



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** on **WEDNESDAY 9 OCTOBER 2013**.

The decisions will come into force and may be implemented from **MONDAY 21 OCTOBER 2013** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

2014/15 Budget and Medium Term Financial Plan 4 2014/15 – 2016/17 [Key Decision: CORP/R/13/02]

Summary

The Cabinet considered a joint report of the Corporate Director, Resources and the Assistant Chief Executive which provided an update on the 2014/15 Budget and the Medium Term Financial Plan focussing on the impact of the 2015/16 Spending Round and the 2014/15 and 2015/16 Local Government Finance Settlement Consultation.

The previous MTFP4 report to Cabinet on 17 July 2013 identified that the financial position facing local authorities continued to be extremely challenging. The Government's annual March Budget and Autumn Statement continued to identify a deteriorating position for the country's finance.

Since 17 July 2013 Cabinet meeting, the content of both the 2015/16 Spending Round and the Local Government Finance Settlement have been fully assessed. It is apparent that, in line with previous Government announcements, local government continues to face the highest level of funding reductions in the public sector and that more deprived areas are facing higher levels of funding reduction than more affluent areas.

The level of savings the Council needs to deliver has increased significantly. In MTFP1 the council forecast that £123m of savings would be required over a four year period. Savings of £222m are now expected to be required for the 2011 – 2017 period, £20m higher than the sum previously reported to Cabinet in July.

The 2015/16 Spending Round presented a £2.1bn (10%) funding reduction for local authorities nationally. The Local Government Finance Settlement

consultation published a month later on 25 July 2013, detailed a £3.1bn (15%) funding reduction which is an increase of £1bn in a matter of weeks.

Based upon the level of savings required over MTFP4, an estimate of the number of employee post reductions will be made as the savings targets are approved up to 31 March 2017.

By 31 March 2014 it is estimated that the number of posts will have reduced in the Council by 1,558 since 2011, of which 363 will have been vacant posts. During this period the MTFP Redundancy and Early Retirement Reserve will have reduced from £26.9m to an estimated £3.1m and will need to be replenished as part of the medium term financial planning process.

The Council will continue to consult widely on the implications of Government funding reductions and the impact on Council services. A major consultation exercise will be undertaken during October and November that will include a wide range of consultation methods in order to engage with as many members of the public, partners and stakeholders as possible in order to help us identify how to make the significant budget reductions that we need to across the MTFP4 period.

The Leader of the Council has written to the Secretary of State for Communities and Local Government expressing the Council's very serious concerns at the proposed grant settlement for 2014/15 and 2015/16. The Council is also in discussion with the Local Government Association, the Special Interest Group of Municipal Authorities (SIGOMA) and the Association of North East Councils (ANEC) to formulate a very strong consolidated response to the government's consultation.

Decision

The Cabinet:

- (i) Noted the impact of the 2015/16 Spending Round and the 2014/15 and 2015/16 Local Government Finance Settlement Consultation upon the Council.
- (ii) Agreed that an additional £15m 2015/16 savings target be worked up by Service Groupings.
- (iii) Noted the estimated £63.1m savings shortfall for the period 2014/15 – 2016/17.
- (iv) Agreed to the lobbying proposals as outlined in the report.
- (v) Noted the update in relation to the MTFP4 consultation process.
- (vi) Noted the update on the development of the Council Plan and Service Plans.

The County Durham Plan: Community Infrastructure Levy Draft Charging Schedule, Sustainability Appraisal and other Evidence Base [Key Decision: R&ED/19/13]

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which sought approval for the Community Infrastructure Levy (CIL) Draft Charging Schedule, the Statement of Consultation, the Sustainability Appraisal and Habitat Regulations Assessment. The Report set out a series of evidence based documents used in developing the policies that underpin the Pre-Submission Draft of the County Durham Plan (CDP). Cabinet approval of these documents provides the necessary weight for them to be used in future planning decisions. The documents concerned are:

- Affordable Housing and CIL Development Viability Study;
- Strategic Housing Land Availability Assessment;
- Low Level Radioactive Waste Study; and
- County Durham Plan Transport Modelling.

The CIL Charging Schedule will be consulted on alongside the County Durham Plan from 14 October until 6 December.

Community Infrastructure Levy (CIL) Draft Charging Schedule

The CIL Regulations came into force on 6 May 2010 and gave local authorities the option of charging a levy on new development. The CIL ensures that most new development makes a proportionate and reasonable financial contribution to delivering the infrastructure identified in the Infrastructure Delivery Plan (IDP). The IDP identifies existing and future infrastructure deficiencies that need to be addressed if the County Durham Plan's vision for growth is to be achieved. It also shows how, when and where the Council and its partners will address these deficiencies. It was agreed by Members in 2012 but is continually being updated as more up to date information is obtained.

The amount of CIL that is charged must be justified by viability evidence, principally using site appraisals for different types of development such as housing or retail. This is set out in the Affordable Housing and CIL Development Viability Study. The Study provides evidence on the financial viability implications of policies included in the County Durham Plan, the introduction of CIL and the impacts on, and realistic targets for, the provision of affordable housing.

The viability evidence indicates that there is enough additional profit to justify a CIL charge. Due to different land values and market conditions across the County, the viability evidence indicates that different levels of CIL can be charged in different areas. The three zones that have been identified are one for the Durham City and Chester-le-Street area, one for the housing market renewal areas and one for the rest of the County. The CIL will be used to fund

items of infrastructure that are important for the delivery of the proposals in the County Durham Plan. The mechanisms for how the money is to be spent will need to be agreed before the Charging Schedule is finally adopted.

Statement of Consultation

The purpose of the Statement of Consultation is to show how the Council has engaged key stakeholders and the local community in the development of the County Durham Plan. It includes:

- Who was consulted;
- When and how consultation and other engagement happened;
- All representations received broken down by site and policy; and
- A response to each one showing where changes have been made and where changes have not been made explains why.

Sustainability Appraisal and Habitats Regulations

The purpose of the Sustainability Appraisal (SA) is to promote sustainable development through the integration of social, economic and environmental considerations into the preparation of plans. SA is a statutory requirement which incorporates Strategic Environmental Assessment (SEA) which is required by English and European Law. SA has been built into all stages of the County Durham Plan process. Following the Preferred Options consultation, policies were redrafted in line with representations received, and where significant amendments were made as a result, or new evidence became available which provided greater certainty to the implementation of policies and associate development, they were subject to further SA and HRA Screening. This not only ensured that the Pre-Submission version of the Local Plan was supported by an up-to-date and accurate evidence base, but also that policies will provide a strong and appropriate framework for future development in the County. In addition, all potential housing allocations were assessed. Where negative effects have been identified within the Pre-Submission version, a combination of mitigation measures and recommendations to either avoid or minimise potential negative effects or increase the positive effects, were made.

The purpose of the Habitat Regulations Assessment (HRA) is to ensure that the Plan (in combination with other plans or projects) does not have an adverse impact on the integrity of European protected Natura 2000 (N2K) sites. The N2K sites within the County considered in relation to the CDP and its potential impact include the North Pennine Moors Special Protection Area (SPA)/Special Area of Conservation (SAC), Durham Coast SAC, Thrislington SAC, Moorhouse and Upper Teesdale SAC, North Pennine Moors SAC. The HRA must also assess any impact upon the Northumbria Coast SPA/RAMSAR and Teesmouth and Cleveland Coast SPA due to their proximity to the County boundary and identified pathways.

Subject to Members' agreement, the CIL Draft Charging Schedule, SA and HRA will be subject to public consultation (together with the County Durham Plan) from 14 October until 6 December 2013.

Decision

The Cabinet:

- Agreed the Infrastructure Delivery Plan and CIL Draft Charging Schedule for consultation from 10 September to 2 November 2012.
- Agreed the Statement of Consultation;
- Agreed the Sustainability Appraisal and Habitat Regulations Assessment;
- Agreed the following evidence based documents:
 - Strategic Housing land Availability Assessment;
 - Affordable Housing and CIL Development Viability Study;
 - Low Level Radioactive Waste Study; and
 - County Durham Plan Transport Modelling.

Newton Aycliffe and Peterlee Regeneration Mastepplans [Key Decision: R&ED/02/13]

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which provided a detailed programme of activity that can be undertaken for the Newton Aycliffe and Peterlee over the next 3-5 years to ensure future sustainability through investment and marketing of the towns' key development opportunities.

The Masterplans articulate the County Council's desire to stimulate regeneration and economic growth and to help to guide investment focussing on enhancing the development opportunities and the potential of the town.

The key drivers for delivery of the masterplans are:

- Establishing a clear set of priority projects together with a realistic delivery plan which reflects both market demand, investor appetite and availability of sources of finance;
- Promoting the diversification of the local economy and employment growth, led by the private sector;
- Providing sustainable and vibrant town centres with a focus on deliverability, creating key opportunities for change by redevelopment, development or refurbishment of land and premises;
- Consolidating the population base and improving the balance and mix of the housing offer which will in turn help to underpin a sustainable local economy, retaining young people whilst providing for an increasing proportion of elderly residents.

Consultation on the preparation of this Masterplan has been undertaken with a range of local stakeholders including the AAP Forums and Town and Parish Councils.

Decision

The Cabinet approved the Masterplans for Newton Aycliffe and Peterlee.

Review of the Council's Statement of Licensing Policy [Key Decision: NS/24/13]

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which sought approval to undertake a public consultation leading to the production of a revised version of the policy statement to be recommended for adoption by Council.

The Licensing Act 2003 requires that licensing authorities prepare and publish a statement of its licensing policy every five years (as from January 2011). The policy must be kept under review and the licensing authority may make such revisions to it, as it considers appropriate. Durham County Council adopted the current Statement of Licensing Policy on 8 December 2010.

The Statement of Licensing Policy fulfils two principal purposes; firstly, it provides advice to businesses and the public on the Council's overall position concerning the Licensing Act 2003. Secondly, it provides a decision-making framework for the Council via its Licensing Committee to exercise its quasi-judicial functions under the Act, as such the policy must balance the legitimate needs of businesses and demand for leisure and cultural activities alongside the need to protect those adversely affected by activities.

The Policy seeks to achieve the Licensing Objectives, namely -

- the prevention of crime and disorder
- public safety
- the prevention of public nuisance; and
- the protection of children from harm

The need to revise the current policy stems from recent changes to licensing legislation. Officers have produced an explanatory paper for consultees setting out the proposed changes which includes reference to Early Morning Restriction Orders and Cumulative Impact Policies.

The introduction of an Early Morning Restriction Order and or a Cumulative Impact Policy would need to be based on appropriateness and would require the evidence to suggest that there are high levels of alcohol related crime and disorder in a particular area. The introduction of a Late Night Levy is more discretionary and would normally follow a request from the Police and Crime Commissioner to consider its introduction.

A Task and Finish group has been set up by the Alcohol Harm Reduction Group to collate the evidence and data which would need to be considered prior to any of these special measures being introduced.

The purpose of this initial review and proposed revisions would bring the current policy up to date and would allow special measures to be introduced at a later date if required

The report proposed that between 14 October 2013 and 6 December 2013 the current Statement of Licensing Policy be subject to broad consultation. In addition to the statutory consultees, many other individuals, agencies and organisations considered to be affected by the policy have been identified and their comments will be invited. In accordance with the Government's Code of Practice on Consultation, 12 weeks will be allocated for the consultation and for the return of responses. The policy revision will be widely advertised in the local and regional press. It will also appear on the Council's website, where e-mail responses are invited.

Decision

Cabinet agreed that the draft-revised Statement of Licensing Policy be consulted upon for a 12-week period and that the Statutory Licensing Committee be asked to consider the results of that consultation and give their comments and recommendations to Full Council for approval.

Results of consultation on proposals to change the non-residential Charging Policy

Summary

The Cabinet considered a report of the Corporate Director, Children and Adults Services providing Cabinet with the results of the consultation exercise on proposals to change the non-residential Charging Policy.

The Council's current MTFP requires it to make savings of approximately £222m from 2011- 2017. Savings targets for 2011/12 and 2012/13 have been achieved but the on-going savings targets for Children and Adults Services are currently: 2013/14 £11.212m, 2014/15 £12.430m and 2015/16 £4.454m. These are likely to increase. A consultation exercise has been undertaken on whether to change the current charging arrangements so that service users with savings over £23,250 are asked to meet the full cost of their non-residential care services, from their savings and investments in excess of £23,250. Once service users have used up their savings to the limit they become eligible for support and return to making an assessed contribution.

The relevant statutory guidance, issued under S7 Local Authority social services Act 1970, is 'Fairer charging policies for home care and other non-residential social services: guidance for Councils with Social Services Responsibilities (September 2003)'. Paragraph 62 suggests that "Users with savings of more than the upper (capital) limit may be asked to pay a full charge

for the service.” All other authorities in the North East currently charge full cost for their services to people with savings over £23,250.

It is estimated that an additional £200k pa additional income would be raised by implementing this change to the charging policy. The savings estimate assumes that the pattern of savings amongst existing service users is a fair reflection of the likely wealth of future users.

If these proposals are implemented, the vast majority of services users will not be affected.

- Around 4,700 people will find that their contribution towards the cost of their services remains the same
- Around 1700 people will still not have to contribute anything at all
- About 190 people will be required to contribute more towards the cost of their services

A consultation was carried out from 3 June 2013 to 15 July 2013. Consultation information and questionnaires were sent to service users who currently pay a charge. It was also recognised that some service users who are currently assessed as nil charge but have savings over £23,250 would be impacted by this proposal and so they were also included in the consultation.

An Equality Impact Assessment (EIA) was undertaken to identify any potential negative consequences from proposed changes to the charging policy and to mitigate against these. The full EIA was included in the report to Cabinet.

Whilst taking account of service users’ comments the Council must also consider its use of resources given the very significant financial cuts it faces.

The following steps will be implemented by way of mitigation:

- Where there is evidence of service users using their savings to alleviate the impact of their disability, an allowance for this will be made in the financial assessment.
- Once service users have used up their savings to the limit they would become eligible for support and return to making an assessed contribution.
- The maximum contribution anyone would be asked to pay, which is currently £336.17 per week will remain the same.
- Where the risk associated with a service user stopping using a service would be unacceptably high the Council has the discretion to waive payment.

There are currently 130 service users whose charges would increase by the decision to charge service users with savings over £23,250 the full cost of service and 62 people who are currently not paying a charge who would be required to pay.

Decision

Cabinet accepted the proposal to change the current policy so that for the future, service users with savings over £23,250 will be charged the full cost of service.

Review of in-house residential care homes

Summary

Cabinet considered a report of the Corporate Director, Children and Adults Services reviewing the future need for in-house residential care homes. The report also sought agreement to consult on a number of options outlined in the report.

Durham County Council last reviewed its in-house residential care services in 2010 and subsequently decided at Cabinet in July 2010 to close 7 homes. Since that date the Council has experienced significant budget reductions and has needed to reconsider all aspects of service provision. This report considered the issues for the current provision of in-house residential care including the future direction of service delivery in the context of the increasing demands of the MTFP. As a consequence of the significant financial reductions to the Council's budget, the scope of this report is broader than originally envisaged and suggests reviewing the original Cabinet decision made on 20 January 2010 to continue to provide long term residential care at Newtown House.

Officers have considered the potential future use of the remaining five in-house residential care homes. They are:

- Cheveley House, Belmont
- Feryemount, Ferryhill
- Grampian House, Peterlee
- Mendip House, Chester le Street
- Newtown House, Stanhope

This work has had to take account of reduced funding to local government since 2010 which has meant that Durham County Council and the service now have to make very significant financial reductions. The Council's current MTFP requires it to make savings of approximately £222m from 2011 - 2017. Savings targets for 2011/12 and 2012/13 have been achieved but the on-going savings targets for Children and Adults Services are currently: 2013/14 £11.2m, 2014/15 £12.4m and 2015/16 £4.5m. This sum is likely to increase.

In August 2013 the local authority was funding short and long-term residential places for 2497 people (Source: Social Services Information Database (SSID)). Included in this total of 2497 were 83 people (50 permanent) resident in Council run homes. This equates to 3.3% of all places in residential care across the County, and 2% for our permanent residents. The cost of in-house residential care is significantly higher than that in the independent sector and the Council

must consider this alongside the impact to people of any changes in their residential environment.

Intermediate care services are part of the Council's strategy to ensure that people live independently for as long as possible and recover independence wherever they can. Following an independent review into the provision of intermediate care services in County Durham, Clinical Commissioning Groups (CCG's) are leading on joint work to commission intermediate care services in the future. This has implications for current in-house intermediate care beds at Grampian House, Cheveley House, Feryemount and Mendip House.

Taking account of research and analysis in relation to future demand for residential, short term and respite care, and, considering the need ensure value for money, Cabinet considered three options for consultation.

Option 1: The Council consult on the retention of each of the homes; Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House undertaking repair and maintenance as required

This option would increase the number of residential care places for older people by a total of 39 beds across all four homes as intermediate care beds will no longer be required. Given the current occupancy rates and the lack of waiting lists for these homes, it is unlikely that this extra capacity would be taken up which would increase the unit costs. This option has the benefit of approximately 50 permanent residents (as at 31 August 2013) being able to remain in situ and means relatively little change for the staff who work in the homes.

Option 2: The Council consult on the closure of each of the homes; Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House and commission alternative residential care provision and day services through the independent sector

This option will require all permanent residents and respite and day care clients to move to alternative independent provision with Cheveley House, Mendip House, Feryemount, Grampian House and Newtown House subject to closure.

Option 3: The Council consult on the potential for transferring each of the homes; Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House to an alternative service provider.

Should Members agree to seek expressions of interest from other organisations with a view to managing and running each of the care homes as a going concern, then it will be necessary for the Council to draw up a mini-prospectus which will outline the terms and conditions applicable to these buildings and the process which will have to be completed.

Interested parties will have to be able to present to the Council a business case for evaluation no later than the closing date of the proposed consultation.

Business cases will be analysed by a panel of senior officers and the outcome will be included in a final report to Members in 2014.

Should Cabinet agree to consult and if the decision following public consultation is Option 3 then there would be a period of uncertainty for residents and families whilst any transfer arrangements were explored.

The Equality Impact Assessment carried out as part of this report highlights that, if implemented, each of the options are likely to have an impact on residents, other service users, their carers and families. As expected, it will impact most on older people, with gender being a close second as most people in these homes are female. The potential impact on other protected characteristics will be explored further during the consultation process in line with the public sector equality duty and the Equality Act 2010.

Any consultation will take into account the requirements of individuals and their views, by providing a variety of methods for residents, carers, families and advocates to participate, and will respect human rights in line with legal requirements and current case law. In particular, article 2, requires that care is taken over the impact of the consultation process, and article 14 requires that the consultation is carried out without discrimination. Two of the three options for consultation may impact on the rights under article 8. In all cases, the Council will ensure that best practice is followed to minimise the risks to residents.

Decision

Cabinet agreed the following recommendations:

- (a) A 3 month public consultation starting on Thursday 17 October 2013 for 13 weeks until Sunday 19 January 2014 on all three of the options for each of the 5 homes. This consultation will take into account the requirements of individuals and their views, and will respect human rights in line with legal requirements and current case law.
- (b) The production of a final report including a full equality impact assessment following consultation and a future report to Cabinet making recommendations in Spring 2014.

Beamish Museum – Change of Governance Arrangements

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which sought approval to disband the Joint Committee for the North of England Open Air Museum and agree that the Council's involvement in the management of the museum should in future be through the Regional

Stakeholders Group and the right to nominate directors to the Board of Beamish Museum.

Beamish Museum is currently run by a Joint Committee comprising members from Durham, Gateshead, North Tyneside, South Tyneside and Sunderland Councils. The operations of the museum are managed through a limited company Beamish Museum and its trading company. A Governance Review has recently been undertaken to consider how best to develop Beamish's partnership with all North East local authorities taking into account the needs of the museum's future plan for 2013-2025 and clear demand for new ways of working with local authority and other key stakeholders to provide support and produce tangible mutual benefits. A Regional Advisory Panel was formed during 2012/13 with two meetings held to shape the recommendations of the review, engaging ANEC and lead officers/members from all twelve North East authorities as well as representatives from key partners at the Arts Council England and Heritage Lottery Fund.

The Regional Advisory Panel considered the current governance arrangements at Beamish and recommended a number of changes to the roles and responsibilities of the Joint Committee, Beamish Museum (the operating charitable company) and Beamish Development Trust (fundraising organisation engaging business leaders) and the Friends of Beamish.

The new governance model recommended by the Regional Advisory Panel and subsequently approved by the Joint Committee of Beamish includes recommended changes which are summarised as follows:

- Developing further the invaluable fund raising work carried out by the Beamish Development Trust by integrating this group of business leaders within the Friends of Beamish, forming a new working group called the Business Friends of Beamish;
- Reviewing the role of Beamish Museum with the charity taking on a fifty year lease for the museum and its collections from Durham County Council and entering into legal agreements to take on responsibility for procuring and managing capital developments;
- Reviewing the membership of Beamish Museum with a new board comprising fifteen trustees with eight being local authority nominated trustees from core local authority partners (including the chair); one being a nominated trustee from the Friends of Beamish; and a further six being co-opted trustees. It is recommended that local authority representation be secured by minimum revenue contribution of £5,000 with constituent authorities dividing up the eight nominations (including chair) according to the proportion of their respective contributions.

- Maintain the existing Teesside Pension Agreement with existing local authority partners continuing to confirm the community benefit to Beamish Museum and its membership of the Local Government Pension Scheme, and collectively providing a guarantee for the historic LGPS Pension deficit that Beamish Museum currently has;
- Dissolving the Joint Committee of Beamish responding to demand for greater partnership working with local authorities through forming a new regional stakeholder group, working with ANEC and engaging members and officers from all twelve North East local authorities in a light touch and appropriate way.

The Regional Stakeholder Group has been shaped by consultation with local authority and other key partners including the Heritage Lottery Fund and Arts Council England. It has three objectives:

- Provide a light touch but effective way for partners to influence Beamish Museum's policy and strategy, scrutinising decisions and reviewing future budgets/plans through an annual review meeting held every autumn, ensuring that the educational cultural community and economic benefits of the museum are genuinely felt across the region;
- Develop a regional forum for developing and resourcing effective partnership working, focussing on delivering projects that generate mutual benefits in a way that links to regional work led by ANEC and does not cut across other organisations working in the region;
- Focussing on delivery and meeting the needs of partners, providing support to partners where appropriate and only when Beamish can genuinely add value, considering the range of agendas including museum education, marketing, skills/apprenticeships, cultural tourism, community engagement/volunteering and developing resilient business models.

It is proposed that the Regional Stakeholder Group will be comprised of member and officer representation from all twelve local authorities with up to three representatives invited from each local authority. It is anticipated that Beamish will seek funding from the Arts Council major partner museum programme to help provide resource for joint projects to be delivered through the group. Further funding for delivery will be sought from the public and private sectors.

Decision

Cabinet agreed the following recommendations:

- That the Joint Committee for the North of England Open Air Museum be disbanded and be replaced by a Regional Stakeholder group;
- That the proposed amendments to the Constitution of the Board of Directors of Beamish Museum be approved;

- That a new fifty year lease of the site of the museum be granted to the charitable company Beamish Museum on terms to be negotiated by the Corporate Director for Regeneration and Economic Development;
- That the collections held at the museum be leased to the charitable company Beamish Museum on terms to be approved by the Council's Head of Legal and Democratic Services.

Colette Longbottom
Head of Legal and Democratic Services
11 October 2013