



## **Local Government Act 1972**

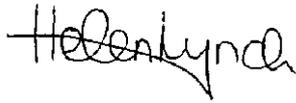
**I Hereby Give You Notice** that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber, County Hall, Durham** on **Wednesday 20 September 2017** at **10.00 a.m.** to transact the following business:-

1. To confirm the minutes of the meeting held on 19 July 2017 (Pages 3 - 12)
2. To receive any declarations of interest from Members
3. Chairman's Announcements
4. Leader's Report
5. Questions from Area Action Partnerships
6. Questions from the Public
7. Petitions
8. Report from the Cabinet (Pages 13 - 26)
9. Treasury Management Outturn 2016/17 - Report of Corporate Director of Resources (Pages 27 - 38)
10. Community Governance Review of the Central Unparished Areas of Durham - Report of Head of Legal and Democratic Services (Pages 39 - 80)
11. Annual Report of the Standards Committee 2016/2017 - Report of Monitoring Officer (Pages 81 - 86)
12. Appointment of Chairman of Adults, Wellbeing and Health Scrutiny Committee

13. Teaching Assistants - Review of Terms and Conditions - Joint Report of Corporate Director of Resources and Corporate Director of Children and Young People's Services (**copy to follow**)
14. Motions on Notice
15. Questions from Members

**And** pursuant to the provisions of the above-named act, **I Hereby Summon You** to attend the said meeting

Dated this 12th day of September 2017

A handwritten signature in black ink that reads "Helen Lynch". The signature is written in a cursive style with a large initial 'H' and a long, sweeping underline.

Helen Lynch  
Head of Legal and Democratic Services

**To: All Members of the County Council**

**DURHAM COUNTY COUNCIL**

At an Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 19 July 2017 at 10.00 am**

**Present:**

**Councillor B Kellett in the Chair**

Councillors E Adam, J Allen, J Atkinson, P Atkinson, B Avery, A Bainbridge, B Bainbridge, A Batey, D Bell, E Bell, J Bell, R Bell, H Bennett, J Blakey, G Bleasdale, L Boyd, P Brookes, D Brown, L Brown, C Carr, J Carr, J Chaplow, J Charlton, J Clare, J Clark, M Clarke, I Cochrane, J Considine, K Corrigan, P Crathorne, R Crute, G Darkes, M Davinson, S Dunn, D Freeman, A Gardner, N Grayson, O Gunn, C Hampson, K Hawley, T Henderson, S Henig, A Hopgood, K Hopper, L Hovvels, S Hugill, E Huntington, S Iveson, I Jewell, O Johnson, P Jopling, C Kay, L Kennedy, J Lethbridge (Vice-Chairman), K Liddell, H Liddle, L Maddison, J Maitland, J Makepeace, R Manchester, L Marshall, C Martin, E Mavin, L Mavin, S McDonnell, M McGaun, M McKeon, I McLean, O Milburn, A Napier, H Nicholson, J Nicholson, P Oliver, R Ormerod, A Patterson, C Potts, L Pounder, S Quinn, A Reed, G Richardson, J Robinson, J Rowlandson, A Savory, E Scott, P Sexton, K Shaw, J Shuttleworth, M Simmons, A Simpson, H Smith, T Smith, W Stelling, J Stephenson, B Stephens, D Stoker, A Surtees, P Taylor, O Temple, K Thompson, F Tinsley, T Tucker, J Turnbull, A Watson, M Wilkes, A Willis, M Wilson, S Wilson and D Wood

Apologies for absence were received from Councillors A Bell, J Brown, S Durham, D Hicks, P Howell, A Laing, C Marshall, S Morrison, A Shield, L Taylor, C Wilson, R Yorke and S Zair

Prior to the commencement of the meeting the Chairman of the County Council with great sadness reported the death of Councillor Morris Nicholls.

Councillor Nicholls was the County Council's longest serving councillor, having been elected in May 1981. He had also been a Wheatley Hill Parish Councillor since 1983 and had served on the District of Easington Council from 2001 to 2009.

Councillor Nicholls was Chairman of the County Council from 1997 to 1999 and held the Cabinet Portfolio for Adults Services from May 2007 to May 2015 before taking an active role in the Health and Wellbeing Board and Children and Young People's Scrutiny.

Councillor Nicholls contribution to the Council would be a huge miss and the communities he represented had lost a hardworking, dedicated and much loved Councillor.

All Group Leaders or their representatives, and Councillor Hovvels, paid tribute to Councillor Nicholls long and valued service and expressed condolences to his family.

The Chairman informed Council that he had attended the funeral of Bradley Lowery who was laid to rest following his battle with a form of rare childhood cancer. Bradley was a truly inspirational, courageous young person who had touched the hearts of thousands if not millions of people from all corners of the world and was guest at County Hall last year when he switched on the Christmas lights.

The Chairman thanked all those across the Council who supported a dress down day in support of the Bradley Lowery Foundation. The total amount raised by this should be announced by the end of the week.

The Council stood for a moments silence as a mark of respect to Councillor Nicholls and Bradley Lowery.

## **1 Minutes**

The minutes of the meeting held on 21 June 2017 were confirmed by the Council as a correct record and signed by the Chairman.

## **2 Declarations of Interest**

There were no declarations of interest in relation to any item of business on the agenda.

## **3 Chairman's Announcements**

The Chairman informed the Council that a general security briefing by officers from Durham Constabulary would be made immediately following the meeting and asked Members to remain seated in the Chamber for the briefing.

The Chairman extended a warm welcome and offered congratulations to Councillor Leanne Kennedy, the newly elected Councillor for the Dawdon Electoral Division and hoped she would find her time on the Council both interesting and rewarding.

The Chairman informed the Council that Peter Appleton, Head of Planning and Service Strategy in Adults and Health Services, would soon be retiring from the Council after 43 years of service. The Chairman paid tribute to Peter's long and valued service and wished him a long and happy retirement.

Finally, the Chairman informed the Council that he had attended a special event which brought together some 200 young people from Gateshead and County Durham primary schools to learn about diversity in their own community and working together in partnership. A short film of the day's event had been produced and was screened in the Chamber.

## 4 Leader's Report

The Leader informed Council that he had attended a number of events across County Durham including Brass, Kynren and the Miners Gala, chaired a meeting of the Cabinet held at Crook and a meeting of the County Durham Partnership Forum in Newton Aycliffe, celebrated the award of twelve green flags to County Durham and marked the latest stage in the expansion of NetPark at Sedgefield, as well as attending an event looking forward to Lumiere this autumn. He had also attended the recent LGA annual conference in Birmingham.

The Leader informed the Council that as he had travelled around the county in the past month it was pleasing to see the amount of economic development which continued to take place, including developments on Durham City riverbanks, Salvus House at Aykley Heads and continuing developments at NetPark, Aycliffe and Seaham, all of which brought jobs to County Durham. Much of this activity had been supported by Business Durham, the Council's economic development arm, and the Leader noted the key contribution made by Simon Goon as Managing Director who would leave Business Durham at the end of the month.

The Leader reminded the Council that the County Durham Plan had been paused at the turn of the year to take account of proposed changes in the Housing White Paper. The key issue was a change to the method for calculating housing figures which could have had significant implications for the amount of land required in County Durham. The changes had been delayed due to the General Election but the Secretary of State had announced that consultation on the methodology would commence before the summer recess. The Council was keen to progress the Plan and this consultation should bring this a step closer. If the consultation did not materialise then the Council would need to review progress in the autumn as it was vital to find a way forward with the Plan as soon as possible.

A meeting had taken place with Unison and further meetings had been arranged with the recognised trade unions to discuss the current position regarding teaching assistants and the next steps. The Council would consider the next steps when these meetings had taken place.

The Leader was pleased to report that the Council had been successful in securing Arts Council funding from their national portfolio funding programme for the next four years for County Durham. This included substantial funding to underpin Brass, the Durham Book Festival, and Lumiere. There was also substantial funding for both Beamish and Bowes museums as well as two other arts groups, News Writing North and Tin Arts. This good news justified the investment the Council was making in securing match funding from a national source and would ensure the Council could keep producing a high class programme of festivals and events which brought people into County Durham.

The Leader wished all Members a good summer recess.

## **5 Questions from Area Action Partnerships**

Questions had been received from Durham Area Action Partnership and Stanley Area Action Partnership relating to the following:

- the timetable for a review of the SCOOT system which would enable the Council to demonstrate “before and after” to evidence the changes the SCOOT had made
- steps being taken to address the issue of eastward bound drivers cutting across traffic on the Milburngate Bridge to drive down to the Sands rather than taking the longer, safer route.
- progress in achieving the ambitions of the Stanley masterplan, including an update on progress with development sites in Stanley

Colin Hillary of Durham AAP Board and Daniel O’Brien, Stanley AAP Coordinator were in attendance to ask their questions.

Councillor C Marshall, Portfolio Holder for Economic Regeneration, was unable to be present at the meeting but provided a video response to the first question from Durham AAP. Councillor B Stephens, Portfolio Holder for Neighbourhoods and Local Partnerships thanked the Durham AAP for their second question and provided a response.

Councillor C Marshall thanked the Stanley AAP for their question and provided a response by video.

## **6 Questions from the Public**

Two questions had been received from Members of the Public regarding the following:

- Whether the Council agreed with, and fully accepted the guidance from the Department for Education (DfE) that the purpose of promoting British values in schools was to ensure young people left school prepared for life in modern Britain.
- the latest position regarding the "Festival Walk" Shopping Mall, in Spennymoor town centre

In the absence of the questioners, the Interim Head of Legal and Democratic Services informed the Council that a copy of the questions, together with the responses would be placed on the Council’s website and a copy of the response would also be sent direct to the questioners.

## **7 Petitions**

There were no petitions from the public.

## 8 Report from the Cabinet

The Leader of the Council provided the Council with an update of business discussed by Cabinet at its meeting held on 20 June 2017 (for copy see file of Minutes).

Councillor Maddison referred to page 15 in the agenda pack and the programme of works for Festival Walk being behind target from March 2017 to September 2017. There had been little or no information regarding highways improvements relating to the Aldi plans for Festival Walk and shopkeepers were operating in an environment of uncertainty. Residents had been informed in April 2017 that the Masterplan was ready to be implemented. Councillor Maddison requested an urgent meeting to bring the issue to a conclusion.

The Leader replied that the Cabinet report referred to was a Performance Management Report. An update to the Spennymoor Masterplan had been agreed by Cabinet in January 2017 with the intent that it was then taken to AAPs for public input. Masterplans were living documents and were refreshed to ensure they were up to date and relevant and input from the public and councillors was always welcomed.

The Leader reminded Members that it would be helpful if questions on the Cabinet report be submitted in advance of the Council meeting so that a more detailed and full response could be provided.

## 9 County Durham Youth Offending Service Youth Justice Plan 2017/19

The Council considered a report of the Corporate Director of Children and Young People's Services which presented the County Durham Youth Justice Plan 2017/18 for approval (for copy see file of Minutes).

The Plan had been approved by the County Durham Youth Offending Service Management Board on 1 June 2017 in line with Youth Justice Board and Ministry of Justice requirements, by Cabinet on 12 July 2017 and would be submitted to the Youth Justice Board following Council approval.

In **Moving** the report, Councillor O Gunn, Portfolio Holder for Children and Young People's Services informed Council that the report set out achievements over the past year and set priorities for the future. The Youth Justice Plan had made a difference to communities and young people and fewer offenders and offences meant fewer victims.

In **Seconding** approval of the report Councillor L Hovvels, Portfolio Holder for Adult and Health Services advised that the Plan showed the impact of the positive work carried out by the County Durham Youth Offending Service.

### **Resolved:**

That the Youth Justice Plan 2017/18 be approved.

## 10 Elected Member Disclosure and Barring Service (DBS) Checks

The Council considered a joint report of the Corporate Director of Resources and Director of Transformation and Partnerships which advised on the review of DBS checking processes for elected members and presented a new policy framework on DBS checks for approval (for copy see file of Minutes).

Councillor R Bell asked whether the DBS checks would be shared with organisations that members dealt with and also whether members would need to apply individually. The Corporate Director of Resources replied that Member Support would assist members through the application process and that he would take guidance on the sharing of the checks and provide feedback to Councillor Bell outside of the meeting.

**Moved** by Councillor Henig, **Seconded** by Councillor Hopgood and

### **Resolved:**

- (a) that the draft Policy for DBS checking of Members be approved;
- (b) that DBS checks be undertaken for all elected Members who were without a check post-election.

## 11 Honorary Aldermen

The Council considered a report of the Corporate Director of Resources which sought confirmation of the criteria for the conferment of the title of Honorary Alderman upon retiring Members to identify those upon whom the title of Honorary Alderman should be conferred (for copy see file of Minutes).

**Moved** by Councillor Henig, **Seconded** by Councillor Hopgood and

### **Resolved:**

That the Council:

- (a) acknowledge the criteria for conferring the title of Honorary Alderman is sixteen years' service, or four full terms;
- (b) confer the title of Honorary Alderman on those past Members who meet the sixteen years' service criterion including, on this occasion, because of circumstances set out in the report, those two Members that have served four full terms but whose service falls slightly short of sixteen years as a result of the 2011 election date having been delayed by a month.

## 12 Adoption of the Great Aycliffe Neighbourhood Plan and the Whorlton Village Neighbourhood Plan

The Council considered a report of the Corporate Director of Regeneration and Local Services regarding the adoption of the Great Aycliffe Neighbourhood Plan and the Whorlton Village Neighbourhood Plan (for copy see file of Minutes).

**Moved** by Councillor K Shaw, **Seconded** by Councillor S Wilson and

**Resolved:**

That:

- a) the Great Aycliffe Neighbourhood Plan be formally made (adopted) by the Council to become part of the statutory development plan;
- b) the Whorlton Village Neighbourhood Plan be formally made (adopted) by the Council to become part of the statutory development plan; and
- c) the Head of Legal and Demographic Services be authorised to satisfy the necessary publicity requirements of the Neighbourhood Planning (General) Regulations 2012 in respect of both the Great Aycliffe and Whorlton Neighbourhood Plans.

**13 Overview and Scrutiny Annual Report 2016/17**

The Council considered a report of the Director of Transformation and Partnerships which presented the Overview and Scrutiny Annual Report for 2016/2017 (for copy see file of Minutes).

Councillor R Crute, Chairman of Overview and Scrutiny informed Council that the Annual Report contained details of key Scrutiny activity and achievements during 2016/17 and also the work programmer for Overview and Scrutiny.

The County Council had been successful in being awarded the Excellence in Governance and Scrutiny category of the 2016 Municipal Journal Achievement Awards for its approach to scrutiny, community engagement and consultation and governance arrangements. Councillor Crute congratulated all those involved in achieving the award.

Councillor Crute also thanked the Chairs and Vice Chairs of all Scrutiny Committees and also the Scrutiny Support Team.

**Resolved:**

That the Council receive the Overview and Scrutiny Annual Report for 2016/17.

**14 Statement of Returning Officer - Dawdon By-Election**

The Council noted the Statement of the Returning Officer following the Dawdon Electoral Division By-election held on 29 June 2017 (for copy see file of Minutes).

**15 Motions on Notice**

In accordance with a Notice of Motion it was **Moved** by Councillor Hovvels and **Seconded** by Councillor Johnson:

*The Rural Services Council is calling on local authorities in rural areas to support a motion calling on the Government to provide extra funding to attract rural GPs. Whilst Clinical Commissioning Groups in County Durham have not identified GP pay as an issue in recruitment within the County, there have been other challenges, for example, an ageing GP demographic.*

*As GPs get older and wish to retire, it is becoming increasingly difficult to attract, recruit and sustain new GPs as there is a national shortage, which needs a national solution.*

*Local Clinical Commissioning Groups are taking forward a range of initiatives to support General Practice.*

*There is the potential that the challenges in GP recruitment may create additional pressures on other parts of the health care system, such as Accident and Emergency in the future, although local CCG's have provided assurance that patients across the County are able to access GP services in a timely way. To further support this, in County Durham, plans are progressing to introduce Teams Around Patients (TAPs) where local GPs work more closely together in order to improve access to services, however, this work is in its infancy.*

*I urge this Council to call on local Members of Parliament to lobby the government for the further development of initiatives for the continued recruitment and retention of GPs, which may include a weighting system to support areas across the country where there are difficulties in recruiting GPs. Such a system will create a positive incentive for the GPs to work across the north east, including County Durham, bringing benefits to individuals, as well as our entire communities.*

Councillors J Robinson, Brookes, Stoker and R Bell spoke in support of the motion.

**Resolved:**

That the motion be **carried**.

In accordance with a Notice of Motion it was **Moved** by Councillor Thompson and **Seconded** by Councillor Maddison

*That Durham County Council begin immediately to video all Full Council Meetings, and make them available for the public to view.*

Councillor Henig considered there was merit in referring the subject of video recording Full Council meetings to the Constitution Working Group, which was a cross-party Group, for consideration and to enable the cost implications to be investigated.

Councillors Gardner, Hopgood and Wilkes spoke in support of the Motion.

Councillor Thompson replied that while he would be pleased for the matter to be referred to the Constitution Working Group he did not wish to withdraw his Motion.

Councillor Allen considered that it was appropriate to refer this to the Constitution Working Group and **Moved** the following amendment:

*That Durham County Council's Constitution Working Group consider the feasibility of videoing all full Council meetings and making these available for the public to view.*

**Seconded** by Councillor Corrigan.

Upon a vote being taken the amendment was **carried**.

In accordance with Standing Order 16.4 Councillor K Thompson sought a named vote on the substantive motion. The requirements were met.

Upon a further vote being taken the substantive motion was **carried**

**For**

Councillors E Adam, J Allen, J Atkinson, P Atkinson, B Avery, A Bainbridge, B Bainbridge, A Batey, D Bell, R Bell, H Bennett, J Blakey, G Bleasdale, L Boyd, P Brookes, D Brown, L Brown, C Carr, J Carr, J Chaplow, J Charlton, J Clare, J Clark, M Clarke, I Cochrane, J Considine, K Corrigan, P Crathorne, R Crute, G Darkes, M Davinson, S Dunn, D Freeman, A Gardner, N Grayson, O Gunn, C Hampson, K Hawley, T Henderson, S Henig, A Hopgood, K Hopper, L Hovvells, S Hugill, E Huntington, S Iveson, I Jewell, O Johnson, P Jopling, B Kellett, L Kennedy, J Lethbridge, K Liddell, H Liddle, L Maddison, J Maitland, J Makepeace, R Manchester, L Marshall, C Martin, E Mavin, L Mavin, S McDonnell, M McGaun, M McKeon, I McLean, O Milburn, A Napier, H Nicholson, J Nicholson, R Ormerod, A Patterson, C Potts, L Pounder, S Quinn, A Reed, G Richardson, J Robinson, J Rowlandson, A Savory, E Scott, P Sexton, K Shaw, J Shuttleworth, M Simmons, A Simpson, H Smith, T Smith, W Stelling, B Stephens, J Stephenson, D Stoker, A Surtees, P Taylor, O Temple, K Thompson, F Tinsley, T Tucker, J Turnbull, A Watson, M Wilkes, A Willis, M Wilson, S Wilson and D Wood.

**Against**

No Members

**Abstain**

No Members

**Resolved:**

That Durham County Council's Constitution Working Group consider the feasibility of videoing all full Council meetings and making these available for the public to view.

**16 Questions from Members**

No questions had been received from Members.

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20 September 2017

Report from the Cabinet



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### **Purpose of the Report**

To provide information to the Council on issues considered by the Cabinet on 12 July 2017 to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 19 September 2017 in order for them to be displayed on the screens in the Council Chamber.

### **Contents**

- Item 1      Medium Term Financial Plan(8), Council Plan, Service Plans 2018/19-2021/22 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs  
Key Decision: CORP/R/17/02
- Item 2      Treasury Management Outturn 2016/17
- Item 3      2016/17 Final Outturn for the General Fund and Collection Fund
- Item 4      Safeguarding Adults Board Annual Report 2016-17
- Item 5      Health and Wellbeing Board Annual Report 2017/18
- Item 6      Children and Young People's Services Annual Reports and Plans
- Item 7      Durham County Council's Response to Housing White Paper Consultation
- Item 8      Regeneration of Peterlee – Re-provision of Peterlee Library

**1. Medium Term Financial Plan(8), Council Plan, Service Plans 2018/19-2021/22 and Reviews of the Local Council Tax Reduction Scheme, Council Tax Discounts and Business Discretionary Rate Reliefs**  
**Key Decision: CORP/R/17/02**  
**Leader and Deputy Leader of the Council– Councillors Simon Henig, and Alan Napier**  
**Contact – Jeff Garfoot 03000 261946**

We have considered a joint report of the Corporate Director of Resources and the Director of Transformation and Partnerships which provided an update on the development of the 2018/19 budget and the Medium Term Financial Plan (MTFP(8)) and Council Plan / Service Plans 2018/19 to 2021/22. The report also considered reviews of the Local Council Tax Reduction Scheme, Council Tax discounts and Business Rates Discretionary Rate Relief.

The financial outlook for the Council continues to be extremely challenging with government funding reductions confirmed as continuing until at least 2020. There is uncertainty as to what will happen with local authority funding beyond this period. This position will also be impacted by any decisions following the outcome of the General Election, although the precise nature of the impact on local government is uncertain.

The Chancellor of the Exchequer's 8 March 2017 Budget reported a further deterioration in the public finances. The performance of the economy is not meeting expectations which has resulted in the previous government dropping the policy of achieving a surplus in the national finances. This was replaced with an aspiration to eradicate the deficit by the end of the next parliament

There is significant uncertainty as to the impact upon the national finances from Brexit and the knock on impact for local government. Similarly the former government policy of introducing 100% Business Rate Retention for local government could impact significantly upon local authorities baseline funding levels and their ability to raise sufficient funding to meet future service demands. The expectation was for 100% Business Rate Retention to be introduced in 2019/20 although this may now slip to 2020/21. These uncertainties considered alongside the possible impact of new policies from the new government after the General Election all generate significant complications for the council in developing plans for MTFP(8).

At this stage the Council is planning on the basis of the funding reductions confirmed for the next two years as part of the previous four year settlement. At the same time the Council recognises that additional funding reductions from government could still be forthcoming. As part of MTFP(8) however a four year strategy has been developed to ensure long term planning continues. At this stage, in the absence of a confirmed position, the Council is assuming no further government core funding reductions beyond 2019/20.

Although the settlement from government is unchanged to that reported to Council in February 2017, in line with previous practice, the MTFP model has

been reviewed. Savings of £41 million are forecast to be required to balance the budget over the 2018/19 to 2021/22 period. Although core funding reductions are assumed to have ended in 2019/20, savings are still required in later years as service demands and inflationary pressures outstrip the council's ability to raise additional funds from council tax and from business rates.

The achievement of an additional £41 million of savings over the next four years will be extremely challenging and will have an increased impact on front line services. The emphasis since 2011/12 has been to minimise savings from front line services by protecting them wherever possible whilst maximising savings in management and support functions. This is becoming much more difficult however, as the scope for further savings in managerial and back office efficiencies are becoming exhausted following the delivery of £209 million of savings up to 31 March 2018.

The total savings required at this stage for 2018/19 to balance the budget amount to £25.6 million which is 60% of the £41 million required over the next four years. Savings plans will be considered over the coming months to determine how savings can be achieved across MTFP(8) to bring the budget back into balances. At the same time the council will also consider how best to utilise the Budget Support Reserve (BSR) across the MTFP(8) period to ensure the impact of all savings plans are carefully considered and fully consulted upon. The current balance on the BSR as reported to Cabinet on 14 June 2017 is £30 million.

The Council, along with Northumberland Council, are the only two local authorities in the North East to have retained entitlement levels for Council Tax support within the Local Council Tax Reduction Scheme (LCTRS) in line with that which applied under the national Council Tax Benefit regime prior to 2013/14. The policy has protected vulnerable residents at a time when welfare reform changes have had a significant adverse impact. This report recommended that the current LCTRS be retained for a further year into 2018/19.

As part of the March Budget, the Chancellor announced a range of measures to reduce Business Rates liabilities, including funding to support the introduction of local policies to support businesses most impacted by the revaluation. The report also set out proposals to amend the Council's Discretionary Rates Relief Policy to incorporate the announcements made in March.

## **Decision**

We have:

- a) noted the requirement to identify additional savings of £41million for the period 2018/19 to 2021/22;
- b) agreed the approach to preparing the Council Plan and Service Plan;

- c) agreed the high level MTFP(8) and Council Plan timetable;
- d) agreed the approach outlined for consultation;
- e) noted the workforce impact resulting from the need to realise additional savings of £41 million over the 2018/19 to 2021/22 period;
- f) agreed the proposals to build equalities considerations into decision making;
- g) agreed that Cabinet recommend to Full Council that the Local Council Tax Reduction Scheme should remain unchanged for 2018/19;
- h) approved the updated Council Tax Discretionary Reduction (Hardship Relief) Policy as attached at Appendix 3;
- i) approved the introduction of a Council Tax Discretionary Reduction (Relief) For Care Leavers Policy, as attached at Appendix 5;
- j) noted that in the future the review of the Council Tax Discretionary Reduction (Hardship Relief) Policy will be undertaken on an annual basis and aligned to the review of the Local Council Tax Reduction Scheme;
- k) noted that Council Tax Discretionary Reduction (Relief) for Care Leavers Policy will be reviewed on an annual basis, review of the Council Tax Discretionary Reduction (Hardship Relief) Policy will be undertaken on an annual basis and aligned to the review of the Local Council Tax Reduction Scheme;
- l) approved the proposals in terms of the Discretionary Rate Relief scheme to be applied in County Durham in line with the Government announcements in March 2017, which has been incorporated into the Discretionary Rates Relief and Business Rates Hardship Relief Policy attached at Appendix 6;
- m) noted that the Discretionary Rate Relief scheme will be monitored and reviewed, with delegated approval given to the Corporate Director of Resources, in consultation with the Cabinet Member for Finance, to vary the percentage awards to small businesses retrospectively should we need to in order to maximise spend against the available grant in year and to vary the rates applied to new applications should the need arise.

**2. Treasury Management Outturn 2016/17**  
**Deputy Leader of the Council– Councillor Alan Napier**  
**Contact – Jeff Garfoot 03000 261946**

We have considered a report of the Corporate Director of Resources which provided information on the Treasury Management outturn position for the year ended 31 March 2017.

Treasury Management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks. It is concerned with how the Council manages its cash resources and its scope covers borrowing, investment and hedging instruments and techniques.

The regulatory framework governing Treasury Management covers the Council's cash management, loans and investments activity and requires that the Council receives, comments upon and agrees regular Treasury Management review reports. The report incorporated the needs of the 'Prudential Code', which can be regarded as being best operational practice, to ensure adequate monitoring of the Council's capital expenditure plans and prudential indicators (PIs). The Treasury Management Strategy and PIs for 2016/17 were agreed by the Council as part of the Medium Term Financial Plan 2016/17 to 2019/20 (MTFP6) on 24 February 2016, were revised in the Mid-Year Review Report on Treasury Management which was agreed by Council on 7 December 2016 and have subsequently been updated as part of the Medium Term Financial Plan 2017/18 to 2019/20 report (MTFP7), agreed by Council on 22 February 2017.

The report supports the objective in the revised Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the Communities and Local Government Investment Guidance. These state that Members should receive reports and scrutinise the Treasury Management function as part of good governance.

The report provided a summary of the following:

- (a) economic and interest rate review for 2016/17;
- (b) capital expenditure and financing during the year;
- (c) overall borrowing requirement;
- (d) treasury position as at 31/3/17;
- (e) investment strategy;
- (f) investment outturn for the year.

## Decision

We have noted the treasury management outturn position for 2016/17 and agreed to report to Full Council on 20 September 2017.

### **3. 2016/17 Final Outturn for the General Fund and Collection Fund Deputy Leader of the Council– Councillor Alan Napier Contact – Jeff Garfoot 03000 261946**

We have considered a report of the Corporate Director of Resources which provided details of the revenue and capital outturn for the General Fund for 2016/17, and the 2016/17 outturn for the Collection Fund in respect of Council Tax collection and Business Rates collection.

The financial outlook for the Council and the whole of local government remains extremely challenging. Funding reductions will continue until at least 2019/20. The Chancellor of the Exchequer's Budget published on 8 March 2017 confirmed that austerity would continue until at least 2020/21. At this point the national budget will still have a £21 billion deficit. In addition the Government is still required to identify £3.5 billion of 'efficiency savings' from the 2019/20 budget. This raises the possibility that local government could face additional funding reductions in 2019/20 and beyond. By 31 March 2018, the Council will have delivered savings of £209 million since 2011.

The Chancellor of the Exchequer's March Budget also announced additional financial support for social care. An additional £2 billion is available to local government over the three years 2017/18 to 2019/20. For Durham, the allocations for the next three years are £13 million, £8 million and £4 million respectively. Although the additional funding is welcome, the funding is one off in nature and cannot be invested on recurrent expenditure without creating further financial pressures in future MTFP's. The Council is required to work with Clinical Commissioning Groups (CCGs) in terms of investment plans.

On 24 February 2016, County Council agreed a net revenue budget of £401.515 million for 2016/17. Factoring in cuts in Government grant, inflation and other budget pressures the delivery of £36.847 million of savings was required in 2016/17 in order to deliver a balanced budget. Quarterly forecast outturn reports have been considered by Cabinet throughout the 2016/17 financial year and detailed reports on individual Service Groupings have also been considered by the various Overview and Scrutiny Committees.

This final outturn for 2016/17 has been determined as part of the production of the Annual Statement of Accounts. During the process of finalising the Statement of Accounts, the Corporate Director of Resources will be required to make a number of technical decisions in the best financial interests of the Council. Such decisions will be fully disclosed in the Statement of Accounts.

## Decision

We have noted:

- a) the reduction in the Cash Limit Reserves of £6.044 million during 2016/17 with closing Cash Limit Reserves of £16.255 million. These sums will continue be held as Earmarked Reserves and be available for Service Groupings to manage their budgets effectively;
- b) the closing General Reserve balance of £23.001 million;
- c) the closing balance on General Fund Earmarked Reserves (excluding Cash Limit Reserves) is £186.301 million;
- d) the closing balance on Schools Reserves is £30.996 million;
- e) the position for the Collection Funds in respect of Council Tax and Business Rates.

We have approved:

- a) the capital budget carried forward of £15.375 million for the General Fund is moved into 2017/18, offset by reductions in the 2017/18 programme to fund accelerated spending in 2016/17 and that service groupings regularly review capital profiles throughout 2017/18 reporting revisions to MOWG and Cabinet as necessary.

#### **4. Safeguarding Adults Board Annual Report 2016-17 Cabinet Portfolio Holder- Councillor Lucy Hovvells Contact – Lee Alexander 03000 268180**

We have considered a report of the Corporate Director of Adult and Health Services which presented the Safeguarding Adults Board (SAB) Annual Report 2016-2017. The report provided information on the current position of the County Durham Safeguarding Adults Board and outlined achievements during 2016/17 and plans for 2017/18.

In an initiative led by Durham Constabulary, the Safeguarding Adults Board will continue to explore and identify the prevalence of sexual exploitation for adults, developing the most appropriate pathways for early intervention and support of those adults. In its development session of March 2017 the Safeguarding Adults Board reflected upon its progress to date, and its direction of travel in relation to setting future priorities. A key focus of those discussions were prevention and early intervention. In the year ahead, the Safeguarding Adults Board have agreed to place focus upon financial abuse as part of its preventative work, as well as exploring adults who choose to live in risky situations.

A refreshed plan has been produced to cover the period of 2017 to 2020. Identified areas of focus are as follows:

- Prevention;
- Early Intervention;
- User/Carer Voice;
- Awareness Raising;

- Governance;
- Performance and Quality;
- Safeguarding Adult Reviews;
- Learning Lessons and Improvement

## **Decision**

We have:

- a) received the annual report and noted the achievements made in 2016/17;
- b) supported the planned work for 2017/18.

## **5. Health and Wellbeing Board Annual Report 2017/18 Cabinet Portfolio Holders- Councillors Lucy Hovvels and Olwyn Gunn Contact – Gordon Elliott- 03000 263605**

We have considered a joint report of the Corporate Director of Adult and Health Services, Corporate Director, Children and Young People's Services and the Director of Public Health which presented the Health and Wellbeing Board Annual Report 2016/17 for information.

The Annual Report outlined a number of achievements of the Health and Wellbeing Board over the past year and the report also outlined a number of initiatives that the Health and Wellbeing Board will continue to take forward during the coming year, including:

- a) Undertake a review of the priorities for the Health and Wellbeing Board based on the evidence in the Joint Strategic Needs Assessment (as part of the Integrated Needs Assessment) a 'one stop shop' for all strategic assessments to ensure a focus on improving the health and wellbeing of people in County Durham and reducing health inequalities.
- b) Discuss spending plans and arrangements for additional adult social care funding, known as the Improved Better Care Fund, to address the integration of health and social care and to alleviate pressures faced by the adult social care sector and NHS.
- c) Provide challenge on the Sustainability and Transformation Plans for County Durham to ensure that residents in County Durham will not be disadvantaged or experience any reductions in the availability of NHS services as a result of the Plans. Assurances will be sought in relation to ensuring that clear and specific funding arrangements are in place to support the STPs and that robust formal consultation arrangements and decision making processes are also in place.
- d) Agree a streamlined approach to the range of mental health and wellbeing strategies currently in place, through the development of focused plans on a page with key actions to ensure that resources are targeted to services which meet the needs of people in County Durham.

- e) As part of the statutory responsibilities of the Health and Wellbeing Board, agree the Pharmaceutical Needs Assessment which looks at the current provision of pharmacy services across County Durham, and whether there are any potential gaps to service delivery.

Further details of the Health and Wellbeing Board's future work were included in the Annual Report.

## **Decision**

We have received the Health and Wellbeing Board Annual Report 2016/17 for information.

## **6. Children and Young People's Services Annual Reports and Plans Cabinet Portfolio Holder- Councillor Olwyn Gunn Contact – Keith Foster- 03000 267396**

We have considered a report of the Corporate Director of Children and Young People's Services which presented an executive summary of the following Children and Young People's Services Annual Reports and Plans:

- The Youth Justice Plan 2017/19
- The Annual Report of Fostering Panels and the Fostering Service 2016/17
- The Durham Local Safeguarding Children Board Annual Report 2016/17

### The Youth Justice Plan 2017/19

Local Authorities have a statutory duty to submit an annual youth justice plan relating to the provision of youth justice services. The Youth Justice Plan 2017/19 highlights work done to date together with key achievements and outcomes for 2016/17. The national outcome measures for 2017/18 for County Durham Youth Offending Service continue to be:

- Reducing first time entrants
- Reducing re-offending
- Reducing the use of custody (both sentenced and remanded)
- Ensuring public protection / safeguarding by providing specialist interventions

### The Annual Report of Fostering Panels and the Fostering Service 2016/17

The National Minimum Standards for Fostering (2001) require that Fostering Agencies report the activity of the Fostering Service to their governing bodies. The Annual Report outlines the work of the fostering service during 2016/17 and outlined the future direction of the service to meet the needs of the increasing number of looked after children. The strategic priorities and key actions for the Fostering Service include:

- An independent Fostering Service review was completed in April 2017. A service response to this has been finalised which will result in a Service restructure which will allow greater focus and emphasis on effective identification of placements and matching of young people to placements when they first become Looked After. It will also enable the Fostering Service to be more closely aligned to children's social work teams to promote more effective early permanence planning.
- A Placement Efficiency Strategy is in place to ensure that there is senior management oversight and scrutiny of all children who become Looked After through a Placement Resource Panel.
- Foster carer recruitment remains a key priority with a strategic target of 250 new foster carer households having been set for 2017-18.
- The processes and procedures for children who require permanence via long term fostering have been reviewed and a new process will be implemented from July 2017. This will streamline the process and reduce the drift and delay in identifying appropriate permanent placements for children who require them.

#### Durham Local Safeguarding Children Board (LSCB) Annual Report 2016/17

Statutory Guidance from Working Together to Safeguard Children (2015) requires each Local Safeguarding Children Board (LSCB) to produce and publish an Annual Report evaluating the effectiveness of safeguarding in the local area. The LSCB Annual Report 2016/17 sets out the work of multi-agency partners to ensure effective arrangements are in place to safeguard and protect vulnerable children and young people from abuse and neglect.

The Durham LSCB has agreed the following priorities for 2017/18:

- Child Sexual Exploitation
- Neglect
- Empowering Young People
- Working Together.

#### **Decision**

We have:

- noted the content of this report;
- endorsed the Youth Justice Plan 2017/19 and forwarded it to full council for approval;
- received the Annual Report of Fostering Panels and the Fostering Service 2016/17; and
- endorsed the Durham LSCB Annual Report and the LSCB Young People's Annual Report.

**7. Durham County Council's Response to Housing White Paper Consultation**  
**Cabinet Portfolio Holders- Councillors Carl Marshall, and Kevin Shaw**  
**Contact – Mike Allum- 03000 261906**

We have considered a report of the Corporate Director for Regeneration and Local Services which presented Durham County Council's response to the Housing White Paper entitled 'Fixing our broken housing market'. It set out four steps to achieving the objective of boosting new housing supply to deliver 'between 225,000 and 275,000 homes every year':

- Planning for the right homes in the right places (principally by using local and neighbourhood plan policies);
- Building homes faster (linking infrastructure with housing development, more efficient planning process and addressing skills shortages. It also includes holding house builders to account in respect of delivery by increasing the powers of intervention by local authorities);
- Diversifying the housing market (focussing on increasing the numbers of small and medium-size builders, promoting more forms of tenure and encouraging 'modern methods of construction'); and
- Helping people (identifying a range of measures to help people get on to the housing market and providing a fairer system in the private rented sector).

Following consultation on the Issues and Options stage County Durham Plan in summer 2016, the intention was to develop a preferred options plan for consultation. This process was 'paused' as the government signalled the imminent release of the Housing White Paper and what was considered to be fundamental changes to the plan making process which included housing need and Green Belt. It is expected that this will lead to a revised National Planning Policy Framework towards the end of the year.

The consultation responses identified a series of recommendations that could assist the economic and housing growth in the area as well as improve opportunities for residents. The recent Queen's Speech made little mention of housing and there is no indication of when or if the proposals in the Housing White Paper may progress. Waiting for further detail before proceeding with the preparation of the Plan may therefore no longer be appropriate. Officers will review the position in the early autumn with a view to making recommendations to Cabinet on the way forward.

### **Decision**

We have noted and endorsed the content of the Housing White Paper consultation response.

**8. Regeneration of Peterlee – Re-provision of Peterlee Library  
Cabinet Portfolio Holders- Councillors Joy Allen and Carl Marshall  
Contact – Su Lewis- 03000 262776**

We have considered a report of the Corporate Director of Regeneration and Local Services which provided details on the process for vacating the existing library site to allow for the disposal of the land and re-providing the service within Peterlee Leisure Centre.

Peterlee Library is currently located within a disused college building on a site forming a key gateway to Peterlee Town Centre. The surrounding site is owned by Tesco Supermarket plc, having been purchased four years ago, for the purpose of developing a new Tesco Superstore with parking. As part of the food-store redevelopment proposals, Durham County Council entered into an agreement with Tesco to sell the library on the condition that Tesco would build a new library adjacent to the food-store. The former college and existing library building would then have been demolished as part of the project.

In 2015, Tesco's board made the decision not to develop a number of sites nationally including the Peterlee College Site and decided instead to market the site. Initially, it was hoped that a buyer would agree to purchase the site with the library in-situ, after which Tesco would renegotiate with the Council with regard to the future of the library.

After several rounds of marketing, limited interest has come forward and Tesco's board believe that despite the Council's willingness to liaise with the sale process, the complication of a third party ownership within the site is causing a level of uncertainty and preventing progress. In March Tesco representatives suggested that the library remaining on the site was potentially a barrier to prospective buyers. To help progress the sale, Tesco propose to purchase the library in order to demolish and clear the site ready for sale. The Council negotiated with Tesco on the costs required to vacate the site. To progress negotiations towards the sale of the College site, Tesco's board approved £846,000 in May this year to cover purchase of the land and provide appropriate compensation, the sum of which will cover the relocation of the library service.

The forecast of cost of the redevelopment at the leisure centre, including the library is £1.786 million. The capital funding for the scheme was set out in the report. In order for the scheme to progress without delay, the report sought approval of an increase in the £750,000 capital budget.

Residents, AAP, service users and staff will be kept informed of progress and operational changes to ensure residents have a chance to shape the way services are provided.

## **Decision**

We have:

- a) Agreed to progress the project to relocate the library and facilitate the redevelopment of the former college site.
- b) Authorised the Corporate Director of Regeneration and Local Services to vary the original agreement with Tesco for the release of Tesco's obligation to build a new library in return for a financial contribution of £846,000 towards the Council's costs of relocation.
- c) Agreed the re-provision of library services within Peterlee Leisure Centre.
- d) Agreed to the increase in the capital budget to £1.786 million, financed from the current capital programme and from the Tesco contribution.
- e) Noted the transition implications associated with the library move which will include temporary library arrangements for a period of up to 9 months.

**Councillor S Henig  
Leader of the County Council**

12 September 2017

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**County Council**

**20 September 2017**

**Treasury Management Outturn 2016/17**



**Report of Corporate Management Team  
John Hewitt, Corporate Director Resources**

**Purpose of the Report**

- 1 To provide information on the Treasury Management outturn position for the year ended 31 March 2017.

**Background**

- 2 Treasury Management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks. It is concerned with how the Council manages its cash resources and its scope covers borrowing, investment and hedging instruments and techniques.
- 3 The regulatory framework governing Treasury Management covers the Council's cash management, loans and investments activity and requires that the Council receives, comments upon and agrees regular Treasury Management review reports.
- 4 Risk is inherent in all treasury management activities and it is necessary to balance risk against return on investment.
- 5 In addition to meeting the regulatory framework, this report incorporates the needs of the 'Prudential Code', which can be regarded as being best operational practice, to ensure adequate monitoring of the Council's capital expenditure plans and prudential indicators (PIs). The Treasury Management Strategy and PIs for 2016/17 were agreed by the Council as part of the Medium Term Financial Plan 2016/17 to 2019/20 (MTFP6) on 24 February 2016, were revised in the Mid-Year Review Report on Treasury Management which was agreed by Council on 7 December 2016 and have subsequently been updated as part of the Medium Term Financial Plan 2017/18 to 2019/20 report (MTFP7), agreed by Council on 22 February 2017.
- 6 The report also supports the objective in the revised Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the Communities and Local Government Investment Guidance. These state that Members should receive reports and scrutinise the Treasury Management function as part of good governance and best practice.

- 7 During 2016/17 the minimum reporting requirements were that full Council should receive the following reports:
- (a) annual Treasury Management Strategy in advance of the year (reported to Council on 24 February 2016);
  - (b) mid-year Treasury Management update report (reported to Council on 7 December 2016);
  - (c) annual review following the end of the year (this report).
- 8 This report provides a summary of the following:
- (a) Economic and interest rate review for 2016/17;
  - (b) Capital expenditure and financing during the year;
  - (c) Overall borrowing requirement;
  - (d) Treasury position as at 31/3/17;
  - (e) Investment Strategy;
  - (f) Investment Outturn for the year.

### **Economic and Interest Rate Review 2016/17**

9 The Council's Treasury Management advisers, Capita Asset Services, have provided their views on how changes to market expectations influenced the economy during 2016/17.

10 These views are detailed in Appendix 2.

### **Capital Expenditure and Financing**

11 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- (a) financed immediately through the application of capital or revenue resources (capital receipts, capital grants or revenue contributions), which has no resultant impact on the Council's borrowing need, or
- (b) if insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

12 Actual capital expenditure forms one of the required prudential indicators. The following table shows the actual capital expenditure in 2016/17 and how this was financed.

	<b>2016/17 Actual £ million</b>
Capital Expenditure	107.141
PFI and Finance Lease	2.968
<b>Total capital expenditure</b>	<b>110.109</b>
Resourced by:	
Capital receipts	7.649
Capital grants	47.150
Capital reserves and revenue	20.398
<b>Unfinanced capital expenditure</b>	<b>34.912</b>

### Overall Borrowing Requirement

- 13 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).
- 14 The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2016/17 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 15 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the Corporate Director Resources' treasury management team organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements.
- 16 This may be sourced through borrowing from external bodies (such as the Government, PWLB or money markets), or internal resources (e.g. use of reserves, working capital).
- 17 The Council's capital finance requirement (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the borrowing need.
- 18 The Council's 2016/17 MRP Policy, as required by the Department of Communities and Local Government (CLG) guidance was approved as part of the Treasury Management Strategy Report for 2016/17 on 24 February 2016, then updated and reported to Council on 22 February 2017.
- 19 The Council's CFR for 2016/17, as agreed in February 2016, is shown in the following table, and represents one of the key prudential indicators.

CFR	Original Estimate	Actual at 31 Mar 17
	£ million	£ million
Opening balance	498.063	410.407
add unfinanced capital expenditure	84.587	34.913
add acquisition of share & loan capital	-	0.11
less MRP/ VRP	-18.618	-13.589
less loan repayments	-	-0.09
<b>Closing balance</b>	<b>564.032</b>	<b>431.751</b>

- 20 The borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit. In order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.
- 21 The authorised limit is the "affordable borrowing limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level.
- 22 The operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.
- 23 The table below demonstrates that during 2016/17 the Council has maintained gross borrowing within its authorised limit.

	2016/17 (original) £ million	2016/17 (revised) £ million
Authorised limit	552.000	520.000
Operational boundary	499.000	467.000
Maximum gross borrowing position		255.639
Average actual gross borrowing position		247.633

## Treasury Position as at 31 March 2017

- 24 The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security for investments, and to manage risks within all treasury management activities.
- 25 The Treasury position for the Council during 2016/17 is shown in the table below:

	<b>31.03.16</b>	<b>Rate/ Return</b>	<b>Average Life</b>	<b>31.03.17</b>	<b>Rate/ Return</b>	<b>Average Life</b>
	<b>£million</b>	<b>%</b>	<b>years</b>	<b>£million</b>	<b>%</b>	<b>years</b>
<b>Capital Financing Requirement (CFR)</b>	410			432		
<b>Total Debt</b>	246	4.15		256	3.96	
<b>(-) Under Borrowing</b>	-164			-176		
<b>Total Investments</b>	195	0.87	0.41	175	0.52	0.23
<b>Net Debt (total debt less total investments)</b>	51			81		

- 26 New borrowing of £20 million was raised during 2016/17 for the purpose of financing capital expenditure. A loan of £10 million matured and was repaid in December 2016.
- 27 Debt rescheduling opportunities are very limited in the current economic climate, therefore no debt rescheduling has been undertaken this year.
- 28 The maturity structure of the debt portfolio as at 31 March 2017, in comparison to the limits set out in the Treasury Management Strategy was as follows:

	<b>31.03.17 Actual</b>	<b>2016/17 upper limits</b>	<b>31.03.17 Actual</b>
	<b>£ million</b>	<b>%</b>	<b>%</b>
Under 12 months	0.007	20	-
12 months and within 24 months	10.002	40	3.91
24 months and within 5 years	22.028	60	8.62
5 years and within 10 years	62.617	80	24.49
10 years and above	160.979	100	62.98
<b>Total</b>	<b>255.633</b>		

- 29 As shown in the table above, the Council's borrowing was maintained within the upper limits set out in the Treasury Management Strategy for 2016/17.

### **Investment Strategy 2016/17**

- 30 The prime objective of the Council's Investment Strategy is to ensure prudent investment of surplus funds. The Council's investment priorities are therefore the security of capital, liquidity of investments and, within those objectives, to secure optimum performance in terms of interest earned. The Council has regard to the CLG Guidance and the CIPFA Treasury Management Code when making its investment decisions.
- 31 Therefore the primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.
- 32 The investment strategy adopted in the original Annual Treasury Management Statement for 2016/17 was subject to the following revisions, which were approved by Council on 7 December 2016:
- (a) an increase to the Treasury Management Indicator for the upper limit on variable interest rate exposure;
  - (b) an extension of the list of investment instruments categorised as non-specified to enable the Council to invest in other entities locally;
  - (c) an increase to the monetary limit for equity shareholdings;
  - (d) to add property funds to the list of instruments in which the Council is authorised to invest.
- 33 The main reasons for the above revisions were to facilitate a more balanced approach to investing by diversifying the Council's investment portfolio, spreading the investment risk and maximising investment returns and allow for investments in businesses within County Durham in order to encourage regeneration and economic development in the area.

### **Investment Outturn for 2016/17**

- 34 As at 31 March 2017 the Council held investments totalling £174.617 million. The following table provides a breakdown of these investments split by the type of financial institution, split by maturity period.

Financial Institution	0-3 months	3-6 months	6-12 months	Total
	<b>£ million</b>			
Banks rated AA-	5.382	-	-	5.382
Banks rated A		14.225	61.642	75.867
Building Societies	-	-	14.225	14.225
Central Government	0.948	-	-	0.948
Other Local Authorities	59.252	-	-	59.252
Money Market Funds	18.943	-	-	18.943
<b>TOTAL</b>	<b>84.525</b>	<b>14.225</b>	<b>75.867</b>	<b>174.617</b>
<b>% of total</b>	<b>48.4%</b>	<b>8.1%</b>	<b>43.5%</b>	

35 The actual investment return for investment income for 2016/17 was £5.749 million, which is £4.108 million higher than the original budget of £1.641 million. This is mainly due to the dividend of £2.64 million received from Newcastle International Airport during the year.

36 The following table details the Council's equity shareholdings as at 31 March.

Company	31.03.16	31.03.17
	£ million	£ million
Atom Bank	-	0.152
Chapter Homes	0.450	1.715
Forrest Park	1.000	1.000
Newcastle International Airport Ltd	10.558	10.558
Polyphotonix	0.300	0.300
<b>Total</b>	<b>12.308</b>	<b>13.725</b>

37 Dividend income received of £3.122 million was received during 2016/17. This is included in the investment income figure of £5.749 million.

### Icelandic Deposits Update

38 Prior to Local Government Review, one former District Council had £7 million deposited across the Icelandic banks Glitnir Bank hf (£4 million), Landsbanki (£2 million) and Kaupthing Singer and Friedlander Ltd (£1 million), which all collapsed financially in October 2008. The County Council inherited this position in April 2009.

39 The only outstanding balance as at 31 March 2017 is in relation to the investment with Kaupthing Singer and Friedlander Ltd (KSF). All monies with KSF are currently subject to the respective administration and receivership processes. As at 31 March 2017 84.25% of the outstanding balance has been repaid to the Council; 86% to 86.5% recovery is ultimately anticipated.

## **Recommendations and Reasons**

- 40 It is recommended that Cabinet note the treasury management outturn position for 2016/17 and agree to report to Full Council on 20 September 2017.

## **Background Papers**

- (a) 24 February 2016 – County Council - General Fund Medium Term Financial Plan, 2016/17 to 2019/20 and Revenue and Capital Budget 2016/17
- (b) 07 December 2016 – County Council - Mid-Year Report for the Period to 30 September 2016 on Treasury Management
- (c) 22 February 2017 – County Council - Medium Term Financial Plan, 2017/18 – 2019/20 and Revenue and Capital Budget 2017/18

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**Contact: Jeff Garfoot Tel: 03000 261946**

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## **Appendix 1: Implications**

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### **Finance**

The report details the Council's cash management, loans and investment activity during 2016/17. The report also provides the overall financing of the Council's capital expenditure, along with borrowing and investment income returns.

### **Staffing**

None.

### **Risk**

None.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Accommodation**

None.

### **Crime and Disorder**

None.

### **Human Rights**

None.

### **Consultation**

None.

### **Procurement**

None.

### **Disability Issues**

None.

### **Legal Implications**

None.

## **Appendix 2: Economic and Interest Rate Review provided by Capita**

Capita Asset Services, the Council's treasury adviser, has provided the following economic and interest rate review for 2016/17.

The two major landmark events that had a significant influence on financial markets in the 2016-17 financial year were the UK EU referendum on 23 June and the election of President Trump in the USA on 9 November. The first event had an immediate impact in terms of market expectations of when the first increase in Bank Rate would happen, pushing it back from quarter 3 2018 to quarter 4 2019. At its 4 August meeting, the Monetary Policy Committee (MPC) cut Bank Rate from 0.5% to 0.25% and the Bank of England's Inflation Report produced forecasts warning of a major shock to economic activity in the UK, which would cause economic growth to fall almost to zero in the second half of 2016. The MPC also warned that it would be considering cutting Bank Rate again towards the end of 2016 in order to support growth. In addition, it restarted quantitative easing with purchases of £60bn of gilts and £10bn of corporate bonds, and also introduced the Term Funding Scheme whereby potentially £100bn of cheap financing was made available to banks.

In the second half of 2016, the UK economy confounded the Bank's pessimistic forecasts of August. After a disappointing quarter 1 of only +0.2% GDP growth, the three subsequent quarters of 2016 came in at +0.6%, +0.5% and +0.7% to produce an annual growth for 2016 overall, compared to 2015, of no less than 1.8%, which was very nearly the fastest rate of growth of any of the G7 countries. Needless to say, this meant that the MPC did not cut Bank Rate again after August but, since then, inflation has risen rapidly due to the effects of the sharp devaluation of sterling after the referendum. By the end of March 2017, sterling was 17% down against the dollar but had not fallen as far against the euro. In February 2017, the latest CPI inflation figure had risen to 2.3%, above the MPC's inflation target of 2%. However, the MPC's view was that it would look through near term supply side driven inflation, (i.e. not raise Bank Rate), caused by sterling's devaluation, despite forecasting that inflation would reach nearly 3% during 2017 and 2018. This outlook, however, is dependent on domestically generated inflation, (i.e. wage inflation), continuing to remain subdued despite the fact that unemployment is at historically very low levels and is on a downward trend. Market expectations for the first increase in Bank Rate moved forward to quarter 3 2018 by the end of March 2017 in response to increasing concerns around inflation.

**USA.** Quarterly growth in the US has been very volatile during 2016 but a strong performance since mid-2016, and strongly rising inflation, prompted the Fed into raising rates in December 2016 and March 2017. The US is the first major western country to start on a progressive upswing in rates. Overall growth in 2016 was 1.6%.

**EU.** The EU is furthest away from an upswing in rates; the European Central Bank (ECB) has cut rates into negative territory, provided huge tranches of cheap financing and been doing major quantitative easing purchases of debt during 2016-17 in order to boost growth from consistently weak levels, and to get inflation up from near zero towards its target of 2%. These purchases have resulted in depressed bond yields in the EU, but, towards the end of 2016, yields rose, probably due at least in part to rising political concerns around the positive prospects for populist parties and impending general elections in 2017 in the Netherlands, France and Germany. The action taken by the ECB has resulted in economic growth improving

significantly in the eurozone to an overall figure of 1.7% for 2016, with Germany achieving a rate of 1.9% as the fastest growing G7 country.

On the other hand, President Trump's election and promise of fiscal stimulus, which are likely to increase growth and inflationary pressures in the US, have resulted in Treasury yields rising sharply since his election. Gilt yields in the UK have been caught between these two influences and the result is that the gap in yield between US treasuries and UK gilts has widened sharply during 2016/17 due to market perceptions that the UK is still likely to be two years behind the US in starting on an upswing in rates despite a track record of four years of strong growth.

**Japan** struggled to stimulate consistent significant growth with GDP averaging only 1.0% in 2016 with current indications pointing to a similar figure for 2017. It is also struggling to get inflation up to its target of 2%, only achieving an average of -0.1% in 2016, despite huge monetary and fiscal stimulus, though this is currently expected to increase to around 1% in 2017. It is also making little progress on fundamental reform of the economy.

**China and emerging market counties.** At the start of 2016, there were considerable fears that China's economic growth could be heading towards a hard landing, which could then destabilise some emerging market countries particularly exposed to a Chinese economic slowdown and / or to the effects of a major reduction in revenue from low oil prices. These fears have largely subsided and oil prices have partially recovered so, overall, world growth prospects have improved during the year.

**Equity markets.** The result of the referendum, and the consequent devaluation of sterling, boosted the shares of many FTSE 100 companies which had major earnings which were not denominated in sterling. The overall trend since then has been steeply upwards and received further momentum after Donald Trump was elected President as he had promised a major fiscal stimulus to boost the US economy and growth rate.

#### **Investment Rates in 2016/17**

After the EU referendum, Bank Rate was cut from 0.5% to 0.25% on 4 August and remained at that level for the rest of the year. Market expectations as to the timing of the start of monetary tightening started the year at quarter 3 2018, but then moved back to around the end of 2019 in early August before finishing the year back at quarter 3 2018. Deposit rates continued into the start of 2016/17 at previous depressed levels but then fell during the first two quarters and fell even further after the 4 August MPC meeting resulted in a large tranche of cheap financing being made available to the banking sector by the Bank of England. Rates made a weak recovery towards the end of 2016 but then fell to fresh lows in March 2017.

#### **PWLB certainty maturity borrowing rates in 2016/17**

During 2016-17, PWLB rates fell from April to June and then gaining fresh downward impetus after the referendum and Bank Rate cut, before staging a partial recovery through to December and then falling slightly through to the end of March.

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## County Council

20 September 2017

### Community Governance Review – Central Unparished areas of Durham



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#### Report of Corporate Management Team Helen Lynch, Head of Legal and Democratic Services Councillor Simon Henig, Leader of the Council

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#### Purpose of the Report

- 1 To update Council of the final stage of consultation that has been undertaken as part of the Community Governance Review (Review) of the central unparished areas of Durham and to make a final recommendation in this regard.

#### Background

- 2 On 25 January 2017, the Council resolved to undertake a Review following receipt of a valid petition from Roberta Blackman-Woods MP requesting that the County Council formally consult with residents of the central unparished wards of Durham about the formation of a new town council.
- 3 The County Council subsequently undertook a consultative poll and proposed two options for the future community governance arrangements in the area:

##### Option 1

To implement changes to the current community governance arrangements. This would see the central unparished areas of Durham, as shown on the map in Appendix 2, become parished and have its own parish council.

##### Option 2

That the current community governance arrangements in the central unparished areas of Durham remain unchanged. This would mean that there would be no change to community governance arrangements in the area.

#### The Law, Duties and Guidance

- 4 As set out in previous reports, under section 93 of the Local Government and Public Involvement in Health Act 2007, a Principal Council must comply with various duties when undertaking a community governance review, including:

- i. It must have regard to the need to secure that community governance within the area under review:
  - a. reflects the identities and interests of the community in that area
  - b. is effective and convenient.
- ii. In deciding what recommendations to make, the Council must take into account any other arrangements, apart from those relating to parishes and their institutions:

that have already been made, or that could be made for the purposes of community representation or community engagement in respect of the area under review.
- iii. The Council must take in to account any representations received in connection with the review.

5 Under Section 100 of the Act, the Council must also have regard to guidance issued by the Secretary of State. In March 2010 the Department for Communities and Local Government and the Local Government Boundary Commission for England, published guidance on Reviews.

6 The Council must also take into account other arrangements that have been made and could be made for the purposes of community engagement and they must consider the representations received in connection with the review.

### **Consultation and Representations**

7 The terms of reference for the Review were published on 6 February 2017 and a consultative poll was undertaken in accordance with the agreed timetable. The Council issued 11,749 ballot papers to those electors affected and 2,819 ballot papers were returned – a 24% return.

8 Of the 2,819 ballot papers returned, 1,856 selected option 1 (in favour of a creating a parish council) and 958 selected option 2 (no change to community governance arrangements). There were 5 spoilt ballot papers. The outcome of the consultative poll was therefore that there was support for the formation of a new council. Although the consultative poll is not binding on the Authority, the poll undertaken was comprehensive in that all electors within the area were provided the opportunity to comment, and the majority of those that responded were in favour of the creation of a parish Council.

9 The views of statutory consultees were sought and a summary of the comments received was included in the report to council on 21 June 2017, apart from those which related to the consultation process which

had concluded and matters prescribed by legislation (for example the rules relating to the qualification of a councillor) over which the Council has no control.

- 10 Prior to the consultative poll, representations were also received from the Durham City Neighbourhood Planning Forum.

### **Constituting a New Parish**

- 11 Consideration was given to information produced by the Association of Electoral Administrators (Appendix 3) in preparing a recommendation for the parishing of the central unparished area of Durham, and the recommendation put to Council on 21 June 2017 was that a new parish council be created on the following terms:
- a. The newly formed parish would be known as “the City of Durham Parish Council”.
  - b. The parish council area be spilt into 12 polling districts and, due to the number of electorate and size of the area, the parish council would be divided into three wards as shown in the map at Appendix 4:
    - i. Elvet and Gilesgate
    - ii. Neville’s Cross
    - iii. Durham South.
  - c. The registered number of electors for the area at the date of the consultative poll on 4 February 2017 was 11,749. In view of local knowledge and guidance regarding the size of local councils, 15 parish councillors would be appropriate, distributed as follows;
    - i. Elvet and Gilesgate - 6 councillors;
    - ii. Neville’s Cross- 8 councillors;
    - iii. Durham South- 1 councillor.
  - d. Inaugural elections would take place in May 2018 and then in May 2021 and every four years thereafter to fall in line with the ordinary year of election of councillors for local elections (County, Town and Parish Council elections).
  - e. The council would become a recognised legal entity in its own right on 1 April 2018.
  - f. The County Council will set a precept to enable the parish council to function during its first year, with a sum of £150,000 being considered sufficient for the first year. An example of the precept charge for a Council Tax Band D property would be £34.46 per household per year, based on the council tax base for 2016/17. This precept charge per household would be recalculated in line with the council tax base for 2018/19 once established.
- 12 Once established the Parish Council would set its precept for year 2 onwards and would be entitled to exercise the statutory functions accorded to parish and town councils, such as providing allotments, spending money on crime prevention, acquiring and disposing of land,

provide public conveniences, make bye-laws in relation to certain matters etc.

- 13 It was noted that the Charter Trustees would remain in situ because not all of the unparished area within the former Durham City area would be parished under the proposal. The ceremonial Mayor would therefore remain with the Charter Trust and continue to be financed through a precept on the households in the former Durham City Council area.

### Consultation on Draft Recommendation

- 14 In accordance with the Review timetable previously approved by Council, the draft recommendation set out above was published and a further statutory period of consultation ran from 3rd to 31st July 2017. Stakeholders who were part of the initial consultation were issued with a letter advising of the draft recommendation, and provided with the opportunity of commenting on the proposal.
- 15 There were a number of responses received during the consultation period, and these are attached in full at Appendix 5, and summarised as follows:-
- a) 39 responses from residents in support of the proposals with a number providing additional comment. One of which was from a resident outside the area to be parished and asking to be included.
  - b) 4 detailed letters of objections from residents were received to the draft recommendations.
  - c) Support for the recommendations were received from Neville's Cross Community Association, and Sidegate Residents Association. A further letter of objection to the one received at the time of the consultative poll was received from Whinney Hill Community Group.
  - d) County Durham Association of Local Councils (CDALC) advised of their support.
  - e) Councillor R Omerod, a local member, in advising of his support in general to the recommendation made some observations.
- 16 The principle themes from the consultation responses are set out below, alongside the Council's response.

Theme/ Response	Council's Response
Responders queried whether the low turnout suggested that only those in favour were motivated to respond.	There was a 24% return from the consultative poll, and from that 66% voted in favour of the parishing arrangements. Although the

<p>Question raised over whether the role of the parish council was misunderstood.</p>	<p>response was low there was a clear majority in favour. Each registered elector was sent individually a ballot paper and document setting out clearly what they were being asked to consider, along with information on what a parish council could do/ costs/ size/ timescale. Each elector therefore had the opportunity to vote, and return their ballot paper through postal arrangements. Similar information was available on the county councils website, and circulated in the press. Contact details were provided for anyone seeking clarity.</p>
<p>Concern about the creation of a precept levying body and the potential of future significant increases. Figures of an example precept were given for a Band D property however other bandings would pay a different and some a higher rate.</p>	<p>The consultation document provided information on what the precept of £150,000 in its first year would mean to council tax payers, and an example was given on what a band D property would pay which was based on the council tax base for 2016/17. It was explained that this would need to be re-calculated once the council tax base for that year was set, however the £150,000 precept would be the amount levied for its first year of operation. Households in the higher banded properties would pay more than the band D rate, and these indicative costs could have been provided on request.</p> <p>The County Council cannot control what the precept will be in the future. It will be for the electorate to influence through democratic arrangements.</p>
<p>With the high number of students in the city the burden of the precept would not fall on students or their landlords.</p>	<p>Students in full-time education qualify for council tax exemption if they reside in:</p> <ol style="list-style-type: none"> <li>1) A hall of residence or</li> <li>2) A dwelling occupied only by full-time students and school leavers. In this case, the exemption only applies whilst the student lives there. This is reviewed annually and when the students vacate the</li> </ol>

	<p>property, the owner of the property becomes liable to pay the council tax. There would be a small charge payable during the student's summer breaks.</p> <p>These exemptions are in accordance with <u>the Council Tax (Discount Disregards) Order 1992</u>.</p> <p>The precept charge given as an example based on the 2016/17 council tax base took this into consideration.</p>
<p>Continue to pay for the Charter Trustees.</p>	<p>The Charter Trustees will remain in situ because not all of the unparished area within the former Durham City area will be parished under the proposal. This means that the ceremonial Mayor will remain with the Charter Trust and continue to be financed through a precept on the households in the former Durham City Council area.</p>
<p>Number of councillors for the parish council- is this the right number and is there the right balance between wards.</p>	<p>The proposals re the number of councillors were made having considered the guidance referred to in the report on whether the parish should or should not be divided into wards, and if so then its size/ boundaries/number of councillors Based on the size of the electorate on 4 February 2017, the area was proposed to be warded, and that the natural warding would be in line with county councils electoral divisions. It should be noted that only part of the area of the Durham South county council electoral division is included in the parishing arrangements. In adhering to guidance the proposal had shared as equally as possible the electorate of the whole area.</p> <p>The ratio of electorate to councillor for the 3 wards would be as set out below - the electorate figures from 4 February 2017 are shown, with the figures based on those on the register at 1 June 2017 shown in brackets:-</p>

	<p>Neville's Cross ward-1 councillor to 843 electorate (877)</p> <p>Elvet and Gilesgate- 1 councillor to 862 electorate (894)</p> <p>Durham South- 1 councillor to 311 electorate (496)</p>
<p>The proposed name of the Elvet and Gilesgate ward be amended to reflect that only part of Gilesgate would be in the area to be parished, and that it would be more appropriate for this to have an alternative name to reflect the area being covered such as Elvet and Gilesgate bank, or Cathedral.</p>	<p>The proposed name of the Elvet and Gilesgate ward is consistent with the county council electoral division name and area. Identifying the ward as Elvet and Gilesgate Bank would be confusing to electors given it relates to the same area of the county council division.</p>
<p>Could the other unparished area of Gilesgate be included in the proposal.</p>	<p>A Review was commenced in the Durham area in 2012, which considered all of the unparished area of the former City of Durham and contained a number of options. However, the Council decided not to continue the review.</p> <p>The current review reflected the petition that was received by the Council.</p>
<p>It would be open to the parish council to reinstate any services that local people particularly missed following cuts backs in County Council expenditure and consequent reduction in services. Will the County Council gain financially from having a parish council take responsibility for its statutory services.</p>	<p>The statutory functions of principal authority are different to those of a parish council, however, the parish council could elect to spend money on services that a principal authority is able but not obliged to provide. For example, crime prevention, acquiring and disposing of land and the provision of public conveniences. The parish council could provide services that the principal authority may have provided prior to austerity but have discontinued. It is not anticipated that the principal authority would discontinue services in the expectation that these would instead be provided by the parish council and therefore gain a financial advantage as a consequence of the parish council. It is also possible that the principal authority may sub-contract delivery of services to the</p>

	parish council, however this would be undertaken in accordance with normal procurement procedures.
Concern about the reference in the council report in June 2017 to the possible transfer of un-specified liabilities.	The final recommendations do not propose the transfer of property, rights, or liabilities to the Parish Council.
Other bodies could be developed to take on a more enhanced role such as the Area Action Partnership.	Other arrangements have been considered for the purposes of community engagement however a parish council is the most democratically accountable body.

### **Constitution Working Group**

- 17 Constitution Working Group on 6 September 2017 considered the responses made to the draft recommendations with the main points summarised along with officer comments in paragraphs 15 – 16, and agreed to make a final recommendation to Council at its meeting on 20 September 2017 that the central unparished areas of Durham be parished on the terms as set out in paragraph 19.

### **Next Steps**

- 18 If Council agree to support the creation of a parish council on the terms outlined in this report, a final recommendation will be published on the Council’s website on 25 September 2017 and a Reorganisation Order would be made one month thereafter. Those stakeholders who have previously been consulted will be notified of the final recommendation, and a press release will be issued to this effect.

### **Recommendations and reasons**

- 19 That Council agree to make a final recommendation of the Review for the central unparished areas of Durham to be parished on the following terms:
- a) The newly formed parish would be known as ‘the City of Durham Parish Council’.
  - b) The area is spilt into 12 polling districts and three wards:
    - i. Elvet and Gilesgate
    - ii. Neville’s Cross
    - iii. Durham South.
  - c) That there be 15 parish councillors, distributed as follows;
    - i. Elvet and Giles gate - 6 councillors;
    - ii. Neville’s Cross- 8 councillors;
    - iii. Durham South- 1 councillor.
  - d) That inaugural elections take place in May 2018 and then in May 2021 and every four years thereafter.
  - e) The council becomes a recognised legal entity in its own right on 1 April 2018.

- f) That a precept be levied to raise the sum of £150,000 to fund the parish council in the first year, which equates to a precept charge for a Council Tax Band D property of £34.46 per household per year, based on the council tax base for 2016/17. This precept charge per household would be recalculated in line with the council tax base for 2018/19 once established.
- 20 The final recommendation would be published on 25 September 2017, and a Reorganisation Order would be made one month later.

### **Background Paper(s)**

CLG and Local Government Boundary Commission for England Guidance on Community Governance Reviews.  
Reports to Council dated 25 January and 21 June 2017

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**Contact:**

**Ros Layfield, Committee, Member & Civic Services Manager**  
**03000 269708**

**Clare Pattinson, Legal Manager, Governance and Elections**  
**03000 260 548**

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## **Appendix 1: Implications**

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**Finance** – The cost of undertaking the consultative poll was approximately £8,000. Further resources will be required to establish the new parish Council, as set out in staffing and procurement, and facilities for the clerk. Any costs going forward to the county council can be recharged to the new council once established.

**Staffing** – Additional staffing resources will be required to establish the new parish council. A small working group will be set up using internal resources in conjunction with CDALC to establish the new council. Specialist services could be purchased by the County Council at a later stage if they are required. The Elections Team will deal with the inaugural elections of new councillors to take place in May 2018.

**Risk** – None specific within this report

**Equality and Diversity** – An equality impact assessment has been undertaken and has been updated during each stage of consultation.

**Accommodation** – The new Council will require accommodation for meetings. It is proposed that County Council facilities are made available for this initially.

**Crime and Disorder** – None specific within this report

**Human Rights** – None specific within this report

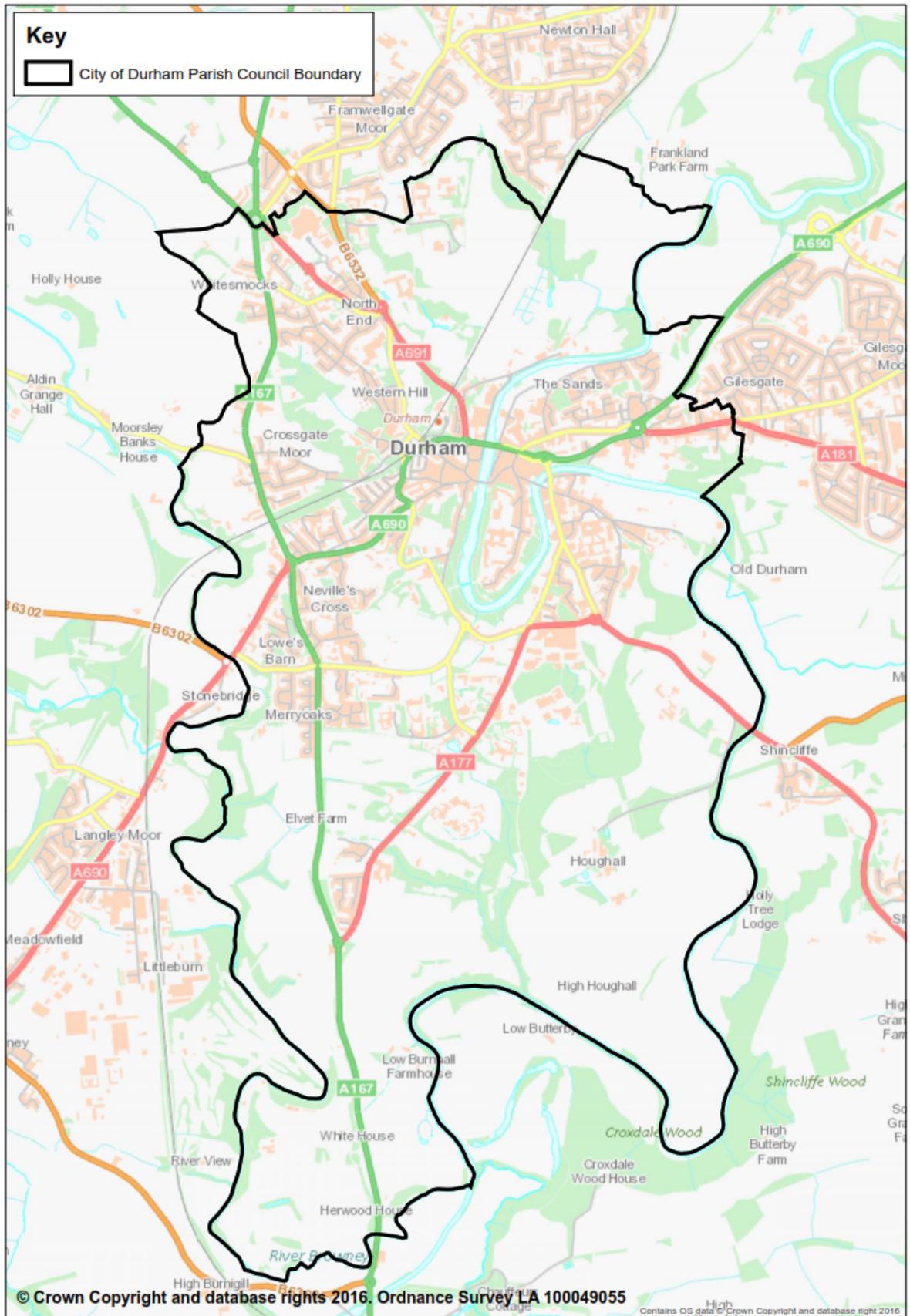
**Consultation** – See report

**Procurement** – If specialist services are required at a later stage then these could be purchased through NEPRO.

**Disability Discrimination Act** – None specific within this report

**Legal Implications** – The Review to be undertaken in line with current legislation and Regulations.

## Appendix 2: Map of the area under consideration



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## **Appendix 3: Constituting a New Parish - Areas to be Considered**

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### **Parish Areas**

- creating, merging and abolishing parishes;
- parishing previously un-parished areas;
- lesser boundary alterations between existing parishes;
- grouping parishes under a common council or dissolving groups;
- parish name changes;
- alternative styles for any new parishes.

### **Electoral Arrangements**

- whether to have a parish council or not;
- the size of the council;
- whether to ward the parish or not;
- drawing up appropriate ward boundaries;
- allocating councillors to wards.

### **Consequential Matters**

- recommendations to the Local Government Boundary Commission for England for changes to the unitary/county/borough/district divisions or wards;
- dealing with assets – fixed and otherwise;
- setting a precept for the new council;
- first elections and electoral cycles;
- setting the commencement dates.

### **Parish – new and existing parishes**

A new parish is:-

- establishing an unparished area as a parish;
- aggregating one or more unparished areas with one or more parished areas;
- aggregating parts of parishes;
- amalgamating two or more parishes;
- separating part of a parish.

If a new parish is set up, the review needs to make recommendations as to the name of the parish, whether or not it should have a parish council, the electoral arrangements of that council and whether or not the new parish should have one of the alternative styles.

## Parish names and alternative style

Where a new parish has been constituted, the review must make recommendations as to the name of the new parish and whether it should have an alternative style.

Where the review makes recommendations that a parish should have a council or an existing parish council should be retained, the review must also make recommendations with regard to the electoral arrangements or changes to electoral arrangements.

## Electoral arrangements

- The year in which ordinary elections of councillors to be held.
- The number of councillors to be elected to the council (or in the case of a common council, the number of councillors to be elected to the council by each parish).
- The division (or not of the parish), or (in the case of a common council) any of the parishes into wards for the purposes of electing councillors.
- The number and boundaries of any such wards.
- The number of councillors to be elected for any such ward.
- The name of any such ward.

Duties with regard to parishes in relation to the number of electors are prescribed in section 94 of Act and are set out in the table overleaf:-

1	The parish has 1,000 or more local government electors	The review must recommend that the parish should have a council
2	The parish has 150 or fewer local government electors and does not currently have a council	The review must recommend that the parish should not have a council
3	The parish has 150 or fewer local government electors and currently has a council or was part of a parish that had a council	It is for the principal council to decide whether or not the parish should have a council
4	The parish has between 150 and 1000 electors	It is for the principal council to decide whether or not the parish should have a council

## Councillor Numbers

The minimum legal number of parish councillors for each parish council is five. There is no maximum number and there is no other legislative guidance. The only other requirement is that each parish in

a grouping arrangement must have at least one member on the common council.

National Association of Local Councils (NALC) published guidance in 1988. It recommended that a council of no more than the legal minimum of five members is inconveniently small and considers a practical minimum should be seven. It does, however, state that local council business does not usually require a large body of councillors and business convenience makes it appropriate to suggest that the practical maximum should be twenty five.

Aston Business School has also carried out research and the recommended figures by both the NALC and Aston are reproduced below. Within those minimum and maximum limits, the following allocations were recommended by NALC:

<b>Electors</b>	<b>Councillors</b>	<b>Electors</b>	<b>Councillors</b>
Up to 900	7	10,400	17
1,400	8	11,900	18
2,000	9	13,500	19
2,700	10	15,200	20
3,500	11	17,000	21
4,400	12	18,900	22
5,400	13	20,900	23
6,500	14	23,000	24
7,700	15	Over 23,000	25
9,000	16		

However, in rural authorities with sparsity of population, even this table may not be appropriate.

The Aston Business School's research was published in 1992. It showed the then levels of representation and it is likely that these levels of representation have not greatly changed in the intervening years.

<b>Electors</b>	<b>Councillors</b>
<500	5-8
501-2,500	6-12
2,501-10,000	9-16
10,001-20,000	13-27
>20,000	13-31

The Local Government Boundary Commission for England (LGBCE) is of the view that each area should be considered on its own merits having regard to population, geography, the pattern of communities and to the current powers of parish councils.

When considering the number of electors, the council must have regard to:-

- (a) The number of local government electors of the parish; and
- (b) Any change in that number which is likely to occur in the period of five years beginning with the day when the review starts.

### **Warding**

Warding arrangements are dealt with under section 95 of the Act. In considering whether to recommend that a parish should or should not be divided into wards, the principal council should consider the following:-

- Whether the number, or distribution, of the local government electorate for the parish would make a single election of councillors impracticable or inconvenient.
- Whether it is desirable that any area or areas of the parish should be separately represented on the council.
- Whether Governance is effective and convenient. Guidance suggests that it might be relevant to ask if the additional cost of separate ward elections in some cases would represent an effective use of the parish's limited resources. The LGBCE stated 'there must be a reasonable number of local government electors in the parish ward to make the election of a council viable and the commission considers that a hundred electors is an appropriate lower limit.

If the council decides to recommend that the parish should be divided into wards, it must have regard to the following when considering the size and boundaries of the wards and the number of councillors to be elected:-

- The number of local government electors for the parish;
- Any change in the number, or distribution, of the local government electors which is likely to occur in the period of five years beginning with the day when the review ends;
- The desirability of fixing boundaries which are, and will remain, easily identifiable; and
- Any local ties which will be broken by the fixing of any particular boundaries.

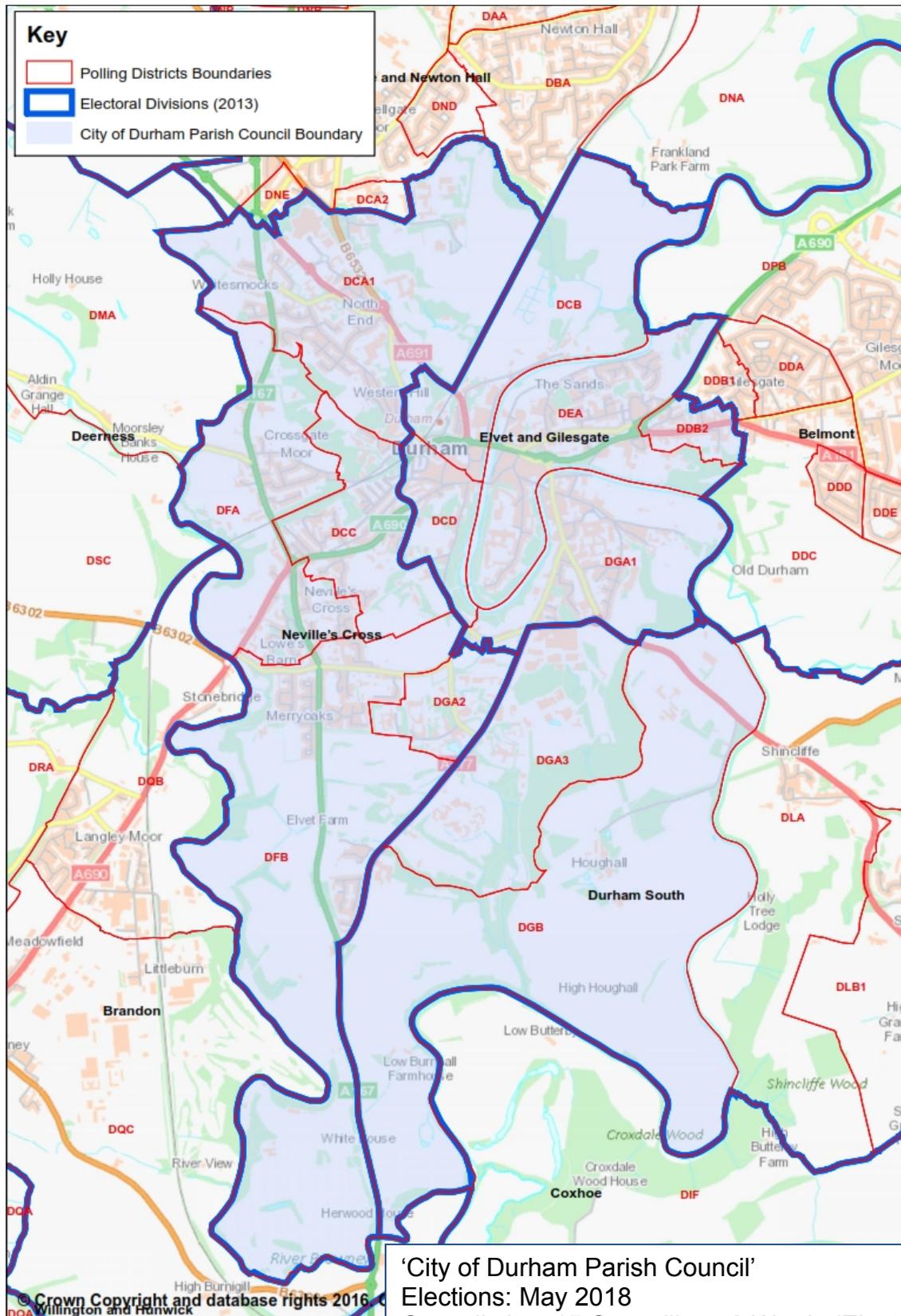
The Government also advises that another relevant consideration in the warding of parishes is the layout of the principal council electoral

areas. No unwarded parish should be divided by the district or county division boundary and no parish should be split by such a boundary. The number of councillors should be proportional to electoral sizes across parish wards. LGBCE's guidance states that "each person's vote should be of equal weight so far as possible, having regard to other legitimate competing factors when it comes to the election of councillors".

### **Precept**

If a parish council was to be established it would be able to levy a precept against the electorate. The County Council would be obliged to set the precept for its first year of operation, and in subsequent years it would be for the elected council to set its own precept, taking into account the services it plans to provide. When deciding the amount of precept, the County Council would need to ensure that it complies with the law and provides enough money for the new council to fulfil those duties which, in its first year, need to be budgeted and/or paid for. These include to employ a clerk, meet at least four times a year (if location costs are payable), secure insurance cover, pay internal and external auditors, manage any physical assets and establish a bank account.

## Appendix 4: Map of the warding arrangements



‘City of Durham Parish Council’  
 Elections: May 2018  
 Council size: 15 Councillors, 3 Wards (Elvet and Gilesgate - 6 councillors; Neville’s Cross - 8 councillors and Durham South - 1 councillor).  
 Nominal precept for first year of operation: £150,000.

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**Appendix 5: Responses to the draft recommendations**

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Ref No.	Comments		Organisation
1	<p>I am writing to respond to the draft recommendations of the Review of Community Governance in the Central Unparished areas of Durham by Durham County Council. My firmly held view is that DCC should not establish a Town Council for the central unparished areas of Durham City.</p> <p>My reasons for opposing this course of action are closely aligned with the arguments presented by the Whinney Hill Community Group as reported in your consultation paper (attached), specifically points (a), (b), (c), (g) (ii) and (h) and (i). In essence, I do not believe that an adequate account of the benefits deriving from a putative Town Council has been put forward. In the absence of such an account, I cannot see the justification for levying an additional precept on top of the existing council tax charge. I further note that (a) the total amount of the precept has yet to be determined, and (b) the precept may rise in an unquantified manner in subsequent years. I would respectfully suggest that this is akin to asking Durham’s council tax payers to write a blank cheque to an as yet unconstituted body. What means will be put in place to enable council tax payers to hold this new body to account?</p> <p>I further note the pitifully low turnout in the recent consultative referendum. The author of the review report hopefully suggests that those electors who did not vote ‘had no views either way’. I would surmise that those people who did not vote had not been reached by the extremely low-key campaign that preceded the referendum vote and were therefore not afforded the opportunity to scrutinise the case made for the creation of a Town Council. As I have noted above, the thinness of this case was not likely to motivate electors other than those local ‘NIMBYs’ who see in the Town Council an alternative locus of decision-making in planning matters that will be more sympathetic to their inherently conservative and obstructive attitudes towards the development of the city. It is, furthermore, unlikely that the residents of the large number of HMOs within the central unparished areas would have been motivated to turn out to vote, as exactly these residents will be exempt from the payment of council tax.</p>	Email	

	<p>I note with some optimism that your consultation paper states that 'it will remain open to the council to make a recommendation which is different to the recommendation the petitioners wish the council to make'. In view of the lack of detail provided on the putative benefits of a Town Council, the unquantified and seemingly unaccountable nature of the additional precept, the large number of council tax exemptions among the residents of the central unparished areas and, above all, the self-interested motivations of the NIMBY agitators who have been campaigning for the creation of this body, I would respectfully urge DCC to set aside the outcome of this flawed and unrepresentative referendum and to concentrate on developing the existing arrangements for community engagement, most notably the AAP.</p>		
2	<p>I am glad to see that there are at last proposals being brought forward for the unparished portions of Durham City to get its own Parish Council, and I support them.</p>	Email	
3	<p>I refer to the County Council's current consultation on the proposed establishment of a parish council to cover some of the areas of Durham City which are not presently parished. I responded to the Council's previous consultations on this matter to indicate why I did not support such a proposal, and voted against it in the referendum which the Council undertook earlier this year.</p> <p>Despite the outcome of that referendum and the Council's draft recommendation that a parish council should be established, I remain strongly opposed to the creation of such a body. It is unwanted by the majority of residents, would be disproportionately expensive, and would almost certainly be ineffective.</p> <p>Unwanted. The unpaginated document which sets out the Council's draft recommendations states in the section headed "Conclusion of review" that "the vast majority" of respondents to the ballot favoured the establishment of a parish council.</p> <p>However, this statement is immediately qualified by the reference to the "limited return" to the ballot. According to the document itself, 11,749 ballot papers were issued, but only 2,819 (fewer than 24%) were returned. The support for the proposal, as expressed by a positive vote in favour, was 1,856 registered electors, under 16%.</p> <p>The Council's document explicitly states that the most that can be assumed from the relatively small number of responses is that those who did not respond is that they had no strong views either way. However, elsewhere the document appears to take the silence of the majority of electors as consent, ignoring the fact</p>	Email	

<p>that what the numbers really indicate is that there is at best only lukewarm support for the proposal among the electorate as a whole.</p> <p>The evidence from Whinney Hill Community Group which is quoted in the Council's document very clearly identifies the lack of any comprehensive and substantive support from the proposal across the areas which it is supposed to benefit. My own view is that what support the proposal has gained is largely based on a fundamental misunderstanding of the potential role of such a parish council.</p> <p>Expensive. The Council's paper suggests that the initial cost of a parish council would be around £150,000 per annum, or around £34.46 for a Band D Council Tax payer. It fails to point out that higher banded properties will pay a significantly higher annual multiple of that amount. At a time of austerity, when the Council's expenditure is otherwise constrained but Council taxpayers themselves are also being subjected to a substantial "stealth tax" in the form of a social care impost, such a further addition to the Council Tax demands on city residents is wholly unwarranted. It would be made even more galling because city residents would also continue to bear the unique burden of the Mayoral Charter Trust precept – an existing additional tax on Durham City residents.</p> <p>The Council's document also completely fails to explain why a body with largely consultative and advisory functions would require 15 parish councillors, with their attendant expenses. I live in Neville's Cross ward, which is represented by two County Councillors whose role is to represent the residents of the constituency in regard to the whole range of statutory functions exercised by Durham County Council. I fail to see any justification for the appointment of eight parish councillors to represent the same ward on a new council with no substantive statutory powers.</p> <p>Ineffective. I suspect that many of those who voted in favour of the proposal did so in the belief that the resulting parish council would somehow be a re-embodiment of the former City of Durham District Council, and that the city would consequently regain much-needed control over planning and other matters of community concern. But leaving aside the fact that a parish council would only cover a fraction of the former district authority's population, such a vision of the future role of a parish council for parts of the city would be inconsistent with the reality of the unitary local government structure that presently applies in the County and would be unaffected statutorily by the</p>		
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<p>establishment of a parish council. While the views of such a parish council would have to be taken into account by the County Council, the latter's policies would continue to have overriding effect. In addition, the effectiveness of the parish council's input would be limited by the lack of autonomous professional support in key areas such as planning, housing, and transport.</p> <p>These comments would hold true regardless of how the proposed parish council's activities developed. Paradoxically, however, is that the unique nature of Durham City and its proposed role in the wider development of the county's economy mean that a parish council would almost inevitably be drawn into a level of activity which was significantly higher than that of other parish councils in the County, with attendant costs. Rather than resulting in an increased sense of engagement and empowerment for city residents, my expectation is that the creation of a parish council is likely to lead to an increased perception of disenfranchisement and disengagement.</p> <p>Conclusion. For these and other reasons, I continue to feel that the creation of a parish council for part of Durham City would be an inappropriate response to the concerns that have led our MP and others to suggest a "town council" as a means of improving the governance of our city. So long as the city's affairs are managed within the context of a unitary local authority covering the whole county, its interests will be most effectively served by its county councillors who can directly represent their constituents within that authority. An essentially consultative parish council would add no real value in statutory terms, and would detract from the role of the elected councillors.</p> <p>As the Council's consultation document notes, the Government guidance on the establishment of parish councils leaves considerable discretion with the County Council. Bearing in mind the limited degree of actual positive support for a parish council that has been elicited by this and previous consultations, the practical limitations on its effectiveness that I have touched on above, and the disproportionate expense of this proposal during a period of local government austerity, I urge the Council not to implement this proposal but instead to investigate other ways of ensuring more effective alignment between its policies and the unique requirements of Durham City. These could include fuller delegation of local matters to existing county councillors for city wards, and a development of the role of the AAP.</p>	
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4	<p>The Neville's Cross Community Association welcomes the recommendations and supports their implementation as they stand, as soon as possible. The NXCA believes that a city the size and importance of Durham should have formal collective representation in addition to that provided by individual county councillors and that such representation should be part of the formal democratic processes of the county council.</p>	Email	Neville's Cross Community Association
5	<p>Please register my support for draft proposals.</p>	Email	
6	<p>I'd like to place on record our strong support for the creation of our new council. This is also the view of our local Sidegate residents association.</p> <p>The reasons for our support are straightforward and grounded in the need for true local democracy as follows;</p> <ul style="list-style-type: none"> <li>• When the two tier arrangements were destroyed, with no local democratic mandate, the unparished areas of the County should have been parished at that time, which, I believe, was the case in Northumberland</li> <li>• We campaigned for a council a few years ago, were successful, but the County Council blocked the creation of the new body</li> <li>• We have recently voted again, overwhelmingly in favour of the new body</li> <li>• Our city is under constant threat, particularly from University expansion and the proposed County Plan. Now more than ever do the permanent residents of the City need a truly independent voice to protect their interests.</li> </ul> <p>I'd also like to make the following additional points in support of the Council's current proposal;</p> <ul style="list-style-type: none"> <li>• It's clearly what the majority of people want as proven in the recent consultation. The same principle should apply as to all local elections. A low turnout never stops a councillor taking their seat! It's the second time the majority have voted for a new council</li> <li>• The proposed precept is a small price to pay for proper democratic representation. This can of course be changed once the new council is formed based on a mandate obtained by the new council members</li> <li>• The only sensible boundary of this new body is on the proposed basis for the whole City, as it is impacted by broadly similar interests and has</li> </ul>	Email	

	<p>common threats (as above)</p> <ul style="list-style-type: none"> <li>• In particular, it provides a real local representation, unlike the current arrangements where the County Council is clearly completely out of touch with the views, needs and concerns of Durham City residents</li> <li>• The proposed Council is the right vehicle to take forward the excellent work carried out by the Neighbourhood Planning Forum</li> <li>• The council is a much more suitable body than the non- democratic AAP, which is in effect an organ of the County Council, as the main conduit for local decision making and representation for the City.</li> <li>• It is noted that in the recent County Council elections, several other areas, such as Derwentside and Spennymoor, have rejected the 'one party state' of the County Council. The creation of a new Council would allow Durham City residents to further support true local democratic representation, independent of the County Council.</li> </ul> <p>We look forward to the formation of the new council and an end to the 'Democratic Deficit' that has contributed to the poor decision making and current problems that the City is experiencing. It would be a complete rejection of democratic principles if the Council was not now formed as planned.</p>		
7	We support the Council's draft recommendations for the setting up of the City of Durham Parish Council.	Email	
8	Before responding to the actual issue of the creation of a Parish Council for the Durham City area I would like to make a specific point which may relate to the decision made by Durham County Council (DCC) to move on to conducting the next formal stage of this consultation. It seems that DCC Cabinet may have been influenced in making their decision to proceed as a result of comments made by both Cllr's Ormerod and Freeman, ward councillors for Elvet & Gilesgate (neither of whom live in the Elvet & Gilesgate ward). If this is correct then I would highlight a number of comments which were reported in the Durham Times and attributed to Cllr Freeman (who resides in Usher Moore) and Cllr Ormerod (who resides in Neville's Cross) in response to DCC when deciding to proceed with a formal consultation on this issue. Councillor Ormerod claims that during the recent local election campaign he was surprised at the strength of feeling and support he had encountered towards this subject on the doorstep. He stated in the Durham Times	Email	Whinney Hill Community Group

(23/06/2017) that “it was far more than I thought it would so I can vouch for the strength of feeling” being expressed within the community on this subject. During the local election he could equally have been made aware of a lot of anti-parish comments but as he openly admits he is "a big supporter of Parish government" (Durham Times, 23/06/17), how therefore, can this be given any credibility as it is merely ‘vouched for’ comments. It is not supported by any credible evidence but conveniently supports his personal position on this matter. The evidence produced in the previous 2012 referendum indicated no real enthusiasm or support for a Parish Council and as the June 2017 referendum received a similar response, then the comments made by Cllr Ormerod should not be considered relevant as it is merely anecdotal and not supported by any tangible evidence, but conveniently supports his personal position on this matter.

Cllr Freeman also made comments in response to DCC’s announcement which appeared to support and reiterate the important point made by WHCG in our previous objection to the formation of a Parish Council regarding who would actually have to pay the precept for a Parish Council? He stated “Around half of the people living in Neville’s Cross and Elvet & Gilesgate are students” (Durham Times, 23/06/2017). However, it should be noted that Cllr Freeman has provided no evidence to indicate the percentage of students living in the Elvet & Gilesgate and Neville’s Cross areas of the City, or whether they participated in the referendum, or not. It is not disputed that there is a very high percentage of students living in these areas. However, the imbalance between permanent residents and students in Elvet & Gilesgate and Neville’s Cross could be quite significant when ascertaining the actual level of permanent residents supporting the establishment of a Parish Council is considered. This should be seen as a very important consideration as it is the permanent residents who will ultimately have to pay the Parish Council precept. WHCG pointed this out in its previous response to DCC that students are temporary residents and are exempt from paying Council Tax and consequently they would also be exempt from paying the Parish Council precept.

It should also be noted that in the coming years Durham University is planning a substantial increase in student numbers (six and a half thousand) many of whom will be residing in the proposed parished area

<p>and specifically in Elvet &amp; Gilesgate, this will inevitably impact further on the level of public services and amenities provided within the City. This will result in a further increase in the number of properties being sold and rented out to student's (which is still happening now despite the introduction of the Interim Report and the Article 4) which will inevitably further reduce the numbers of properties registered for both Council Tax and the Parish Council precept payments. In this extended period of austerity, when many families and elderly residents are struggling to pay their rents and council tax, how can it be either justified or seen as equitable when no contribution is collected from landlords for the services they and their student tenants have access to? Councillor Freeman has indicated in the past that on this issue, he would support the wishes of residents. It would appear that the majority of residents in Elvet &amp; Gilesgate have once again, failed to enthusiastically support the idea of a Parish Council, nor have they endorsed its imposition and the subsequent costs which will as a result be incurred (which will no doubt increase substantially in future years once established).</p> <p>In total 11,749 ballot papers were issued and 2,819 were returned, with 66 per cent in favour and 34 per cent against - which means 16 per cent (1,856) of those consulted were in favour and 8 per cent against. This equates to less than 25 per cent of residents eligible to vote actually taking the time to respond and yet, as a result of the above, ALL permanent residents in the proposed parished area are expected to pay towards and, take responsibility for, the up-keep of a system that at the very least, they had little, or no interest or enthusiasm for, nor could they see the logic, or benefits of. Therefore, for this referendum ballot to have any credibility the actual number of residents voting in support of the creation of a Parish Council should have been considerably more than the total of 1,856 votes cast. It would also seem relevant to note that 10 per cent of electors eligible to vote in the designated parish area are required to sign the initial petition submitted to DCC. It is to be accepted that those residents who signed the petition are obviously strong supporters of a Parish Council. However, putting that to one side, within the actual poll they only managed to increase their number by less than 700 votes (approx.). Considering there was no actual campaign carried out against a Parish Council, as opposed to a quite lengthy and active campaign (led by the local MP) in support of the establishment of a Parish Council, it would not appear to be a ringing</p>	
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<p>endorsement for its creation.</p> <p>Also, within the report presented to Cabinet reference was made to Durham County Council responding to the consultative poll which was distributed to those electors whose names were on the electoral register in the area under review. This was done in accordance with a County Council decision to use a consultative poll method for any reviews which related to the creation or abolition of a Parish/Town council. In addition to this consultation letters (seeking views and comments) were sent to - St Nicholas Community Forum, Whinney Hill Community Group, Crossgate Community Partnership and Gilesgate Residents, Elvet Residents Association, Merryoaks Residents, Neville's Cross Residents Association, Sheraton Park Residents, Sidegate Residents Association, County Durham Association of Local Councils, Durham Access for All, Durham Area Partnership, Durham Neighbourhood Planning Forum, Roberta Blackman Woods MP and the local County Councillors. Consequently, in response to the above invitations to respond, it went on to say:</p> <p>"Other representations Prior to the consultative poll, representations were received from the Durham City Neighbourhood Planning Forum which advised that they were in the process of developing a neighbourhood plan for the unparished areas of Durham City and included the same area for which the petition was presented".</p> <p>The Draft Recommendation report (DCC, July 4th 2017) stated:</p> <p>"The outcome of the consultative poll is that there was support for the formation of a new council in a limited/low return. From the relatively small number of responses received the most that could be assumed from those who did not respond is that they had no views either way".</p> <p>It is therefore apparent that the response was poor, as it had also been in 2012 (when this issue was previously voted upon). However, as mentioned above, in order to involve groups within the City to engage in the consultation DCC initially conducted a consultative poll and in addition to this consultation letters were sent to St Nicholas Community Forum, Whinney Hill Community Group, Crossgate Community Partnership and Gilesgate Residents, Elvet Residents, Merryoaks Residents, Neville's Cross Residents, Sheraton Park Residents, Sidegate Residents' Association, County Durham Association of Local Councils, Durham Access</p>		
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<p>for All, Durham Area Action Partnership, Durham Neighbourhood Planning Forum, Roberta Blackman-Woods MP and the local county councillors.</p> <p>It is therefore disappointing that when DCC made its recommendation to proceed with producing its Draft Recommendation the only responses apparently received were from: The Neighbourhood Planning Forum, Roberta-Blackman Woods and Whinney Hill Community Group.</p> <p>After 5/6 years we are still waiting for the Neighbourhood Planning Forum to produce its Neighbourhood Plan for residents to vote on. Roberta Blackman-Woods claimed that a Parish Council “would give people an opportunity to engage more with local governance and would provide for a stronger voice on the issues affecting people within the city centre.” However, in response we would ask how can this Parish Council possibly ‘meaningfully’ effect or influence DCC, who have the final say in anything of real consequence within the city, or with Durham University, who dominate the city and repeatedly refuse to hold a public meeting to discuss/debate their 2017/2027 Masterplan, or the dominant role it presently plays and will undoubtedly continue to play in the future, of Durham City, is difficult to comprehend. Whinney Hill Community Group appears to have been the only Group on the above mentioned list who actually responded quite comprehensively, to the invitation to comment upon this issue. This would indicate that throughout the area to be designated as "the City of Durham Parish Council" that there is very little enthusiasm for a Parish Council when other City Resident Groups failed to respond to the individual invitations offered to them by DCC.</p> <p>Within the Draft Recommendations Conclusion of the Review, DCC stated "The vast majority were in favour from the limited return and having considered the objections it was felt that the proposed formation would be effective and convenient." Could DCC explain how they can justify this statement when the points against the formation of a Parish Council (purely on the evidence within the paper presented to Cabinet) were obviously stronger than that of support, but in particular what do they mean by "effective and convenient", convenient for whom?</p> <p>The Draft Recommendations also suggests that the proposed Parish area should be divided into three Parish wards: i. Elvet and Gilesgate, ii. Neville’s Cross</p>		
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and iii. Durham South. (c) The registered number of electors for the area at the date of the consultative poll on 4th February 2017 was 11,749. In view of local knowledge and guidance regarding the size of local councils that 15 Parish councillors would be appropriate and distributes as follows:- i. Elvet and Gilesgate - 6 councillors; ii. Neville's Cross - 8 councillors; iii. Durham South - 1.

Considering that Elvet & Gilesgate and Neville's Cross are of similar size (electorally) it is difficult to accept that Neville's Cross should have eight councillors, two more than Elvet and, by dividing the area up in this way would give an unfair built-in majority to Neville's Cross, enabling them to dominate any vote regardless of whether Elvet & Gilesgate and Durham South support one another. Therefore, if, ultimately, a Parish Council is to be established and imposed upon the majority of residents who have not shown any support for it creation, then surely, on the grounds of fairness the above numbers cannot be allowed to go unchallenged?

In 2012, as part of the consultation document produced to inform residents of the issues surrounding the creation of a Parish Council, DCC said in its Governance Review document:

Today, Durham City has a retail heart around the historic market place and the cobbled, narrow streets add to its distinctness. It has its own recognised community with its own local shops and amenities (public houses, restaurants, church, library, theatre, leisure centre, doctors, post office). Its particular identity is focused upon its city centre, a compact and historic centre including the World Heritage Site of the Cathedral and Castle, and its world class university.

Durham County Council also said "Durham City also has a particular identity focused upon the City Centre including the World Heritage Site, Cathedral, Castle and University. Durham Area Action Partnership covers both areas. That is why we have to look at both of these areas and offer options for both, given that there appears to be support for either one or two Parish Council's created for these area." In 2012 DCC were referring to Newton Hall and it was decided that it would not be appropriate for the two areas to be included in one Parish. It was considered that residents did not believe that they had sufficient areas of interest to justify the areas coming together.

In 2017 the same can be said about Elvet & Gilesgate

<p>and Neville's Cross coming together to create a single Parish Council, in reality they have very little in common apart from increasing numbers of students dominating their communities and as a result less residents to pay Council Tax and a Parish Council precept. What actual evidence does DCC have to indicate that merging Elvet &amp; Gilesgate and Neville's Cross into one parish resembles anything like support for this union?</p> <p>Within the Review the Council aims to ensure that community governance arrangements within the area under Review are reflective of the identities and interests of the community in that area.</p> <p>The Council will also:</p> <ul style="list-style-type: none"> <li>• consider what community governance arrangement is effective and convenient to the community in that area;</li> <li>• consider what other arrangements there could be for the purpose of community governance or engagement;</li> <li>• consider the size, population and boundaries of the local community or parish.</li> </ul> <p>In respect of the above, what evidence can be produced by DCC to show that they have given sufficient consideration to ensuring that all of the above have been seriously considered?</p> <p>In 2012, in response to the Parish Council consultation which rejected its formation, DCC stated:  "The Council is also aware of the guidance which states: "What sets Parish councils apart from other kinds of governance is the fact that they are a democratically elected tier of local government, independent of other Council ties and budgets, and possess specific powers. This is an important distinction to make. Parish Councils are the foundation stones for other levels of local government in England. Their directly elected parish councillors represent local communities in a way other bodies, however worthy, cannot, since such organisations do not have representatives elected to those bodies". The Council has considered this guidance carefully, and does acknowledge the special role that parish councils have in a community. On the other hand, having considered all the matters referred to in the report to the Council of 19th September 2012, the Council had significant concerns that in terms of community cohesion and effective local governance, the establishment of a precept raising body at a time of recession, in a community that shows only limited support for it and</p>		
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	<p>some clearly articulated opposition to it, may not be perceived by some to be an act supportive of effective local governance. The Council's concern about this was heightened by the fact that the consultation response from some areas was clearly against the formation of a parish council. The Council had some concern when it took into account the fact that current guidance does not allow for an easy dissolution of a parish council, once it is established. The guidance states that the abolition of parishes should not be undertaken unless clearly justified and there is clear and sustained local support for such action." (Review of Community Governance in the Unparished Area of Durham City carried out by Durham County Council. (Final Recommendations [No Parishing Arrangements], Colette Longbottom, Head of Legal and Democratic Services, DCC, 2012).</p> <p>Unfortunately, apart from DCC seeing the introduction of a Parish Council as a way for residents, within the proposed parished area to contribute extra funding towards services already provided, it is difficult to see in what way anything has changed in 2017 from the previous announcement made by DCC in 2012?</p> <p>Consequently, WHCG would suggest that DCC has not been provided with sufficient evidence which can possibly justify the imposition of a Parish Council on permanent residents in the proposed un-parished area to be referred to as 'the City of Durham Parish Council' and therefore DCC should look again at alternative options which will deliver community governance, has more support from local residents and allows them to believe that they actually do have a say in the future of Durham City because as things currently stand it is difficult to see how the formation of a Parish Council created on such a limited turn-out and biased towards one area over another can possibly enhance and promote social cohesion and unity. The Council is also aware of the fact that if no parish council is formed there are other forms of community governance available and consequently, not creating a parish council would not leave a vacuum in terms of community engagement. Therefore, failing to consider the above should result in a continuation of the system as it is at present and until further work has been undertaken with the community to further explore if there is a parishing arrangement that can secure the broad support of the residents involved.</p>		
9	<p>I support the draft recommendations for the proposed City of Durham Parish Council. I do think that there must be some way of ensuring that</p>	Email	

	landlords of student properties pay their fair share as they are heavy users of Council services. Will they be included in the Parish Council precept?		
10	Just a brief note to say that I support the draft recommendations you published on 3 July 2017 and would now like to see them implemented without delay.	Email	
11	I'm writing in support of the creation of a Town Council for central Durham. It is important that the central unparished areas of Durham City have a stronger representation as legal entity. Please add my letter to the voices in favour. Thank you.	Email	
12	This is to say that I support DCC's Draft Recommendation to set up a parish council for the central unparished areas of Durham, to be known as 'the City of Durham Parish Council', as per the relevant sections of the Draft Recommendation document.	Email	
13	I have read the draft recommendations on your website, and urge you to act on those recommendations, and set in motion the (long overdue) creation of a Parish Council for the City of Durham. The wards and numbers of councillors suggested seem a fair reflection of the population of the relevant areas, and the time scheme proposed more than adequate. It is about time the City had a level of local representation which functions well in the majority of the County.	Email	
14	I whole heartedly support the draft recommendations for the Durham City Parish Council as published by Durham County Council.	Email	
15	I wish to strongly support the draft recommendations in relation to the formation of a Parish Council for the City of Durham as set out in Durham County Council's paper currently circulated. In doing so I wish to make the following additional points: (1)The extensive coverage of the Whinney Hill Community Group's comments in opposition to the establishment of a Parish Council in contrast to the most cursory reference to support from other Groups is unwarranted and would expose the County Council to allegations of unfairness should the County Council ultimately decide not to proceed with the current recommendation. (2) I have a concern in relation to recommendation (h) so far as it relates to the transfer of unspecified liabilities from the County Council as referred to in the final bullet point, the financial implications of which would need to be provided for within the precept set for the new Parish Council.	Email	
16	I wish to support the draft recommendations on the Proposed City of Durham Town Council.	Email	

17	I am writing to say I support the draft recommendations.	Email	
18	I would like to give my support to your draft recommendations for a Parish Council for the central unparished areas of Durham City. I feel this is long overdue and that the citizens have felt under-represented. The lack of a Council to speak up for the central areas of the City has led to some unfortunate developments which have not been in the interests of either the City or its residents.	Email	
19	I support the proposals to establish a new parish council for Durham City as set out in your consultation	Email	
20	I am very supportive of the new Durham City Council venture.	Email	
21	I support the recommendations for a parish council for Durham city.	Email	
22	I accept the recommendations for a parish council for Durham City.	Email	
23	I support the creation of a Parish Council for the City of Durham.	Email	
24	We welcome the proposed changes.	Email	
25	As a local resident of Durham City I wish to express my strong support for the recommendation to create a parish council for the areas specified in the report.	Email	
26	<p>I would like to express general support for the recommendations of the Review of Community Governance in the Central Unparished areas of Durham by Durham County Council.</p> <p>However, I would like to suggest that the proposed “Elvet &amp; Gilesgate” parish ward be instead named “Cathedral ward” for the following reasons:</p> <ol style="list-style-type: none"> <li>1. Only a small portion of the area commonly referred to as “Gilesgate” is included in the parish ward. The Churchill Square/Bradford Crescent area is not included, and nor is the Sherburn Road estate, both of which are normally considered part of Gilesgate (the Gilesgate Residents’ Association covers these areas).</li> <li>2. Similarly, the Gilesgate Moor area is already part of another parish council area, i.e. Belmont Parish Council, and is not included in the proposed parish ward.</li> <li>3. I currently represent the Elvet &amp; Gilesgate Division of Durham County Council, which covers the same area as the proposed parish ward. The name “Elvet &amp; Gilesgate” causes confusion for residents and even county council officers who assume that my colleague Cllr David Freeman and I represent the whole of</li> </ol>	Email	Local Member Cllr R Ormerod

	<p>Gilesgate (most of which is in fact in Belmont Division). I am frequently contacted by residents of parts of Gilesgate (and occasionally Gilesgate Moor) which are not part of my division. Correspondence then has to be forwarded to the Belmont county councillors. This results in extra work for councillors and a delayed service for residents which is quite unnecessary.</p> <p>4. The proposed parish ward includes several areas which nobody would consider to be part of either “Elvet” or “Gilesgate”. These include Sidegate, Crossgate and the Claypath/Sands area.</p> <p>5. My suggested alternative name, “Cathedral ward”, would be a recognition that the proposed ward is in essence the city centre and immediate surrounding areas, with the Cathedral visible from most locations within the ward.</p>		
27	<p>The campaign to obtain the required numbers to support a parish/town council was lengthy which would indicate there was no overall desire for residents to establish a parish/town council for Durham City and despite the low level result of the consultative poll there are further indicators to show there is no or little interest in forming a parish/town council.</p> <p>11,749 ballot papers were issued to electors in the area. 2,819 ballot papers were returned and of those 2,819 ballot papers returned, 1,856 were in favour of a creating a parish council. This equates to only a 24% return, and those who responded in favour constituted only 16% of the electorate consulted. This response can justifiably be interpreted as 76% of the electorate being disinterested in a Durham City parish/town council. Given that the abolition of a Parish Council can only be justified on the evidence of clearly sustained local support, (Review of Community Governance in the Unparished Area of Durham City carried out by Durham County Council. (Final Recommendations [No Parishing Arrangements], Colette Longbottom, Head of Legal and Democratic Services, DCC, 2012), it must therefore be that the creation of a Parish Council should only be justified along the same terms i.e. clearly sustained local support. The lack of interest from the electorate shows entirely the opposite.</p> <p>The Draft Recommendation report (DCC, July 4<sup>th</sup>. 2017) extract:</p> <p><i>“The outcome of the consultative poll is that there was support for the formation of a new council in a limited/low return. From the relatively small number of responses received the most that could be assumed</i></p>	Email	

<p><i>from those who did not respond is that they had no views either way.”</i></p> <p>The council therefore concedes that support for a new council was limited. Their conclusion that those who did not respond had no views either way should lend further weight to the fact that residents of the City had no or little interest in establishing a new council.</p> <p>In order for groups within the City to engage in the consultation DCC initially conducted a consultative poll and in addition to this consultation letters were sent to St Nicholas Community Forum, Whinney Hill Community Group, Crossgate Community Partnership and Gilesgate Residents, Elvet Residents, Merryoaks Residents, Neville’s Cross Residents, Sheraton Park Residents, Sidegate Residents' Association, County Durham Association of Local Councils, Durham Access for All, Durham Area Action Partnership, Durham Neighbourhood Planning Forum, Roberta Blackman-Woods MP and the local county councilors.</p> <p>Other than a comprehensive submission from the Whinney Hill Community Group, there was no response from the other Residents Groups and the only other parties quoted as responding to this initial poll were the Neighbourhood Planning Forum and Roberta Blackman-Woods (MP). This would also suggest very little interest, if not total apathy, from residents with regard to a parish /town council for Durham City.</p> <p>The MP claimed that a Parish Council <i>“would give people an opportunity to engage more with local governance and would provide for a stronger voice on the issues affecting people within the city centre.”</i> The Council states that <i>“People had explained to the MP Roberta Blackman Woods during the consultation process that a parish council would provide more local accountability and allow residents to have more of a say in the future direction of Durham City.”</i> The MP has failed to provide any evidence to substantiate her claim, nor has there been any guarantees given to residents that they would have more of a say in the future of Durham City. In fact, at her public meeting to launch the campaign for a Parish Council, Ms Blackman Woods had to concede that a Parish Council would have no final say on planning decisions and could simply make recommendations. It is therefore difficult to envisage how a parish/town council will be able to exercise any influence over the decisions currently been made by the County Council on matters important to residents, such as planning, since it would have no more power than every resident has at</p>		
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<p>present, without a Parish Council.</p> <p>Within the Conclusion of the Review, DCC states <i>“The vast majority were in favour from the limited return and having considered the objections it was felt that the proposed formation would be effective and convenient”</i> Why didn't DCC consider the lack of response from various groups to the consultative poll as being significant in that it shows an obvious lack of overall interest? Also the points made against forming a parish/town council were very strong and seemed to outweigh the points in favour. It's difficult to see how DCC have reached their conclusion to proceed given the fact they readily acknowledge the lack of response and interest and the strong points made against a parish/town council. They seem to have disregarded the aforementioned and have not acted in the best interests of everyone in reaching their conclusion.</p> <p>Regarding the cost of a new council, DCC state that <i>“the sum required to fund the parish council for the first year is likely to be no more than £150,000 this precept be set. An example of the precept charge for a Council Tax Band D property would be £34.46 per household per year, based on the council tax base for 2016/17. This precept charge per household would be recalculated in line with the council tax base for 2018/19 once established.”</i> Whilst the cost required to fund the first year may seem a relatively small sum per household, the electorate are not told what this figure covers. The figure quoted is only “likely” and not guaranteed. Given the wide range of statutory services that a parish/town council could decide to fund, and those services listed by DCC in their Draft Recommendation are not exclusive, it is almost certainly the case that the cost in subsequent years will increase dramatically, resulting in a much higher sum per household. It must also be pointed out that the statutory services that could be funded by new council are currently the responsibility of, and funded by, DCC. It is little wonder that the DCC are in favour of a parish council given that it could ultimately take over responsibility for key services thus saving them a lot of money. How can DCC be seen to be acting impartially given that they have most to benefit from this proposal?</p> <p>The burden for the upkeep of a parish/town council would fall on all of the Durham City residents, despite the fact that only a very small percentage of residents voted in favour. These residents pay sufficient Council Tax at present, and should not be subject to further tax for another costly level of bureaucracy where there is no evidence that it will be of any real benefit to</p>		
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<p>residents. Durham City residents will also continue to fund the ceremonial Mayor as the role would remain with the Charter Trust and continue to be financed through a precept on the households in the former Durham City Council area.</p> <p>It requires a reasonably large number of Council Tax paying residents to fund a parish/town Council. Large parts of the proposed parish council area have significant numbers of HMO properties exempt from Council Tax, as high as 90% of the properties in the majority of the inner city areas. These properties will also be exempt from paying the precept for the proposed Parish/Town Council. There is, and will be, a serious lack of funding for both DCC and the proposed new council. This could be seen as nothing but unfair to permanent residents as it places the whole burden of funding on the permanent residents, yet it is often the student population that can be the biggest drain on council resources in the City.</p> <p>DCC recommends that the proposed parish area should be divided into three parish wards. i.e Elvet and Gilesgate, Neville's Cross, and Durham South and that 15 councillors would be appropriate with 8 allocated to Neville's Cross, 6 to Elvet and Gilesgate and 1 to Durham South.</p> <p>Regarding the recommended division of the proposed parish area, it is difficult to see how each area can be represented properly as due to the demographics of population and age each parish ward has different issues and agendas. For example, the Elvet area is great affected by student related issues and the majority of remaining residents are middle aged and older. This is in contract to both Neville's Cross and Gilesgate where there are far fewer students and there is a mixed balance of residents with a wide age range. The different needs and importance of matters relevant to residents within each parish ward could give rise to disagreements and adversely effect the decision making process.</p> <p>The proposed distribution of councillors to each area is unfair. Neville's Cross is of a similar electorate size as Elvet and Gilesgate therefore there is no justifiable reason why they should have more councillors. By holding a majority Neville's Cross could dominate any vote, which is undemocratic and could have a negative effect on community cohesion.</p> <p>DCC should consider other, more appropriate and relevant forms of local representation which reflected the individual needs of each of the three aforementioned areas and does not seek to divide communities.</p>		
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	<p>In conclusion, the points raised above, and summarised below, would seem to be contrary to The Laws, Duties and Guidance set out in DCC Draft Recommendations,</p> <ul style="list-style-type: none"> <li>• the acknowledged lack of interest from residents,</li> <li>• the ongoing cost to residents of funding a parish council with available limited funds due to the massive amount of Council Tax exempt properties,</li> <li>• DCC's financial gain from having a parish council take responsibility for statutory services,</li> <li>• the very different needs and requirements within each the proposed parish areas and</li> <li>• the unfair allocation of councillors to the recommended wards</li> </ul> <p>The Laws, Duties and Guidance state  <i>i. a. reflects the identities and interests of the community in that area</i>  <i>b. is effective and convenient.</i>  and <i>“the creation of parishes and that the abolition of parishes should not be undertaken unless clearly justified and with clear and sustained local support for such action.”</i>  <i>“acknowledges that a recommendation to abolish or establish a parish council may negatively impact on community cohesion and that there is flexibility for councils ‘not to feel forced’ to recommend that the matters included in every petition must be implemented.”</i></p> <p>I would respectfully ask that DCC review their recommendation to create a parish council as the creation of such does not reflect the views of the silent majority of Durham City residents. Absence of opinion should not be taken as assent to such a significant political change.</p>		
28	I am writing to support the draft recommendations of the Neighbourhood Plan and feel that the new Parish Council for Durham City would be the ideal body to carry this forward.	Email	
29	In response the message copied below, I wish to express my support for the recommendation to create a parish council for the areas specified in the report.	Email	
30	I support the Council's proposals.	Email	
31	I support it.	Email	
32	I very much welcome the formation of a parish council for Durham City. I would welcome it even more if the area in which I live could be included in the parish	Email	From outside of the area

	council area.		
33	<p>I am delighted that the County Council supports the introduction of local government at parish level for the area defined by the Neighbourhood Plan Area, which incorporates more than one parish. In view of the extensive area covered by the Neighbourhood Plan Area, it seems to me that it would be clearer to name the proposed Council as 'Durham Town Council', in order to signify its distinctive size, which includes the World Heritage Site of Cathedral and Castle and historic centre of the City.</p> <p>The City of Durham has significant international status for its remarkable heritage, quite apart from its University, and it deserves to have a comparable standing as a civic authority with the stewardship of numerous listed buildings and the aforementioned World Heritage Site.</p>	Email	
34	<p>I have read the document provided by Durham County Council, and am very glad to learn that the decision made was to inaugurate a Parish Council to Durham City. I have 2 comments to make, the second being more of a question than a comment.</p> <ol style="list-style-type: none"> <li>1. I would like the new entity to be called Durham Town Council, if that is possible.</li> <li>2. There are frequent references in the DCC document to unparished areas not included in the area to be covered by the new entity. Could you please tell me what these locations are, where they are, and why they are not included? I know of a small area that apparently has no representation on the County Council and is, I think, not included in the new "parish" - that is a small stretch of Sherburn Road, including Marshall Terrace. Why are these residents excluded? Can they be included in the new "parish"?</li> </ol>	Email	
35	<p>I am writing to support the recommendations contained in the Review of Community Governance in the Central Unparished areas of Durham.</p> <p>I would like to make the following comments:</p> <ul style="list-style-type: none"> <li>• The City is well-provided with residents' associations (and I chair one of these) which have a large number of active members. This suggests there is a good pool of people who might seek election as parish councillors.</li> <li>• The turnout in the ballot, while lower than I would have wished, was within the range seen in the recent County Council elections, and the result was in no doubt with a 2:1 majority in favour.</li> <li>• As the review states, in February the Council issued 11,749 ballot papers in the poll about whether people wanted a Town Council. I made</li> </ul>	Email	

	<p>a freedom of information request which showed that on 1 June the number of electors had gone up to 12,878. This is an increase of 9.6% in just four months. I had thought something like this would be the case. However, I had also suspected that this increase would be enough to give Durham South an extra parish councillor but this is emphatically not the case.</p> <ul style="list-style-type: none"> <li>• The number of electors per councillor would be around 800 in both Neville's Cross and Elvet and Gilesgate, and around 500 in Durham South. I feel this is fair, particularly if the new-found enthusiasm of young people for political engagement results in an increase in Durham South.</li> <li>• No doubt the numbers of councillors can be re-balanced when electoral arrangements are next reviewed for the County.</li> <li>• Given the cut-backs in County Council expenditure and the consequent reduction in services, it would be open to the new Parish Council to reinstate any that local people particularly missed. I note this has been done in other parts of the County.</li> </ul> <p>In short, this is a welcome move to address the democratic deficit in this part of the County and I hope the Council will approve these recommendations and proceed to bringing the new Parish Council into being next April.</p>		
36	I have great pleasure in supporting the council's proposal to Give the old city a parish council it has been needed for some time.	Email	
37	Fully support the Draft Recommendations for the City of Durham Parish Council.	Email	
38	We wish to register our full and strong support for the draft recommendations made in the "Review of Community Governance in the Central Unparished areas of Durham, by Durham County Council". We are registered electors in Durham and live in Neville's Cross Ward.	Email	
39	I am very pleased to learn that the proposed parish council has been approved. This is excellent news.	Email	
40	<p>I would like to register my support for the draft recommendations for the formation of a Parish Council for Durham City.</p> <p>I have been interested in the work of the Durham City Neighbourhood Planning Forum and would hope that a Durham City Parish Council, if formed, would monitor any plans that the Forum proposes in future.</p>	Email	

41	We support the Neighbourhood Planning Forum Working Group on the ballot on the creation of a Parish Council for the central unparished areas of Durham City and the subsequent vote in the County Council on the draft recommendations.	Email	
42	I wish to make it known that I support the proposed draft recommendations to form a City of Durham Parish Council. I live in the area that this would cover.	Email	
43	As a resident of Durham since 1965 I support the proposal for the creation of a Parish Council for the unparished areas of Durham City.	Email	
44	Just to confirm that I agree with the draft recommendations.	Email	
45	Just to say that I thoroughly support the notion of a Central Durham democratic body which can represent the interests of City residents, and make more locally relevant decisions on our behalf.	Email	
46	<p>As is the usual practice of the County Durham Association of Local Councils (CDALC), we will support the creation of any new parish council where the local community wishes to establish one. We are therefore pleased to see that creation of a new parish council for the City of Durham has been supported by electors who voted in favour of creation in a recent poll undertaken by Durham County Council (DCC).</p> <p>CDALC supports the full 'parishing' of County Durham by creating parish councils in all unparished areas, we therefore believe that the creation of a parish council for the City of Durham area is a good recommendation from DCC.</p> <p>As we have with previously created new councils, CDALC would wish to work with DCC to help with the inception of the new council. We can provide, if requested, information, advice and support to help establish the new council. This can include assistance with the establishment of administrative procedures such as Model Standing Orders, Financial Regulations, Code of Conduct, Contracts of Employment, Disciplinary and Grievance procedures etc. to enable a new council to function from creation. We would also be able to provide assistance with other policies necessary for any future services etc that the newly established council wishes to provide.</p>	Email	CDALC
47	I simply wish to reiterate the full support of the Sidegate Residents' Association for this proposal.	Email	Sidegate Residents' Association
48	Good idea to have a parish council. In the draft Elvet and Gilsesgate is referred to as being included within the boundary for the parish Council. However Gilesgate as a whole has approximately	Letter	

<p>2,000 residents. You say that you are using Elvet and Gilesgate electoral boundary for the Parish Council yet that boundary only goes to the fork in the road for Sunderland Road and Sherburn Road. So the reality is you are only taking in Gilesgate from Claypath to the top of Gilesgate Bank. I think it needs to be clarified by perhaps saying Elvet and Gilesgate, so that the majority of the Gilesgate residents know that they are not included in the boundary of the parish Council. Similarly for nominations to the council. I appreciate that boundaries do have to be made however Gilesgate is rather a large area, and the majority of the residents are in the Belmont electoral division.</p>		
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**County Council**

**20 September 2017**

**Annual Report of the Standards  
Committee 2016/2017**



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**Report of Helen Lynch, Monitoring Officer**

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**Purpose of the Report**

1. To inform Council of the work of the Standards Committee during 2016/17 and to set out the future direction which the Committee intends to take during 2017/18.

**Background Information to the Annual Report**

2. Although there is no legislative requirement for Standards Committees to produce an Annual Report, doing so is recognised as good practice. Not only does the report publicise the work of the Committee to the wider general public, it is also a means for the Authority itself to monitor the Committee's work.

**Membership of the Standards Committee 2016/2017**

3. The Standards Committee is comprised of 11 County Council Members and 2 Parish/Town Council Members as follows:-

**County Council Membership**

Councillor K Shaw – Chairman  
Councillor B Kellett – Vice Chairman

County Councillors J Clark, M Dixon, B Graham, G Holland, E Huntington, J Lindsay, M Nicholls, W Stelling and B Stephens.

**Parish and Town Council Representatives**

Councillor Terry Batson is a consultant Arborist and a former Local Government Officer. Councillor Batson is also a Member of Tow Law Town Council.

Councillor Ralph Harrison is a former Member of Chester le Street District Council who continues to serve his local community as a Member of Sacriston Parish Council.

## **Independent Persons**

4. Under the Localism Act 2011, the Council was required to appoint one or more Independent Persons to assist in the Standards process.
5. The functions of the Independent Persons are:
  - a) They must be consulted by the Authority before it makes a finding as to whether a member has failed to comply with the Code of Conduct or decide on action to be taken in respect of that member.
  - b) They may be consulted by the Authority in respect of a Standards complaint at any other stage and they may be consulted by a member or a co-opted member of the Authority.
6. In September 2012 the Council appointed the following persons:-

John Dixon Dawson. John is from Peterlee and is currently Head of Post Graduate Programmes at the University of Sunderland Business School. He has a career going back to 1986, which has involved various placements at universities in the North East, four years as a non-Executive Director at an NHS Trust and seven years as a Deputy Town Clerk.

Peter William Jackson. Peter is from Newton Hall and is retired. Originally from the private sector having fulfilled the roles of Factory Manager, General Manager, Managing Director, Group Technical Executive and Sales Manager. He has also served on the Youth Employment Committee of the Council and the Police Consultative Committee for Durham County Council.
7. On 23 September 2015 the Council agreed to appoint the Independent Persons for a term of office of four years with effect from September 2012 and accordingly the term of office ended in September 2016. At its meeting on 21 September 2016 the County Council agreed to re-appoint Mr Dixon-Dawson and Mr Jackson for a further four year term in order to keep continuity of expertise in relation to the Council's standards regime.
8. In 2016/2017 the Independent Persons were involved in 1 Standards Committee Hearing Panel, compared to their involvement in 6 cases and 1 Local Investigation in 2015/2016.

## **Role of the Standards Committee**

9. The Members of the Standards Committee have a common interest in that they believe in principled local politics and value their role as champions of high standards of conduct amongst local politicians.

10. In accordance with Article 9 of the Constitution of Durham County Council, the roles and functions of the Standards Committee are as follows:
- (a) promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council and Parish and Town Council Members;
  - (b) assisting Members and Co-opted Members of the Council and Parish and Town Council Members to observe the Members' Code of Conduct and where appropriate, the Planning Code of Practice;
  - (c) advising the Council on the adoption or revision of the Members' Code of Conduct and the Planning Code of Practice;
  - (d) monitoring the operation of the Members' Code of Conduct and the Planning Code of Practice;
  - (e) advising, training or arranging to train Members and Co-opted Members of the Council and Parish and Town Council Members on matters relating to the Members' Code of Conduct and Planning Code of Practice;
  - (f) granting dispensations to Members and Co-opted Members of the Council from requirements relating to interests set out in the Members' Code of Conduct and Planning Code of Practice in circumstances where this function has not been delegated to the Monitoring Officer;
  - (g) the assessment and/or referral for investigation of allegations of misconduct on the part of Members and Co-opted Members of the Council and Parish and Town Council Members, if requested to undertake this function by the Monitoring Officer;
  - (h) the determination of allegations of misconduct on the part of Members and Co-opted Members of the Council and Parish and Town Council Members;
  - (i) dealing with any alleged breach by a Member of a Council Protocol, in accordance with procedures approved by the Committee;
  - (j) overview of the Officers' Code of Conduct;
  - (k) overview of the Protocol on Member/Officer Relations;
  - (l) overview of payments or provision of other benefits in cases of Maladministration (until May 2016).

## Parish and Town Council Sub-Committee

11. Article 9 of the Constitution enables the Standards Committee to appoint a sub-committee comprising 3 Councillors. The remit of the Sub-Committee will be to support Parish and Town Councillors and their Clerks in maintaining high standards of conduct, whether through training or otherwise, and for this purpose to maintain close links with the County Durham Association of Local Councils. There have been no appointments to this Sub-Committee during 2016/17. Support and training has been carried out by officers.

## Code of Conduct Complaints

12. In 2012, following the implementation of the Localism Act 2011 and associated changes to the Standards regime, the Monitoring Officer was appointed as the 'Proper Officer' to receive complaints of failure to comply with the Code of Conduct. The Monitoring Officer has delegated power, after consultation with the Independent Person, if appropriate, to determine whether a complaint merits formal investigation. Wherever practicable, the Monitoring Officer seeks resolution of complaints without formal investigation and she has discretion to refer decisions on investigation to the Standards Committee where she feels that it is inappropriate for her to take the decision. The Standards Committee receives a quarterly report on the discharge of this function.
13. During 2016/17 the number and breakdown of complaints regarding breaches of the Code of Conduct was as follows:-

Year	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
<b>Total no. of complaints received</b>	70	56
<b>Source of Complaints</b>	Councillors 35 Members of the public 20 Parish/Town Council employee 3	Councillors 15 Members of the public 40 Parish/Town Council employee 1
<b>Complaints against</b>	County Councillors 12 Parish Councillors 13 Town Councillors 43 Dual-hatted 2	County Councillors 12 Parish Councillors 18 Town Councillors 26
<b>Independent Persons Involved</b>	1	6 (plus 1 Local Investigation)
<b>Outcomes</b>	No Further Action 66 Local Resolution 4 Standards Committee Hearing Panel 1	No Further Action 44 Local Resolution 4 Local Investigation 1

14. There has been an increase in the number of complaints received in 2016/2017 compared to the previous year. The Code of Conduct is intended to govern serious issues of misconduct and more recently there has been an increase in

complaints received about the use of social media and postings on personal facebook pages.

### **Work of the Standards Committee during 2016/17 – plenary meetings**

15. During the period the Committee has met on 4 occasions. At each meeting the Committee received quarterly updates on the current status of all live complaints and complaints closed since the previous update. The Committee also received reports regarding proposals for minor revisions to the Local Assessment Procedure, options for the future assessment of Code of Conduct complaints, the Annual Report of the Committee on Standards in Public Life for 2016/2016 and its Forward Plan for 2016/2017, and the outcome of a Standards Committee Hearing Panel.

### **Training and Development**

16. On 26 July 2016 a regional training session was held for Members of the Standards Committee and Independent Persons which covered matters such as the role of the Committee, the role of the Chair and Independent Persons, sanctions and procedures. The Monitoring Officer hosted training sessions on the Code of Conduct for Horden Parish Council on 27 July and 21 September 2016, and hosted a session for Etherley Parish Council on 10 November 2016.

### **Moving Forward**

17. The Standards Committee is continually dedicated to its responsibility to champion and promote high standards of conduct amongst the County's local politicians. The Committee will continue to provide support and advice where necessary to local Councils and in conjunction with the County Durham Association of Local Councils. Elections to the County Council and Parish and Town Councils were held in May 2017 and training on the Code of Conduct for all new County Council members was held on 15 May 2017 which although not mandatory was attended by 33 out of the 41 new members. The Monitoring Officer will host a session on 3 October 2017 for all Parish and Town Councils, which will include training on the use of social media.

### **Conclusion**

18. The Standards Committee has continued to promote the principles and values of good governance within the Council and across the County. The Members of the Standards Committee are committed and dedicated to ensuring that high standards of conduct are maintained by all local elected Members.

### **Recommendation**

19. Council is asked to note the report.

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**Contact: Laura Renaudon, Governance Solicitor Tel: 03000 269886**

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## **Appendix 1: Implications**

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**Finance** – None specific to this report.

**Staffing** – None specific to this report.

**Risk** – None specific to this report.

**Equality and Diversity** - None specific to this report.

**Accommodation** - None specific to this report.

**Crime and Disorder** - None specific to this report.

**Human Rights** - None specific to this report.

**Consultation** - None specific to this report.

**Procurement** - None specific to this report.

**Disability Discrimination Act** - None specific to this report.

**Legal Implications** – The Council has a duty under s. 27 of the Localism Act 2011 to promote and maintain high standards of conduct by its members and to adopt a code of conduct that is consistent with the Nolan Principles and to have in place arrangements under which allegations can be investigated and decisions made. As explained in paragraph 2 of this report, the publication of an Annual Report aids the public understanding and awareness of the committee’s work and demonstrates how the Council discharges its s. 27 duty.



## Teaching Assistants – Review of Terms and Conditions

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### Report of Corporate Management Team

**Joint Report of John Hewitt, Corporate Director Resources and Margaret Whellans, Corporate Director Children and Young People's Services**

**Councillor Jane Brown, Cabinet Portfolio Holder for Social Inclusion and Councillor Olwyn Gunn, Cabinet Portfolio Holder for Children and Young People's Services**

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#### Purpose of the Report

- 1 To seek approval for a final proposal to be made in relation to changes to teaching assistant terms and conditions of employment with a view to ending the employment dispute.

#### Background

- 2 The Council embarked on a review of teaching assistant terms and conditions in 2015 to address an identified equal pay risk. The equal pay risk relates to teaching assistants in County Durham schools being employed on a variety of terms and conditions of employment, generally as a consequence of the date they commenced employment but also to reflect the needs of individual schools. The majority of teaching assistants are contracted to work 32.5 hours during term-time, but are paid for working 37 hours per week whole-time (i.e. 52 weeks of the year). This disparity with the wider workforce creates an equal pay risk that needs to be addressed.
- 3 Council has considered reports in relation to the proposed change to the terms and conditions of employment of teaching assistants in May and September 2016 and most recently on 21 June 2017 where a revised offer was agreed by Council. In each of those reports, the background was set out at length and therefore is not repeated in detail.
- 4 In reaching the revised offer that was agreed by Council on 21 June 2017, significant work was undertaken through a project board and various workstreams that involved the Council, teaching assistant representatives, headteachers and recognised trade unions to review roles and responsibilities. The outcome of this thorough piece of work resulted in new job descriptions that more accurately reflect the work undertaken.
- 5 Members will recall that the improved offer that was approved by Council on 21 June 2017 incorporated the following elements:
  - (a) revised roles and responsibilities replace the existing job descriptions;

- (b) teaching assistants be aligned to the new grading structure as agreed by head teachers;
- (c) the standard hours worked by teaching assistants each week will be 37, with any reduced hours contracts being paid on a pro rata basis;
- (d) the standard number of weeks worked by teaching assistants will be 40;
- (e) if any teaching assistant experiences a financial loss, compensation equivalent to the loss of salary associated with the move from whole time to term time, or a change in grade will be paid during the term of employment for a maximum of two years from the date of implementation;
- (f) the revised arrangements be implemented from 1 September 2017.

6 At that meeting, members will recall that the Council also approved the unconditional withdrawal of the notices of dismissal and re-engagement issued to teaching assistants in September 2016 and suspended in December 2016.

### **Update**

7 Following the meeting of Council on 21 June 2017, the notices of dismissal and re-engagement referred to above were formally withdrawn. All affected teaching assistants were sent a letter to confirm that they were no longer subject to a notice of dismissal and re-engagement.

8 Unison put the revised offer to their Members by way of ballot and on 10 July 2017, confirmed to the Council that the outcome was that the offer was rejected. Both GMB and Unite accepted the offer. Further discussions have since been held with the recognised trade unions and it is now recommended that a further and final offer is agreed by Council.

9 Unison have confirmed that they are willing to put this offer to their membership by way of ballot following the positive discussions and the additional information that is set out in this report.

### **Outcome of further discussions**

10 With a view to ending the employment dispute, officers recommend that the following be added to the offer agreed by Council on 21 June (as set out in paragraph 5):

- (a) Establish and support a teaching assistant career progression board
- (b) A training programme is established for teaching assistants to support them in their roles and to provide development for future career opportunities

- (c) Should the final offer be accepted, a revised implementation date of 1 January 2018 with a two year compensation period applicable from this date and the annual progression increment, where applicable, to be paid in April 2018
  - (d) The Council will further clarify the requirements of the new job descriptions as well as providing guidance to headteachers on flexibility over the application of the new contractual arrangements
- 11 This offer is the result of having worked extensively with the recognised trade unions to mitigate the impact of the required contractual changes.
- 12 The financial impact of the offer upon individual teaching assistants was set out in the 21 June 2017 Council report and is attached for reference at Appendix 2. The Equalities Impact Assessment that was undertaken is also attached at Appendix 3.
- 13 Throughout discussions with the trade unions, a solution has been sought which is fair to teaching assistants and the wider workforce. The final offer contained in this report is considered the best that is achievable and is the culmination of many months of work involving teaching assistants and headteachers in the process of reviewing job descriptions and the work undertaken in schools.
- 14 GMB and Unite have accepted the offer made on the 21 June 2017 and the elements set out at paragraph 10 will therefore apply to their members. Unison will ballot their members on the final offer set out in this report.
- 15 If the offer as set out in this report is accepted by Unison members following their ballot, it will be implemented by way of a collective agreement with the recognised trade unions.

### **Recommendations and reasons**

- 16 It is recommended that Council authorise the Corporate Director of Resources to confirm and communicate the offer agreed by Council on 21 June 2017 with the additional matters set out in paragraph 10.

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## Appendix 1: Implications

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**Finance** – the impact from the implementation of the revised offer will be limited to individual school budgets. Head teachers will be notified of the anticipated impact upon their budget if Council approve the offer to be made to the teaching assistants.

**Staffing** – this exercise has been necessary to mitigate an equal pay risk and update and harmonise teaching assistant roles across the County. There are no proposals within this exercise to reduce the number of teaching assistants employed.

**Risk** – The report sets out the approach to mitigate the equal pay risk that has been identified.

It should be noted that since May 2016, the requirement to pay a fee to lodge a claim in the Employment Tribunal has been removed. Therefore all employees are now able to access the Tribunal at no cost, which is likely to increase the likelihood of challenge.

**Equality and Diversity / Public Sector Equality Duty** - equality impact assessments have been undertaken throughout this process. The final assessment is set out in full at Appendix 3.

**Accommodation** - None

**Crime and Disorder** - None

**Human Rights** – None

**Procurement** - None

**Disability Issues** – Disability issues are discussed within the equality impact assessment attached at Appendix 3.

**Consultation** - the Council has engaged in consultation and negotiation with recognised trade unions throughout this dispute.

**Legal Implications** – acceptance of the offer by the relevant recognised trade unions enables the variation to terms and conditions of employment of teaching assistants to be achieved by collective agreement.

Offering non-trade union teaching assistants the opportunity to accept the offer and voluntarily vary their terms and conditions will reduce the Council's exposure claims for unfair dismissal.

Until such time as the terms and conditions of all teaching assistants are varied to eliminate to ensure fairness across the teaching assistants and wider workforce, the Council will remain at risk in relation to equal pay claims.

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## Appendix 2: Modelling of impact upon Teaching Assistants

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Assumptions:

- 1 Teaching Assistants flexibly work 37 hours and 40 weeks.
- 2 Position is based upon the period September 2019 to August 2020 at the end of the two year compensation period.
- 3 Annual pay awards of 1% are assumed.

Change	37 Hours, 40 Weeks and Revised Grades
	<b>No.</b>
<b>INCREASES</b>	
20% and above	130
17.5% to 20%	48
15% to 17.5%	21
12.5% to 15%	60
10% to 12.5%	46
7.5% to 10%	116
5% to 7.5%	144
2.5% to 5%	1,036
0 to 2.5%	95
<b>DECREASES</b>	
0 to 2.5%	112
2.5% to 5%	92
5% to 7.5%	223
7.5% to 10%	18
10% to 12.5%	12
12.5% to 15%	7
15% to 17.5%	7
17.5% to 20%	0
20% and above	1
<b>TOTAL</b>	<b>2,168</b>

Increase or Decrease	37 Hours, 39 Weeks and Current Grades	37 Hours, 40 Weeks and Revised Grades
Increase	262	1,696
Decrease	1,906	472
<b>TOTAL</b>	<b>2,168</b>	<b>2,168</b>

## **Durham County Council Equality Impact Assessment**

**NB:** The Public Sector Equality Duty (Equality Act 2010) requires Durham County Council to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people from different groups. Assessing impact on equality and recording this is one of the key ways in which we can show due regard.

### **Section One: Description and Screening**

<b>Service/Team or Section</b>	Resources - HR
<b>Lead Officer</b>	Corporate Director Resources
<b>Title</b>	Teaching Assistants – Review of Terms and Conditions
<b>MTFP Reference (if relevant)</b>	Not applicable
<b>Cabinet / Council Date (if relevant)</b>	21 June 2017
<b>Start Date</b>	June 2017
<b>Review Date</b>	September 2017

### **Subject of the Impact Assessment**

Please give a brief description of the policy, proposal or practice as appropriate (a copy of the subject can be attached or insert a web-link):

As a result of a collective agreement made in 2004, the majority of teaching assistants (TAs) are being paid full time (37 hours per week) whole time (52 weeks a year) but are actually working 32.5 hours, term time only which is in line with the agreement. The current position in Durham is not sustainable in the long term, given that there are a wide variety of contracts in place leaving the Council open to challenges in relation to equality and fairness.

A review of the position with an aim of resolving the equal pay issue has been ongoing since Autumn 2015. This impact assessment relates to the review of roles and responsibilities for teaching assistants and a revised proposal in relation to changes to TAs' terms and conditions of employment.

#### **Current position**

In December 2016 the Council agreed to undertake a joint review with recognised trade unions of the roles and responsibilities of Teaching Assistants. As a result of this UNISON and ATL agreed to suspend industrial action, although the dispute remained in place.

A project board was set up with council and trade union representation to oversee the review of roles and responsibilities of teaching assistants. A project team with representation from the council, recognised trade unions, teaching assistants and

head teachers was also established to develop a new grading structure for teaching assistants and new job descriptions and job record documents.

The job record documents were evaluated under the council's recognised job evaluation process. Meetings were held between 24<sup>th</sup> April 2017 – 26<sup>th</sup> May 2017 with head teachers, a representative from human resources and trade unions to align posts to the new grading structure and job descriptions.

Broader discussions have been ongoing with trade unions regarding the terms and conditions of teaching assistants which has resulted in the following proposed offer effective from 1<sup>st</sup> September 2017:

- (a) the Council withdraw the currently suspended notices of dismissal and re-engagement;
- (b) the revised roles and responsibilities will replace the existing job descriptions;
- (c) Teaching assistants are aligned to the new grading structure as agreed by head teachers;
- (d) the standard hours worked by teaching assistants each week will be 37, with any reduced hours contracts being paid on a pro rata basis;
- (e) the standard number of weeks worked by teaching assistants will be 40;
- (f) if any teaching assistant experiences a financial loss, compensation equivalent to the loss of salary associated with the move from whole time to term time, or a change in grade will be paid during the term of employment for a maximum of two years from the date of implementation;
- (g) the revised arrangements will be implemented from 1 September 2017.

The revised contract will be flexible to take into account work carried out by teaching assistants out of normal working hours such as parents' evenings, residential trips and after school events and weekend events.

Pending Council agreement to proceed with the proposals, letters will be issued to teaching assistants by 23 June 2017, outlining the revised offer and any subsequent personal financial impact. UNISON and Unite will ballot their members from 22 June 2017 the results of which will be known week commencing 10 July 2017.

Who are the main stakeholders? (e.g. general public, staff, members, specific clients/service users):

Employees/Schools/Elected Members/Trade Unions

## Screening

Is there any actual or potential negative or positive impact on the following protected characteristics?		
Protected Characteristic	Negative Impact Indicate: Y = Yes, N = No, ? = unsure	Positive Impact Indicate: Y = Yes, N = No, ? = unsure
Age	N	N
Disability	Y	N
Marriage and civil partnership (workplace only)	N	N
Pregnancy and maternity	N	N
Race (ethnicity)	N	N
Religion or Belief	N	N
Sex (gender)	Y	Y
Sexual orientation	N	N
Transgender	N	N

Please provide **brief** details of any potential to cause adverse impact. Record full details and analysis in the following section of this assessment.

Implementation of the proposed new terms and conditions will have a potential detrimental financial impact in terms of an annual reduction in gross salary on a workforce which is predominantly female. Although there is no significant disproportionate gender impact suggested through the pay outcome modelling it should be noted that there is a potential adverse gender impact for women where employees cannot work the additional hours offered as part of these proposals.

Anecdotal evidence also suggests that this proposal could have the potential to disproportionately, adversely affect disabled staff. Reasonable adjustments will be made for disabled staff where required to undertake any additional hours/duties offered.

How will this policy/proposal/practice promote our commitment to our legal responsibilities under the public sector equality duty to:

- eliminate discrimination, harassment and victimisation,
- advance equality of opportunity, and
- foster good relations between people from different groups?

The main driver behind these proposals continues to be one of equity and fairness. The review of roles and responsibilities and grading has ensured that all jobs have been evaluated and graded in a consistent and objective way. It is now essential that all terms and conditions and in particular the principle of paying for actual hours and weeks worked is applied consistently across all schools in order to prevent future equal pay claims.

Although implementation of the proposed new terms and conditions will have a financial impact on a workforce which is predominantly female, not making these changes presents a risk to the council of equal pay claims from other school based employees and/or employees of the wider council.

Overall there is a positive impact with regard to equal pay within the wider TA group, other school based support staff and employees across the Council as a whole.

## Evidence

What evidence do you have to support your findings?

Please **outline** your data sets and/or proposed evidence sources, highlight any gaps and say whether or not you propose to carry out consultation. Record greater detail and analysis in the following section of this assessment.

2,168 staff (excluding casual staff) are affected by the proposals. Of these 78.2% will see an annual increase in gross salary. Just over a fifth of affected staff (21.8%) will have a salary decrease. These figures are based upon the change in annual salary immediately following the end of the two-year compensation period assuming all staff increase their hours to 37 per week (or pro rata for part-time staff) and factoring in 2 years increments and pay awards.

Overall, just under one in ten of all affected staff (9.4%) will lose less than 5% of gross a year. A slightly larger proportion (11.1%) will lose between 5-10% a year. About one in eighty of affected staff (1.2%) will lose over 10%.

	Number of Employees	% staff
<b>Salary increase</b>	<b>1696</b>	<b>78.2%</b>
<b>Salary decrease</b>	<b>472</b>	<b>21.8%</b>
0-5% Decrease	204	9.4%
5-10% Decrease	241	11.1%
10%+ Decrease	27	1.2%
<b>Total affected</b>	<b>2,168</b>	<b>100.0%</b>

Removal of the 2004 local collective agreement and implementation of the stated proposals will potentially have a greater impact on females than males as over 95% of the workforce are female.

The contribution rate the employee pays into the pension scheme will be reassessed as a result of any reduction in pensionable pay and if the employee moves into a lower pensionable pay band the employee may end up paying pension contributions at a lower rate. However an overall reduction in pensionable pay will lead to a lower pension pot. Employees retiring within the next 10 years will be able to use a three year average pensionable pay figure to calculate pension benefits for membership earned before April 2014, looking back up to 13 years before the date the employees leaves/retires and using financial years. This should ensure that an employees who leave/retire within the next 10 years should not have their pension benefits earned before April 2014 adversely affected by the reduction in pay.

## Screening Summary

On the basis of this screening is there:	Confirm which refers (Y/N)
Evidence of actual or potential impact on some/all of the protected characteristics which will proceed to full assessment?	Y
No evidence of actual or potential impact on some/all of the protected characteristics?	N

## Section Two: Data analysis and assessment of impact

Please provide details on impacts for people with different protected characteristics relevant to your screening findings. You need to decide if there is or likely to be a differential impact for some. Highlight the positives e.g. benefits for certain groups, advancing equality, as well as the negatives e.g. barriers for and/or exclusion of particular groups. Record the evidence you have used to support or explain your conclusions. Devise and record mitigating actions where necessary.

Protected Characteristic: <b>Sex (gender)</b>														
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?												
<p>Significantly more females than males who will be impacted on by the proposal as the majority (95.8%) are female.</p> <p>Modelling of the pay outcomes indicates that there is no significant disproportionate impact on either men or women as a result of these proposals.</p> <p>However, the pay</p>	<p>Gender profile:</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Number</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>2,078</td> <td>95.8%</td> </tr> <tr> <td>Male</td> <td>90</td> <td>4.2%</td> </tr> <tr> <td>Total</td> <td>2,168</td> <td></td> </tr> </tbody> </table> <p>Overall, there is very little difference in the proportion of male and female staff subject to an increase (or decrease) in salary as a result of these proposals.</p> <p>78.2% of females (compared to</p>	Gender	Number	Percentage	Female	2,078	95.8%	Male	90	4.2%	Total	2,168		<p>Employees will be offered a contract of 37 hours per week (pro rata for part time staff) and term time working based on 40 weeks.</p> <p>A compensatory payment will be payable equivalent to 2</p>
Gender	Number	Percentage												
Female	2,078	95.8%												
Male	90	4.2%												
Total	2,168													

<p>modelling used to carry out this analysis assumes that all staff will work, where required, the additional hours to mitigate the impacts of these proposals.</p> <p>There is a further potential adverse impact on part time workers who have care responsibilities and are not able to undertake these additional working hours to mitigate the loss. This may have a greater impact on women.</p> <p>The standard number of weeks worked on a term time basis will be 40 weeks a revised offer of an additional 1 week. This will also help mitigate against financial loss.</p> <p>If a collective agreement is reached (subject to UNISON and Unite TU ballot) employees will be offered a contract of 37 hours per week (pro rata for part time staff) and a compensatory payment to the equivalent of 2 years loss in salary.</p> <p>The compensatory payment is for the change from a whole time to term time contract. It will also compensate the 1.2% of employees aligned to a lower grade.</p> <p>Implementation of new contractual arrangements is proposed to take effect from 1<sup>st</sup> September 17.</p> <p>The revised contract will be flexible to take into account work carried out</p>	<p>80.0% of males) will receive a salary increase as a result of these proposals. Correspondingly, just over a fifth of females (21.8% - compared to 20.0%% of males) will receive a salary decrease after the two year compensatory period.</p> <p>Specifically, slightly more females (20.6%) compare to males (18.9%) receive a salary loss after the two year compensatory period of less than 10%.</p> <p>However, a similar proportion of females (1.3%) compared to 1.1% of males are anticipated to receive a salary loss of over 10%.</p> <p>Anecdotal evidence (via previous consultations in 2015 and 2016) indicates that some affected staff may have difficulties in undertaking any additional hours or weeks offered due to care commitments.</p> <p>National evidence also indicates that women are more likely than men to have caring responsibilities.</p>	<p>years loss in salary for the change from a whole time to term time contract and also those employees affected by a reduction in grade.</p> <p>Pending Council agreement letters will be issued to all TAs outlining the revised offer.</p> <p>Consideration for flexible working will be considered using existing school procedures for those with care responsibilities – guidance to be issued to head teachers.</p> <p>Appropriate change management process to be followed in line with employment law to ensure fairness</p> <p>All affected employees will have the right of appeal in relation to their alignment.</p>
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<p>by TAs out of normal working hours such as parents' evenings, residential trips and after school events and weekend events. This may be beneficial to some employees in order to undertake the additional weeks/hours.</p> <p>Although implementation of the proposed new terms and conditions will have a potential detrimental financial impact on a workforce which is predominantly female, not making these changes presents a risk to the council of equal pay claims from other school based employees and/or employees of the wider council.</p> <p>Overall, there is a positive impact with regard to equal pay within the Teaching Assistant group, other school based support staff and employees across the wider Council. However, in achieving this, significantly more females than males will be affected by the proposal.</p>		
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Protected Characteristic: <b>Age</b>																				
What is the actual or potential impact on stakeholders?	Record of evidence to support or explain your conclusions on impact.	What further action or mitigation is required?																		
<p>The age range most affected are between the ages of 25 to 64.</p> <p>While some differences are apparent in the pay modelling it should be noted that no significantly large</p>	<p>Age profile</p> <table border="1" data-bbox="632 1753 1091 1984"> <thead> <tr> <th>Age group</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>16-24</td> <td>103</td> <td>4.8%</td> </tr> <tr> <td>25-44</td> <td>970</td> <td>44.7%</td> </tr> <tr> <td>45-64</td> <td>1,083</td> <td>50.0%</td> </tr> <tr> <td>65+</td> <td>12</td> <td>0.6%</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,168</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Age group	No.	%	16-24	103	4.8%	25-44	970	44.7%	45-64	1,083	50.0%	65+	12	0.6%	<b>Total</b>	<b>2,168</b>	<b>100%</b>	Please see above
Age group	No.	%																		
16-24	103	4.8%																		
25-44	970	44.7%																		
45-64	1,083	50.0%																		
65+	12	0.6%																		
<b>Total</b>	<b>2,168</b>	<b>100%</b>																		

<p>disproportionate impacts appear to result between age groups as a result of these proposals.</p> <p>The contribution rate the employee pays into the pension scheme will be reassessed as a result of the reduction in pensionable pay and if the employee moves into a lower pensionable pay band the employee may end up paying pension contributions at a lower rate. However, an overall reduction in pensionable pay will lead to a lower pension pot. Employees who leave/retire within the next ten years should not have their pension benefits earned before April 2014 adversely affected by the reduction in pay.</p> <p>Proposals are not expected to have an adverse impact on students as classroom based support will continue with some staff possibly working longer hours.</p>	<p>The pay modelling shows there is a slightly lower proportion of the 45-64 year old age group (76.8%) receiving a salary increase compared to 16-24 year-olds (79.6%) and 25-44 year olds (79.8%). The 65+ age group also has proportionally fewer staff receiving a salary increase (66.7%) but the small number of staff in this age group means that comparisons can be misleading.</p>	
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Protected Characteristic: <b>Disability</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
<p>There is some limited evidence that indicates proposals could potentially have a disproportionate adverse effect based on disability.</p> <p>Reasonable adjustments will be made for disabled staff where required to undertake any additional hours or duties offered. This will include consideration for flexible</p>	<p>Anecdotal evidence (via previous consultations in 2015 and 2016) indicates that some staff may have difficulties in undertaking additional hours or weeks due to disability.</p> <p>Staff profiling data indicates that 1.2% of affected staff have reported a disability. This is relatively low compared to the council overall (where 2.8% of staff reported a</p>	<p>Ensure reasonable adjustments are made for disabled staff where required.</p> <p>Please see above</p>

working using existing school procedures to assist disabled employees being able to undertake additional hours/weeks wherever possible.	disability).  Of these staff who have reported a disability 80.8% will receive an increase in pay, slightly more than proportion who have declared that they do not have a disability.	
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Protected Characteristic: <b>Pregnancy and maternity</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
The gender profile highlights those pregnant / on maternity leave will need to be fully engaged in the process.		Ensure those pregnant / on maternity leave are fully engaged in the process.

Protected Characteristic: <b>Marriage and civil partnership (workplace only)</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
	Staff disclosure rates for Marriage and Civil Partnership are extremely low therefore there is insufficient evidence to ascertain impact	Please see above

Protected Characteristic: <b>Race (ethnicity)</b>																	
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?															
There is no evidence to suggest that the proposals would have a disproportionate adverse effect on the basis of race or ethnicity.	<table border="1"> <thead> <tr> <th>Ethnicity</th> <th>Number of staff</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Not disclosed</td> <td>240</td> <td>11.1%</td> </tr> <tr> <td>Non-White British</td> <td>33</td> <td>1.5%</td> </tr> <tr> <td>White British</td> <td>1,895</td> <td>87.4%</td> </tr> <tr> <td></td> <td>2,168</td> <td>100%</td> </tr> </tbody> </table>	Ethnicity	Number of staff	%	Not disclosed	240	11.1%	Non-White British	33	1.5%	White British	1,895	87.4%		2,168	100%	Please see above
	Ethnicity	Number of staff	%														
	Not disclosed	240	11.1%														
	Non-White British	33	1.5%														
	White British	1,895	87.4%														
	2,168	100%															
78.1% of white British staff will receive an increase in salary as a result of these proposals. 78.8% of non-white British staff will receive an increase in salary as a result of these proposals. 79.2% of staff who not disclosed an ethnicity will																	

	receive an increase in salary.	
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Protected Characteristic: <b>Religion or belief</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
	Staff disclosure rates for religion or belief are extremely low therefore there is insufficient evidence to ascertain impact	Please see above

Protected Characteristic: <b>Sexual orientation</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
	Staff disclosure rates for sexual orientation are extremely low therefore there is insufficient evidence to ascertain impact	Please see above

Protected Characteristic: <b>Transgender</b>		
What is the actual or potential impact on stakeholders?	Explain your conclusion considering relevant evidence and consultation	What further action or mitigation is required?
	Staff disclosure rates for Transgender status are extremely low therefore there is insufficient evidence to ascertain impact	Please see above

### **Section Three: Conclusion and Review Summary**

Please provide a brief summary of your findings stating the main impacts, both positive and negative, across the protected characteristics.

The main driver behind these proposals continues to be one of equity and fairness. The review of roles and responsibilities and grading has ensured that all jobs have been evaluated and graded in a consistent and objective way. It is now essential that all terms and conditions and in particular the principle of paying for actual hours and weeks worked is applied consistently across all schools in order to prevent future equal pay claims.

Overall there is a positive impact with regard to equal pay within the Teaching Assistant group, other school based support staff and employees across the wider Council. Though more female than male staff are affected by these proposals it should be noted there is no large disproportionate impact between male and female staff.

Subject to Council approval employees will be issued with a letter by 23 June 2017 containing their new revised role and grade and the consequent financial impact upon them personally. Unison and Unite will then undertake a consultative ballot on the revised offer, the result of which will be known week commencing 10 July 2017.

The standard number of weeks worked on a term time basis will be 40 weeks - a revised offer of an additional 1 week. This will also help mitigate against financial loss.

If a collective agreement is reached a compensatory payment, the equivalent of two years loss in salary, will be payable. The compensatory payment is the change from whole time to term time. It will also compensate employees aligned to a lower grade. Implementation of new contractual arrangements will take effect from 1<sup>st</sup> September 17.

There is a potential adverse impact on workers who have care responsibilities and are not able to undertake the additional working hours to mitigate the loss. This may have a greater impact on women. Consideration for flexible working will be considered using existing school procedures for those with care responsibilities. In addition the revised contract will be flexible to take into account work carried out by Teaching Assistants out of normal working hours such as parents' evenings, residential trips and after school events and weekend events. This may be beneficial to some employees in order to undertake the additional week/hours.

There is a potential disproportionate impact on those with disabilities who may be unable to undertake additional hours. Reasonable adjustments will be made as well as consideration of flexible working.

Every effort has been made to identify a solution to this specific issue that is as fair as possible to Teaching Assistants whilst recognising and mitigating the risk the Council needs to address.

The Council will continue to work with the Trade Unions and Head Teachers to consider future workforce development across the Teaching Assistant workforce.

Appropriate change management processes will be followed in line with employment law to ensure fairness throughout.

Will this promote positive relationships between different communities? If so how?

### Action Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?
Appropriate change management process to be followed in line with employment law to ensure fairness	HR Leads	Throughout process	Teaching assistants Project Plan

Action	Responsibility	Timescales for implementation	In which plan will the action appear?
Letters to be issued to employees offering a contract of 37 hours per week (pro rata for part time staff) and 40 hour week term time only.	HR Leads/Head Teachers	June 2017	Teaching assistants Project Plan
A compensatory payment will be payable equivalent to two years loss in salary for the change from a whole time contract to term time only and the 1.4% aligned to a lower grade.	HR Leads	June 2017	Teaching assistants Project Plan
Consideration for flexible working will be considered using existing school procedures for those with care responsibilities – guidance to be issued to head teachers.	HR Leads	June 2017	Teaching assistants Project Plan
All employees will be offered the right of appeal in relation to their alignment onto the new grading structure.	HR Leads	December 2017	Teaching assistants Project Plan
Ensure those pregnant / on maternity leave are fully engaged in the process.	HR Leads	Throughout process	Teaching assistants Project Plan
Reasonable adjustments are made for disabled employees where required	Head Teachers	Throughout process	Teaching assistants Project Plan

## Review

Are there any additional assessments that need to be undertaken? (Y/N)	N
When will this assessment be reviewed? Please also insert this date at the front of the template	July 2017, December 2017 in line with action plan above

## Sign Off

Lead officer sign off: Corporate Director of Resources	Date: 16.06.17
Service equality representative sign off: Head of Strategy	Date: 16.06.17

Please return the completed form to your service equality representative and forward a copy to [equalities@durham.gov.uk](mailto:equalities@durham.gov.uk)

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