



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 11 May 2016**.

The decisions will come into force and may be implemented from **Monday 23 May 2016** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

North East Combined Authority: Decision on proposed Devolution Agreement Key Decision: CORP/R/16/01

Summary

The Cabinet considered a report of the Chief Executive which summarised the proposed devolution agreement, outlined the developments since the report to Cabinet in March and considered the pros and cons of the agreement, in the light of what we now know about the consequences of opting-in or opting-out of the North East Combined Authority (NECA) and make recommendations on next steps.

As reported to County Council on 24 February 2016 and Cabinet on 23 March 2016, a proposed devolution agreement between government and the North East Combined Authority was signed by the Chancellor of the Exchequer and the constituent authorities of NECA on 23 October 2015. It was agreed that progression to a final agreement would be subject to a number of conditions:

- (a) The outcome of the spending review on 25 November 2015.
- (b) Legislative processes.
- (c) Further public consultation (in Durham's case including the results of a poll of electors).
- (d) Formal consideration by councils, the NECA Leadership Board and government ministers.

In addition, in Durham, it was accepted that consideration would need to be given to a number of Durham-specific issues that relate in the main to the administration of public services, such as health, policing and fire and rescue services, which work to a different geography to that of the NECA.

Consideration by constituent authorities, NECA Leadership Board and government

Since the last report to Members, Newcastle, North Tyneside and Northumberland councils decided in March to sign-up to the proposed agreement, albeit that North Tyneside and Northumberland's decisions were contingent on further clarification

around a number of funding, transport and housing issues. Gateshead Council decided to opt-out. South Tyneside and Sunderland councils, like Durham were still to decide.

The NECA Leadership Board is due to come to a view at its meeting on 17 May 2016, by which time its constituent local authorities need to have come to a view.

In addition, there has been further dialogue with government to clarify various issues relating to the proposed agreement and the implications of the decision by Gateshead not to sign-up.

Durham-specific issues

There were three issues specific to Durham which needed to be clarified or resolved to enable the council in Durham to come to a view on the proposed agreement.

In relation to **transport**, Durham (along with Northumberland) was never part of the Tyne and Wear Integrated Transport Authority (ITA) and has rural transport issues that are unique to rural counties and quite different to the more urban authorities in NECA.

Government has since confirmed that special arrangements for Durham (and Northumberland) would be built into the mayoral combined authority, as per the current NECA arrangements. Separate precepts would remain and Durham would be separate from ITA liabilities.

In relation to **health**, the geography for health services for County Durham residents involves significant provision and patient flows in Tees Valley as opposed to the NECA area. The council is also part of an NHS unit of planning which comprises, Durham, Darlington and Tees.

It has since been confirmed that the decision to devolve health and social care services to the combined authority would require the agreement of each constituent council, including Durham.

In relation to **police and fire**, while the policing arrangements for six of the seven NECA authorities are shared (via Northumbria Police and the Northumbria Police and Crime Commissioner) and those for fire and rescue are coterminous with the NECA area (via the Northumberland and Tyne and Wear fire and rescue services/authorities), Durham is different. Its police service and police and crime commissioner, and its fire and rescue service and associated authority 'look south' as opposed to north, covering County Durham and Darlington.

As with health, it has since been confirmed that any decision to devolve police and or fire services to the combined authority would require the agreement of each constituent council, including Durham.

Consideration

In the light of the NECA Leadership Board meeting taking place on 17 May 2016, the council needed to come to a view on whether it should proceed to the next stage of devolution.

This is not a straight-forward decision and requires very fine and balanced judgements around a wide range of factors and issues concerning the future prospects for the county and region.

What has become apparent over recent months, as further clarification has been obtained around the devolution proposal, is that the decision is not a simple one of a future within the mayoral combined authority, compared with the current situation or status quo.

The advent of the devolution proposals, negotiations with authorities in the North East and in other parts of the country, and the stance the government will take towards areas where it is able to agree deals, all together mean that the public governance landscape is changing quite fundamentally.

The decision Members need to make therefore, is whether to decide to accept the proposed agreement and remain within a reformed combined authority chaired by an elected mayor; or to reject the deal and become a non-consenting authority within a post-devolution North East, with reformed combined authority and local enterprise partnership arrangements. Either way, the council's relationship with government, its local authority partners and wider regional stakeholders will change and both options will have financial, reputational and strategic planning consequences for the county, the council and the wider region.

To help Members to come to a view, a comparison of each option was outlined below.

Accepting the deal and remaining within a reformed combined authority with an elected mayor

This option involves agreeing to the devolution deal as proposed and remaining within the North East Combined Authority which would have additional powers and functions, access to funds and would be chaired by a directly-elected mayor. This option offers:

- a) the creation of a single investment fund worth up to £1.5 billion controlled in the North East rather than from Whitehall and funded by the government from a new revenue stream of £30 million a year over the next 30 years, which would be able to help realise opportunities in Durham;
- b) the prospect of beneficial access to the Local Growth Fund for Durham applications with assured longer term funding as opposed to having to bid on a case-by-case basis;
- c) a stronger voice for Durham via NECA on strategic national and sub-national agendas;
- d) continuing influence on the LEP, if it were to become the business board for NECA. The council would be represented on both bodies;
- e) broad community and business support, as evidenced by the consultations and soundings undertaken by the council;
- f) a seat around the table with government, on discussions concerning fair funding, 100% business rates retention, devolution and public service reform, with the prospect of negotiating further devolution;
- g) the prospect of progress, if this is the only approach the government is prepared to entertain.

Whilst this option involves accepting a directly-elected regional mayor, it should be noted that there would be checks and balances over the elected mayor's powers, via the proposed 'embedded' mayoral model, which is a better option than that negotiated on other combined authority areas.

This option will require the ongoing investment of senior member and officer time to manage the relationships between constituent authorities and between NECA and government. It would also involve negotiating, through the NECA governance on Durham's behalf, with the potential to be out-voted on some issues. Safeguards have been put in place to prevent the authority being out-voted on issues such as the transport levy, and the extension of devolution to areas such as health and social care and the police services.

As noted above, this option would carry risks for the council's highways budgets.

Not accepting the deal and leaving the combined authority as a non-consenting authority

This option involves not accepting the devolution agreement as proposed and leaving NECA to become a non-consenting authority. The council would still be involved in the LEP and would be able to negotiate and liaise with the combined authority on regional issues. However, it would not benefit from the additional investment funding offered to the combined authority, which would be the government's preferred governance model.

This option would free up senior member and officer time on regional relationship management, would remove the identified risk to our highways budget and would not require Durham residents to take part in electing a regional mayor. However, it would reduce the single pot resources available to the North East which would mean that such investment could not be spent in the county. It is also expected that opportunities under LGF would be lessened in this option. The authority would not be at the discussion table with government on future devolution developments.

Consultation findings, including the poll of all electors do not support this option.

It is understood at this time that the government would not be receptive to alternative devolution geographies.

Decision

The Cabinet

- a) Agreed to move to the next stage of the process by agreeing to the making of an order creating a mayoral authority.

- b) Agreed to delegate to the Chief Executive, in consultation with the Leader of the Council, to consent to the order creating the combined authority and all other relevant matters to enable the formal establishment of the mayoral authority to proceed up to the approval of the required governance review and scheme detailing the devolution of functions, responsibilities and powers sought by the new mayoral combined authority. Noted that the following conditions will need to be fulfilled before Cabinet could agree to devolution of powers and the laying of a second, more detailed order:
- i. That the second, more detailed order will enable embedded mayoral governance such that there will not be a mayoral veto.
 - ii. That governance arrangements are established which ensure that constituent authorities are not disadvantaged by provisions for majority voting.
 - iii. That County Durham is not disadvantaged by the government's proposals on transport and highways funding, thus mitigating the risk identified in the report.
 - iv. That continued commitment to devolution is based on a commitment to fair funding being achieved through ongoing dialogue with Government.

Children, Young People and Families Plan 2016-2019

Summary

The Cabinet considered a report of the Corporate Director, Children and Adults Services which presented Cabinet with the refreshed Children, Young People and Families Plan (CYPFP) 2016-2019.

The refresh of the CYPFP has been informed by the Joint Strategic Needs Assessment (JSNA), the Community Safety Strategic Assessment and a number of policy drivers. Engagement has taken place with children and young people, voluntary and community sector organisations, NHS partners, local authority colleagues, Education partners, the Local Safeguarding Children Board, Durham Constabulary, Overview and Scrutiny Committee and Area Action Partnerships.

Durham was successful in two bids to the Department for Education; the first was for a therapeutic support programme at Aycliffe Secure Centre for children who have been sexually exploited, the second was to deliver a large scale new approach to social work and to work with families. The new approach will be known as 'Families First', with ten new teams being created within One Point hubs across the County.

The vision for the CYPFP has been re-affirmed as: 'All children, young people and families believe, achieve and succeed'. The CYPFP includes a number of Strategic Actions that identify the key areas of work which the Children and Families Partnership will focus on, linked to objectives and outcomes. A number of new actions have been agreed and these were detailed in Appendix 3 of the report.

Decision

- The Cabinet received and endorsed the Children, Young People and Families Plan 2016-19

Annual Report of the Director of Public Health County Durham

Summary

The Cabinet considered the annual report of the Director of Public Health for County Durham. Under the Health & Social Care Act 2012, one of the statutory requirements of each Director of Public Health is to produce an annual report about the health of the local population. The 2015 Director of Public Health annual report focuses on tackling obesity and the action that needs to be taken by a range of organisations to reduce the impact on the health and wellbeing of communities. The report aims to develop an understanding of the issues and to help create the collective action that is required to tackle obesity. The annual report recommendations were included in Appendix 2 of the report.

Decision

The Cabinet:

- Received the 2015 annual report of the Director of Public Health, County Durham.
- Noted that the report is used to inform commissioning plans, service developments and assessment of need to support a range of funding bids, particularly by third sector organisations.

Flood Prevention Update and Flood Risk Management Strategy

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which provided an update on flood prevention works and sought approval from Cabinet to enter into a public consultation on the Local Flood Risk Management Strategy (LFRMS).

It is predicted that, as a result of climate change, the frequency and severity of flooding events will continue to increase over time. Durham County Council is the Lead Local Flood Authority (LLFA) for County Durham under the Flood and Water Management Act 2010 (FWMA 2010).

The key responsibilities of an LLFA are to:

- Prepare and maintain a strategy for local flood risk management in their areas, coordinating views and activity with other local bodies and communities through public consultation and scrutiny, and delivery planning;
- Maintain a register of assets – these are physical features that have a significant effect on flooding in their area;

- Investigate significant local flooding incidents and publish the results of such investigations;
- Issue consents for altering, removing or replacing certain structures or features on ordinary watercourses; and
- Play a lead role in emergency planning and recovery after a flood event.

As the LLFA, the Council works closely with partners to deliver flood prevention schemes in County Durham and the Council hosts and Chairs the Durham Strategic Flood Prevention Group.

The floods in recent years have resulted in significant extra costs in terms of the operational response and repairs to damaged infrastructure. The Government operates the Bellwin scheme to provide emergency financial assistance to Councils above a threshold based on the size of the Council. Due to a combination of the high threshold and the eligibility criteria which are very narrow, the Council has not qualified for any funding from the Bellwin scheme to date. The Council has recently secured £1.1 million of funding from the Department for Transport to fund repairs to the highway following flood damage in December 2015 and January 2016. The Council has provided additional funding from reserves to help fund these costs.

A key requirement of the Lead Local Flood Authority is to develop and publish a Local Flood Risk Management Strategy (LFRMS) and the proposed LFRMS for County Durham was attached to the report at Appendix 7. The Flood and Water Management Act 2010 requires there to be a public consultation on the LFRMS. The report proposed that a public consultation be undertaken with partners, Area Action Partnerships, Town and Parish Councils and residents, for a period of three months.

Decision

The Cabinet:

- Noted the considerable work being undertaken by the Council and partners in relation to flood prevention and improved community resilience.
- Approved public consultation on the Local Flood Risk Management Strategy, and delegated the Interim Corporate Director, Neighbourhoods in consultation with the Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships to finalise and publish the report after giving consideration to all feedback received.

Schools 20 mph Speed Limit Project Update and Scrutiny Review

Summary

The Cabinet considered a joint report of the Assistant Chief Executive and the Corporate Director, Neighbourhood Services which provided Cabinet with an update on the Schools 20 mph Part-time Speed Limits Project and the work of the 20 mph Overview and Scrutiny Working Group. At its meeting on 17 December 2014, Cabinet agreed the following recommendations within the report 'Review of Current Policy on 20 mph Zones and Limits':

- a. The adoption of Option 3 to introduce part-time 20 mph limits on main and distributor roads around 33 schools with the highest accident rates, subject to local consultation and scheme design with associated education and awareness raising work, plus a revised policy statement on 20 mph zones and limits, to encompass future evidence-led consideration of limits as well as zones on a demand-led basis;
- b. That consultation and engagement plans are developed in relation to 20 mph speed limit proposals considering local circumstances, views and solutions whilst also including dialogue with Local Members, AAPs, schools and their governing bodies and community residents associations representing the areas covered;
- c. That the final revised policy statement be delegated for agreement by the Corporate Director of Neighbourhood Services, Director of Public Health and Corporate Director of Regeneration and Economic Development, in consultation with relevant Cabinet Members; and
- d. That the work will be taken forward on a prioritised basis and for an annual review to be held.

A Project Team led by Technical Services was established to implement these recommendations. Capital funding for the Schools 20mph Part Time Speed Limits Project to the value of £952.850 was secured from a Public Health Grant and complemented by a revenue budget to help deliver road safety education and social marketing.

Throughout its implementation, the Project Team has actively engaged with the Overview and Scrutiny Working Group to provide progress reports on delivery of Phase 1 schemes, consultation, engagement and education programmes and invited comment on the updated 20 mph policy and revised prioritisation methodology.

A report on the Working Group's activity to date in relation to providing oversight of these recommendations and commenting on the development of the updated 20 mph policy was included in the report at Appendix 3. The working group's report focussed on its involvement with regard to value for money, project management, consultation, engagement and education and policy development. The Working Group considered and helped to inform the updated policy regarding 20mph zones as well as prioritisation criteria for schemes eligible under the policy. The report proposed that further updates be provided to Cabinet and the Safer and Stronger Overview and Scrutiny Committee until the Schools 20 mph Part-Time Speed Limits Project is successfully concluded.

Decision

The Cabinet:

- a. Noted the progress in implementing the scheme and the updated 20mph policy.
- b. Agreed that the budget saving be used to expand the scope of the project to an estimated further 33 schools with sites determined in accordance with prioritisation criteria set out in the report.
- c. Noted the contribution and outcomes of the 20 mph Limits Overview and Scrutiny Working Group which will continue its work by receiving progress reports on:

- (i) Outcomes of the evaluation of phase 1 schemes by Durham University;
- (ii) Implementation of the 20 schemes within Phase 2;
- (iii) Engagement of local Members within development of Phase 3 and 4 Schemes within their wards; and
- (iv) Findings from surveys for identification of additional schools within available funding.

Regeneration of Spennymoor Town Centre

Summary

The Cabinet considered a report of the Corporate Director, Neighbourhood Services which informed Members on progress in regenerating Spennymoor in line with the agreed masterplan and sought approval for the purchase of property to facilitate further regeneration within the town centre.

In September 2013 Cabinet considered the proposed approach to the regeneration of Spennymoor identified in the Spennymoor Regeneration Masterplan. Since the development and agreement of the masterplan, there has been significant investment across Spennymoor, in line with the established priorities, supporting the aims of job creation, infrastructure development and the creation of a vibrant and sustainable town.

Significant investments have previously been made in improving the physical fabric of the town centre. Planned improvements to school accommodation across the town have been delivered in line with established plans and housing growth. The Leisure Centre is a major attraction within the town centre, playing host to a regional Gymnastic Centre, which opened in 2006 at a cost of £2 million.

The future of Festival Walk, a long standing regeneration project within the core of the town centre has remained unresolved. Since 2009 Festival Walk has been run by administrators Price Waterhouse Coopers (PWC) and their appointed asset manager Cordatus. The County Council has prioritised Festival Walk as a key regeneration project and has been keen to resolve its negative impact on the town, exploring with Cordatus various options for reinvigorating the retail offer over recent years.

In May 2012 the Council commissioned DTZ to undertake a study to consider ways to resolve for the future of Festival Walk through identified options, appraisals and costings. The report concluded that taking into consideration the Council's regeneration objectives, there were two main options for the site, reconfiguration/refurbishment and part redevelopment or comprehensive redevelopment. Through discussions with the managing agents and in line with stated priorities, the Council began to consider how it could help to facilitate the comprehensive redevelopment of the site.

Options to facilitate the comprehensive redevelopment of the site have been explored including the creation of additional public car parking. It is recognised that Spennymoor would benefit from the provision of additional high quality, centrally located shoppers' car parking.

The report proposed that the Council acquires and demolishes the existing Kwik Save block, alongside the emerging regeneration proposal, from the private sector, in order to provide an opportunity to increase well designed, accessible car parking provision within the town. As part of the preparations for potential redevelopment and in line with their ongoing responsibilities, the managing agents are seeking to relocate the one existing retail operator from the Kwik Save block. Units are available elsewhere in Festival Walk and a relocation would safeguard jobs, reduce cost, save time and manage risk in acquiring and redeveloping the former Kwik Save block.

Cost estimates for all aspects of work have been developed and indicate that the acquisition of the Kwik Save block and its demolition and redevelopment as a car park can be completed within the £600,000 budget identified within the 2016/17 Town Centres Capital Programme. Subject to approval to acquire and redevelop the Kwik Save block, other elements of the redevelopment have been progressing between the managing agents, developers, and operators.

It is anticipated that pre planning consultation for the various elements of the redevelopment scheme would commence by the end of June with a planning submission anticipated by the summer.

Decision

The Cabinet:

- a) Noted progress on the regeneration of Spennymoor in line with the established masterplan.
- b) Agreed to the principle for the purchase of the former Kwik Save block subject to satisfactory terms and the subsequent redevelopment of the site for public car parking.
- c) Provided delegated authority to the Corporate Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Economic Regeneration to negotiate terms for the acquisition and redevelopment.

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13 May 2016