeed and in order for officers to be able to support the proposed lease of the land to EDCAT.
These were:

(i) EDCAT to provide a dedicated volunteer post or appointment of paid full-time sports development post for the final planning stages and first year of operations; and
(ii) The council to allow a reasonable period of time to enable EDCAT to acquire and secure sufficient funds for the project development in advance of granting a lease.

EDCAT has advised that a granting of an Option Agreement in advance of the lease would enable them to seek and obtain the funding they require for project development and allow them to comply with the obligations of the planning permission with regards to ecology and offsetting.  Should they be successful in doing this, then the council would require the production and subsequent approval of a viable business plan for both construction and running of the facility before the lease obligation would be granted.  Heads of Terms for the Option Agreement and the proposed Lease were set out in an appendix 3 to the report.

EDCAT would be required to commit to a 30-year lease term, on a full repairing and insuring basis, at a peppercorn rent with prior submission of an updated business plan required, thus providing confidence to the council that the proposal will be sustainable as well as developable.

Due to the ongoing uncertainty that EDCAT can actually achieve sufficient capital funding to deliver the development, it is considered that the granting of a two year Option Agreement is reasonable.  This will allow the group to demonstrate to potential funders that they have a legal interest in the site, a standard eligibility requirement for grant funding bodies.

The outline business plan submitted to date indicates that in order to facilitate the development, EDCAT will need to secure approximately £3.2 million of capital funding. These forecasts have not been verified by the council and are now several years old.  Updated cost estimates would need to be set out in the final business plan. To date they have secured £500,000 of funding, of which £345,000 is Section 106 monies.  Normally an option to draw down a lease is only considered for recommendation when some if not all planning approvals are obtained, along with sufficient funding for the development being secured along with the development of a robust Business Plan which sets out future viability of the development throughout the proposed lease term.

EDCAT has planning consent, secured in April 2022, subject to Section 39 approval regarding ecology related matters (ecological mitigation/biodiversity net gain).  The council has been clear that there is no council funding available for either capital or revenue to support the development. In ascertaining whether or not the council can deliver a lease to EDCAT the council’s title, and deeds have been inspected.

Within the council’s registered title, the Church Commissioners for England (CCE) have a qualified title to freehold mines and minerals. Subsequently, any development on the land will require CCE's written consent.
CCE was approached last year and in principle will agree to the construction of the track and are proposing to protect their interests through a deed of grant of easement.

The removal of circa 16.2 acres of employment land does represent a significant loss of potential income to the council should it be developed for industrial use, with employment land in this area capable of achieving a capital receipt of approximately £75,000 - £100,000 per developable acre should it be disposed of. It is anticipated that included in the lease would have a gross income value of circa £1 million should it be retained for employment and leased post development for industrial use. However, due to the amount of land available (circa 100 acres will still be available if the lease is granted), this income is unlikely to be achieved for at least 20 years and is fully dependent on significant further expansion and assumes continuing demand for this site. Note that this income would also be offset by capital financing costs to facilitate the development of the site, including any necessary infrastructure works and unit build costs.

The current development expansion at Phase 3a, covers approximately 33 acres and has the potential to create around 1,250 skilled jobs, plus 2,200 in the supply chain and be worth £625 million to the local economy over the next 10 years. Due to its strategic importance in the region NETPark has also been designated as a growth site through the creation of a new Investment Zone for the region aligned to the £4.2 billion North East devolution deal.

Taking into consideration the longevity of this project and the previous and continued support for the development of the running track facility, which has strong local member support, the wider benefits of the facility and the remaining supply of employment land available at NETPark (circa 100 acres, excluding EDCAT site) it is recommended to approve in principle the granting of a two year Option Agreement to EDCAT on the heads of Terms set out at Appendix 3. Subject to production of a satisfactory Business Plan, a 30 year lease will be provided to allow the development of the running track and associated facilities. Should a viable business plan not be received within the two years then the Option Agreement will fall away and the land would be retained.

## Decision

The Cabinet:

a) approved the granting of a two year Option Agreement to EDCAT;

b) delegated authority to the Corporate Director of Regeneration, Economy and Growth, in consultation with the Corporate Director of Resources to assure EDCAT's business plan;

c) following approval of the business plan, agreed to grant a 30 year lease on a full repairing and insuring basis at a peppercorn rent to EDCAT;

d) delegated authority to the Corporate Director of Resources to agree the detailed terms of the FRI lease, subject to approval of EDCAT's Business Plan and in line with the Council's agreed Less than Best Process;

e) delegated authority to Director of Resources to agree any necessary easements with the Church Commissioners for England for the required site; and

f) agreed that payment for the easement is made from the monies remaining from the NETPark freehold acquisition budget.

The Cabinet resolved to exclude the press and public by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 during discussions on agenda item 9.

## Chapter Homes Review and Business Plan [Key Decision: NCC/2025/001]

### Summary

The Cabinet considered a report of the Corporate Director of Neighbourhoods and Climate Change which provided a review of Chapter Homes Ltd and presented a revised business plan for the company for the period 2024 to 2029.

### Decision

The recommendations contained in the report were approved.

The Cabinet resolved to exclude the press and public by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 during discussions on agenda item 10.

## Aykley Heads Strategic Employment Site / Durham Innovation District – Full Business Case & Appointment of Joint Venture Partner [Key Decision: REG/2025/003]

### Summary

The Cabinet considered a report of the Corporate Director of Resources which set out the Full Business Case for the development of the Aykley Heads Strategic Employment Site.

### Decision

The recommendations contained in the report were approved.

The Cabinet resolved to exclude the press and public by virtue of paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 during discussions on agenda item 11.

## Durham City Regeneration Milburngate Development [Key Decision: REG/2025/002]

### Summary

The Cabinet considered a joint report of the Chief Executive and the Corporate Director of Resources which provided an update on the current situation with the Milburngate development in Durham city.

### Decision

The recommendations contained in the report were approved.

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

## Future of Durham Villages Regeneration Limited

### Summary

The Cabinet considered a report of the Chief Executive on the future of Durham Villages Regeneration Limited.

### Decision

The recommendation contained in the report was approved.

Helen Bradley
Director of Legal & Democratic Services
14 February 2025