



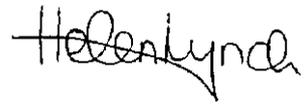
Local Government Act 1972

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 1 November 2017 at 10.00 a.m.** to transact the following business:-

1. To confirm the minutes of the meeting held on 20 September 2017 (Pages 3 - 10)
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 11 - 30)
9. Local Council Tax Reduction Scheme 2018/19 - Report of Corporate Director of Resources (Pages 31 - 38)
10. Trimdon and Thornley By-Election - Statement of Returning Officer (Pages 39 - 40)
11. Motions on Notice
12. Questions from Members

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

Dated this 24th day of October 2017

A handwritten signature in black ink that reads "Helen Lynch". The signature is written in a cursive, flowing style.

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 20 September 2017 at 10.00 a.m.**

Present:

Councillor B Kellett in the Chair.

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

Apologies for absence were received from Councillors A Bainbridge, B Bainbridge, R Bell, J Charlton, S Hugill, J Makepeace, L Mavin, P Oliver, D Stoker and J Turnbull

Prior to the commencement of the meeting the Chairman of the County Council with great sadness reported the deaths of former Durham County Councillor Patrick Nolan, who represented the Belmont Division from 1989 to 2001 and was made an Alderman in 2001; and former Wear Valley District Councillor, Margaret Jones who represented the Bishop Auckland Town Ward on the District Council from 1995 to 2007 and was Chairman of the Council in 2004/05.

The Council stood for a moments silence as a mark of respect.

1 Minutes

The minutes of the meeting held on 19 July 2017 were confirmed by the Council as a correct record and signed by the Chairman.

2 Declarations of interest

The Head of Legal and Democratic Services referred to the advice previously provided to enable Members to determine whether they needed to declare an

interest in agenda item 13. The Head of Legal and Democratic Services then advised of declarations that had been made.

The following Members declared an interest as having a close family member who was a Teaching Assistant, or other registerable prejudicial interests, and withdrew from the meeting during consideration of the business:-

Councillors J Allen, J Atkinson, P Atkinson, L Boyd, P Crathorne, E Huntington, C Kay, G Richardson, E Scott, K Shaw, A Shield, A Surtees, L Taylor, T Tucker and S Wilson.

The following Members declared their interests as School Governors and remained in the meeting.

Councillors A Batey, D Bell, J Blakey, G Bleasdale, D Boyes, P Brookes, J Brown, L Brown, J Carr, J Chaplow, J Clark, I Cochrane, K Corrigan, R Crute, G Darkes, S Dunn, O Gunn, C Hampson, T Henderson, D Hicks, A Hopgood, K Hopper, S Iveson, I Jewell, O Johnson, L Kennedy, J Lethbridge, L Maddison, C Marshall, L Marshall, M McKeon, O Milburn, H Nicholson, J Nicholson, C Potts, S Quinn, A Savory, M Simmons, T Smith, K Thompson, F Tinsley, M Wilkes, A Willis, C Wilson, M Wilson and R Yorke.

Councillor O Temple declared a personal interest and remained in the meeting.

3 Chairman's Announcements

The Chairman was delighted to report that he had on behalf of the council and its partners collected a number of awards at the regional Northumbria in Bloom awards. This included a Gold for Durham City, not only the category winner, but best overall entry for the region. A Silver Gilt for Chester-le-Street who was also a category winner and a Silver for Stanley, which was an achievement in itself given it was only their third year in the competition.

Council officers had also been recognised for their outstanding contributions including the now retired Durham City gardeners Brian Palmer and Phillip Robson as well as Geoff Knight from Civic Pride and Martin Briscoe from Clean and Green Team. The Chairman further extended his appreciation to all the other towns and villages across County Durham, some of which obtaining gold medals themselves.

The Chairman presented the awards to several representatives from the Council team who had helped to deliver the displays across County Durham.

The Chairman also referred to the charity bike ride that Councillor Peter Brookes would be undertaking at the weekend and thanked him for this.

4 Leader's Report

The Leader added his congratulations to all those who helped with the entries for this years' Northumbria in Bloom. Many local volunteers and community groups worked with the council in achieving a large number of awards including those in

Durham City, Chester-le-Street and Stanley supported by many others across the County, building on the work of many town and parish councils.

The Leader further welcomed the new Head of Legal & Democratic Services, Helen Lynch to her first council meeting.

He further reported that following the sad death of Morris Nicholls, he advised of the third member of the Health and Wellbeing Board, Councillor J Allen, to join Councillor L Hovells and Councillor O Gunn.

The Leader went on to report a successful visit to NetPark by government Minister, Jake Berry who was impressed by the cutting-edge technology on display from a number of tenant organisations. In addition just this week another Minister, Lord Prior from the Department for Business and Industrial Strategy visited the site underlining the growing significance and expansion of NetPark.

In addition it was reported that Durham County Council had won the tender to provide payroll services for the new pensions body which covered a large number of councils in the border to coast pensions pool. This was a major achievement for the Resources directorate.

As a final note, the Leader congratulated everyone involved in Kynren on another successful summer. The show involves thousands of local volunteers young and old who do a fantastic job. The council will continue to look forward to working with its partners to help developments in and around Bishop Auckland in the future.

5 Questions from Area Action Partnerships

Questions had been received from Weardale Area Action Partnership and Bishop Auckland and Shildon Area Action Partnership relating to the following:

- The steps being taken to integrate health and social care, in order to meet the special demands of the rural Weardale community;
- Actions put in place to build on the positive action such as the attraction of Hitachi and the regeneration of Bishop Auckland Town Centre to bring further employment opportunities into the area.

Angelina Maddison, Weardale AAP Coordinator and Andrew Walker, Bishop Auckland and Shildon AAP Coordinator were in attendance to ask their questions.

Councillor L Hovells, Portfolio Holder for Adult and Health Services thanked the Weardale AAP for their question and provided a response. Councillor C Marshall, Portfolio Holder for Economic Regeneration thanked the Bishop Auckland and Shildon for their question and provided a response.

6 Questions from the Public

A question had been received from a Sedgefield Village Action Group (SVAG) regarding the Energy Reduction Policy and whether the council considered the

removal of street lighting from some vulnerable areas to be fit for purpose given the potential risk posed to pedestrians, cyclists and children.

Councillor B Stephens, Portfolio Holder for Neighbourhoods and Local Partnerships provided an answer to the question. A copy of which would also be posted on the council's website.

7 Petitions

There were no petitions for consideration.

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 12 July 2017 (for copy see file of Minutes).

9 Treasury Management Outturn 2016/17

The Council 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. The report was required under the regulatory framework of Treasury Management and provided detailed information of the Council's cash management, loans and investment activity (for copy see file of Minutes).

The Council was informed that the report also incorporated the needs of the Prudential Code, regarded as best operational practice, to ensure adequate monitoring of the Councils expenditure plans and prudential indicators.

Councillor Wilkes in referring to the table under paragraph 19 requested that in future the report include an explanation of any significant variances.

Resolved: that the treasury management outturn position for 2016/17 be noted.

10 Community Governance Review of the Central Unparished Areas of Durham

The Council considered a report of the Head of Legal and Democratic Services which provided an update on the final stage of consultation that had 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 (for copy see file of Minutes).

Moved by Councillor S Henig, **seconded** by Councillor A Hopgood and

Resolved:

1. 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 split 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 Gilesgate - 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.
2. The final recommendation would be published on 25 September 2017, and a Reorganisation Order would be made one month later.

11 Annual Report of the Standards Committee 2016/2017

The Council considered a report of the Monitoring Officer which provided details of the work of the Standards Committee during 2016/17 and set out the future direction which the Committee intended to take during 2017/18 (for copy see file of Minutes).

Resolved: that the content of the report be noted.

12 Appointment of Chairman of Adults, Wellbeing and Health Scrutiny Committee

Moved by Councillor R Crute, **seconded** by A Laing and

Resolved:

That Councillor J Robinson be appointed as Chairman of Adults, Wellbeing and Health Overview & Scrutiny Committee.

13 Teaching Assistants - Review of Terms and Conditions

The Council considered a joint report of the Corporate Director of Resources and Corporate Director of Children and Young People's Services which sought approval for a final proposal to be made in relation to teaching assistant terms and conditions of employment with a view to ending the employment dispute (for copy see file of Minutes).

The Corporate Director of Resources apologised for the late circulation of the report and explained the reasons for this. He further explained that should the report be

approved, then the recognised Trade Unions would ballot their members on the offer.

The Corporate Director of Resources informed Council that the report being considered was as a result of thorough work and lengthy negotiations. He added that the process although not easy, had been greatly assisted by the input of staff and Head Teachers and he passed on his sincere thanks to those who had been involved in the process for their hard work.

In **moving** the report Councillor J Brown, Portfolio Holder for Social Inclusion thanked all those who had been involved in the review process, including recognised Trade Unions, Teaching Assistants, County Council staff and Head Teachers. She highlighted that councillors were not being asked to revise the offer or to enter into formal negotiations. The work which had been carried out to date was not to be discredited and she reiterated that 83% of the workforce were already working to those Terms and Conditions proposed.

She further reported that Durham County Council was the first local authority to enable and establish a Teaching Assistant Career Progression Board and training programme for teaching assistants to support them in their roles and to provide development for future career opportunities.

In conclusion Councillor J Brown informed Council that members were urged to agree the revised proposals to allow recognised Trade Unions to ballot their members.

In **seconding** the report Councillor O Gunn, Portfolio Holder for Children and Young People's Services informed Council that many options had been discussed and explored. Any issues brought to the table had been addressed and was evident in the revised proposal to introduce a Career Progression Board. This was something which Teaching Assistants had been asking for, for many years. She went on to clarify that it was not the role of Teaching Assistants to teach.

Speaking from first-hand experience Councillor O Gunn acknowledged the importance of Teaching Assistants and the role they have within school. She did however note that the council must not lose sight of how we had arrived here.

Councillor O Temple **Moved** the following amendment to the Motion, **Seconded** by Councillor A Hopgood.

This council refers this report and the matter contained within it to the Corporate Overview and Scrutiny Management Board of this Council for consideration.

Councillor O Temple acknowledged that progress had been made although negotiations were not quite there yet. He informed Council that Corporate Overview and Scrutiny Management Board would be able to take an in-depth look at the revised proposals and provide an analytical report back to Council. He added that he was unable to change his mind based on last minute proposals and urged members to agree to refer the issue to Corporate Overview & Scrutiny Management Board.

Councillor R Crute, Chair of Overview and Scrutiny informed Council that it would not be appropriate to refer this matter to scrutiny at this stage in the process and with such was against the proposed amendment.

Councillor A Watson added that he did not think that the council were too far away from an agreeable outcome. He added however that the revised proposal was still likely to be refused by Teaching Assistants, with over 20% of the workforce still being significantly affected. Furthermore he queried how the progression board would mitigate the impact on those members of staff.

In addition, there was still an issue relating to Teaching Assistants being expected to teach whole classes and with such requested that the decision be deferred due to the need for ongoing discussions in an attempt to avoid further distress and suffering to those affected.

Councillor Maddison raised a query regarding career progression and whether the potential increase in some salaries would need to be managed through the school budgets. She further noted that due to the late receipt of the report there was a lack of detail provided behind the proposals.

The Corporate Director of Children and Young People's Services provided a summary of the expectations of the Teaching Assistants role under each Grade and clarified the position regarding teaching, noting that although providing a valuable role, it was not part of their role to teach. It was also noted that Higher Level Teaching Assistants were encouraged to pursue full teaching qualifications where possible.

Councillor A Hopgood informed the Council of the role scrutiny had in this and that the council should therefore be allowing recommendations to be scrutinised.

In accordance with Standing Order 16.4 Councillor J Shuttleworth sought a named vote on the amendment. The requirements were met.

A named vote was taken and the Amendment was **Lost**.

For

Councillors B Avery, A Bell, J Blakey, D Brown, L Brown, I Cochrane, G Darkes, S Durham, D Freeman, A Gardner, N Grayson, K Hawley, T Henderson, D Hicks, A Hopgood, P Howell, P Jopling, K Liddell, L Maddison, C Martin, E Mavin, S McDonnell, M McGaun, J Nicholson, R Ormerod, A Reed, S Robinson, J Rowlandson, A Savory, P Sexton, J Shuttleworth, M Simmons, A Simpson, O Temple, K Thompson, A Watson, M Wilkes, A Willis and S Zair.

Against

Councillors E Adam, A Batey, D Bell, E Bell, J Bell, H Bennett, G Bleasdale, D Boyes, P Brookes, J Brown, C Carr, J Carr, J Chaplow, J Clare, J Clark, M Clarke, J Considine, K Corrigan, R Crute, M Davinson, S Dunn, O Gunn, C Hampson, S Henig, K Hopper, L Hovvels, S Iveson, I Jewell, O Johnson, B Kellett, L Kennedy, A Laing, J Lethbridge, J Maitland, R Manchester, C Marshall, L Marshall, M McKeon, I McLean, O Milburn, A Napier, J Nicholson, C Potts,

L Pounder, S Quinn, T Smith, B Stephens, J Stephenson, P Taylor, F Tinsley, C Wilson, M Wilson, D Wood and R Yorke.

In accordance with Standing Order 16.4 Councillor J Shuttleworth sought a named vote. The requirements were met.

A named vote on the recommendations in the report was taken and the Motion was **Carried**.

For

Councillors E Adam, A Batey, D Bell, E Bell, J Bell, H Bennett, G Bleasdale, D Boyes, P Brookes, J Brown, C Carr, J Carr, J Chaplow, J Clare, J Clark, M Clarke, J Considine, K Corrigan, R Crute, M Davinson, S Dunn, O Gunn, C Hampson, S Henig, K Hopper, L Hovvels, S Iveson, I Jewell, O Johnson, B Kellett, L Kennedy, A Laing, J Lethbridge, J Maitland, R Manchester, C Marshall, L Marshall, M McKeon, I McLean, O Milburn, A Napier, J Nicholson, C Potts, L Pounder, S Quinn, T Smith, B Stephens, J Stephenson, P Taylor, F Tinsley, C Wilson, M Wilson, D Wood and R Yorke.

Against

Councillors B Avery, A Bell, J Blakey, D Brown, L Brown, I Cochrane, G Darkes, S Durham, D Freeman, A Gardner, N Grayson, K Hawley, T Henderson, D Hicks, A Hopgood, P Howell, P Jopling, K Liddell, L Maddison, C Martin, E Mavin, S McDonnell, M McGaun, J Nicholson, R Ormerod, A Reed, S Robinson, J Rowlandson, A Savory, P Sexton, J Shuttleworth, M Simmons, A Simpson, O Temple, K Thompson, A Watson, A Willis and S Zair.

Abstain

Councillor M Wilkes.

Resolved:

That the 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.

14 Motions on Notice

There were no motions for consideration.

15 Questions from Members

No questions had been received from Members.

1 November 2017

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on 13 September and 18 October 2017 to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 31 October 2017 in order for them to be displayed on the screens in the Council Chamber.

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13 September 2017

- Item 1 Sugar Smart Programme
- Item 2 Forecast of Revenue and Capital Outturn 2017/18 - Period to 30 June 2017
- Item 3 Drug and Alcohol Recovery Service Model
- Item 4 Locomotion
- Item 5 Quarter 1 2017/18 Performance Management Report

18 October 2017

- Item 6 Medium Term Financial Plan (8), Council Plan, Service Plans 2018/19-2021/22 [Key Decision: CORP/R/17/02]
- Item 7 Transformation Programme
- Item 8 Improved Better Care Fund (iBCF) – Update and MTFP Considerations
- Item 9 Proposal for Changes to the Charging Policy for Non-Residential Social Care Services
- Item 10 Transport for the North – Incorporation as a Sub-National Transport Body

1. Sugar Smart Programme
Cabinet Portfolio Holder– Councillor Lucy Hovvels
Contact – Karen McCabe 03000 267672

We have considered a report of the Corporate Director of Adult and Health Services which provided an update on the Sugar Smart programme in preparation for a countywide launch.

County Durham is part of Public Health England's (PHE) three year programme into obesity systems, delivered by Leeds Beckett University and it is developing a whole range of approaches to systematically tackle obesity.

Nationally, sugar intakes of all population groups are above recommended levels. Consumption of sugar and sugar sweetened drinks is particularly high in school age children and sugar consumption tends to be highest among the most disadvantaged. Sugar Smart UK is a campaign from Sustain and the Jamie Oliver Food Foundation to help local areas across the UK to tackle excessive sugar consumption.

Durham Community Action (DCA) supported by Durham County Council's (DCC) public health team are leading a consortium of statutory and voluntary services to deliver this national campaign across County Durham with partners including; County Durham and Darlington NHS Foundation Trust (CDDFT), Taylor Shaw, Wellbeing for Life and DCC departments such as Culture and Sport, Facilities/Catering, Procurement and Environmental Health. The project will report into the County Durham Healthy Weight Alliance and Food Durham.

The Sugar Smart campaign recommends specific actions to reduce sugar intake and the programme was launched on 10 July. Proposed partner activities include:

- County Durham and Darlington NHS Foundation Trust will implement a health procurement policy, removing sugary food from the point of sales;
- Wellbeing for Life will reduce the sugar content at cookery classes;
- Taylor Shaw will aim to reduce the sugar content of their menus.

Sugar Smarts will be underpinned by a communications campaign which was detailed at Appendix 2 of the report and the programme will be reviewed quarterly to assess its uptake, the impact upon communities, and, its contribution toward the associated Durham County Council programmes.

Decision

We have:

- a) noted the contents of this report;
- b) agreed to receive updates on the progress to retain oversight of developments as appropriate.

2. Forecast of Revenue and Capital Outturn 2017/18 - Period to 30 June 2017
Deputy Leader of the Council- Councillor Alan Napier
Contact – Jeff Garfoot 03000 261946

We have considered a report of the Corporate Director, Resources which provided Cabinet with:

- the forecast revenue and capital outturn for 2017/18,
- the forecast for the Council's Council Tax and Business Rates Collection Fund position at 31 March 2018,
- the use of earmarked, cash limit and general reserves.

The report sought approval of the budget adjustments and proposed sums outside of the cash limit.

In accordance with the Council's Constitution, Council agreed the Council's Medium Term Financial Plan, which incorporates the revenue and capital budgets for 2017/18, on 22 February 2017. The Constitution also states that the Chief Finance Officer must report to Cabinet on the overall Council budget monitoring position on a quarterly basis.

This is the first quarter's report which provides the initial indication of the revenue and capital outturn for 2017/18 based upon expenditure and income up to 30 June 2017.

The following adjustments have been made to the original budget agreed by Council on 22 February 2017:

- a) agreed budget transfers between Service Groupings;
- b) additions to budget for items outside the cash limit;
- c) planned use of or contribution to Earmarked Reserves.

The reasons for the major variances against the revised budgets were detailed in the report, by each service grouping.

Capital

On 12 July 2017 Cabinet received a report which provided details of the final outturn position of the 2016/17 Capital Programme. This included details of budgets of £15.375 million that were reprofiled from 2016/17 to 2017/18. Adding these to the new 2017/18 capital allocations approved by Council on 22 February 2017 and the existing 2017/18 budget gives the original budget for 2017/18 that is shown in the table at paragraph 56 on the report.

The Council's Member Officer Working Group (MOWG) that closely monitors the capital programme has since considered further revisions to the capital programme, taking into account additional resources received by the authority and further requests for reprofiling as Service Management Teams continue to monitor and review their capital schemes.

The table at paragraph 56 of the report summarised the latest capital budget alongside the original budget. The table also showed the forecast outturn for each service and the actual capital spend as at 30 June 2017.

Since the original budget 2017/18 budget was agreed by the MOWG has considered a number of variations to the capital programme which are a result of the additions and reductions in resources received by the Council. The variations of note were detailed in the report.

Council Tax and Business Rates Collection Funds

The collection rate at 30 June 2017 was above the profiled target of 29.01%, and is an improvement of 0.03 percentage points over the same position in 2016/17. This sustained and improved performance has been achieved through automation of the recovery schedule, targeting of non-payers, e-enablement of processes and availability of a wide range of payment methods.

At 30 June 2017, the estimated outturn for the Council Tax Collection Fund is a surplus of £5.323 million which takes into account the undeclared surplus as at 31 March 2017. Durham County Council's share of this forecasted surplus is £4.492 million, which could be available to support the 2018/19 budget. The forecasts will be updated in October / November to inform the declaration of a Collection Fund surplus for final budget planning 2018/19.

At 15 January 2018 an estimated year end position on the Council Tax Collection Fund for 2017/18 will be declared and taken into account in the budget setting process for 2018/19. Any difference between this and the actual surplus at 31 March 2018 will be carried forward to 15 January 2019 and will be taken into account in estimating the surplus/deficit for 2018/19, which will need to be taken into account for 2019/20 budget setting.

Business Rates

2013/14 was the first year of the new Business Rates Retention Scheme whereby the Council has a vested budget interest and stake in the level of business rate yield, as income generated from Business Rates is now shared between Central Government (50%), Durham County Council (49%) and County Durham and Darlington Fire and Rescue Authority (1%). Therefore, it is not only the accuracy and timeliness of bills levied and collected that is monitored and audited, but the level of income anticipated for the year is important and new monitoring procedures have been devised for this purpose.

In 2017/18, following consultation, the Government implemented the first revaluation of Business Rates since April 2010. The revaluation of the rateable values of all Business Properties was undertaken by the Valuation Office Agency, part of HM Revenues and Customs, and, along with national changes to Multipliers, Relief Thresholds and Transitional Arrangements came into effect from April 2017. The overall effect of the revaluation on the Collection Fund saw a decrease of an estimated £9.3 million in rates yield / liability when compared to 2016/17. The revaluation should be cost neutral to

Durham County Council and County Durham and Darlington Fire and Rescue Authority, therefore compensation arrangements are to be made through adjustments to Section 31 grants and Top Ups for their shares of losses of income.

At 30 June 2017, the estimated outturn for the Collection Fund Business Rates is a surplus of £4.639 million, arrived at as shown in table at paragraph 75 of the report.

The in-year estimated surplus of £2.629 million and the total undeclared surplus brought forward from 2016/17, leaves an estimated surplus of £4.639 million at 31 March 2018. Any surpluses or deficits at 31 March in any year are shared proportionately between Durham County Council, Central Government and County Durham and Darlington Fire and Rescue, Durham County Council's share being 49%. Durham County Council's share of the estimated year end surplus will therefore be £2.273 million.

Section 31 Grant - Small Business Rate Relief

Small Business Ratepayers with properties with rateable values under £15,000 will now benefit from relief on their rates payable. The Government has awarded local authorities a special 'Section 31' grant to cover their share of the shortfall in business rates that these small business ratepayers would have paid had the relief scheme not been in place.

Small Business Ratepayers with properties with rateable values up to £12,000 are now being granted full relief, and properties with rateable values between £12,000 and £15,000 have a tapered relief applied to them ranging from 100% down to 0%. The Government have indicated Durham County Council will be refunded for any retained rates foregone due to change of the threshold arrangements following the 2017/18 NNDR Revaluation, and this has been built into the forecast.

Decision

We have:

- a) noted the Council's overall financial position for 2017/18;
- b) agreed the proposed 'sums outside the cash limit' for approval;
- c) agreed the revenue and capital budget adjustments;
- d) noted the forecast use of Earmarked Reserves;
- e) noted the forecast end of year position for the Cash Limit and General Reserves;
- f) noted the position on the Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

3. Drug and Alcohol Recovery Service Model
Cabinet Portfolio Holder– Councillor Lucy Hovvels
Contact – Amanda Healy 03000 266897

We have considered a report of the Director of Public Health which presented Cabinet with an overview of the proposed new model for the Drug and Alcohol Recovery Service, including the rationale for change, the proposed new model and details of the consultation process.

Local Authorities have the duty to reduce health inequalities and improve health of their local population by the provision of public health services aimed at reducing drug and alcohol misuse.

In 2014/2015 a review of drug and alcohol services was undertaken to transition a model of twenty three providers to an integrated service. In April 2015 Lifeline, with a subcontract arrangement with Tees, Esk and Wear Valley NHS Foundation Trust were awarded the contract. In June 2017, Lifeline went into administration and the drug and alcohol contract was novated to a national charity called Change, Grow, Live (CGL). CGL are now the interim provider of services until the new contract is formally procured.

The current Integrated Drug and Alcohol Service in County Durham delivers a range of psycho-social interventions, clinical prescribing and recovery support. There are also 80 pharmacies undertaking supervised consumption of methadone and six providing needle exchange managed by CGL. Services are delivered through six Recovery Centres,

This model brought many positives to the treatment journey. However, there remained challenges in relation to treatment outcomes for service users. It was also identified that there was fragmentation in some of the treatment pathways and that services could be more family focussed in particular.

A re-tender exercise was due to commence in June 2016 to procure a revised treatment service with a start date of 1st April 2017. However due to the above it was recognised that a more comprehensive review and consultation was required to shape a future model. This was also timely given changes to the Public Health Grant, which resulted in a prioritisation exercise due to grant reductions, details of which were set out in the report.

There are several risks in relation to the Drug and Alcohol Service. Lifeline have recently transferred its rights and obligations under the current contract to CGL. In addition, due to the change in tender timeline the existing service is operating under a contract extension. There is some instability within the existing arrangement.

A service review was undertaken in July 2016 to inform a future service model. This was overseen by the Drug and Alcohol Procurement Board. The review resulted in a proposed service model and draft specification. The model remains a recovery-based model with a range of prevention, harm minimisation, psychosocial, clinical and recovery support. A comprehensive

consultation was carried out between July 2016 and February 2017. Appendix 2 of the report provided details of the consultation carried out.

Feedback from the consultation helped to inform the revised model and a new specification for the service. Key elements have been included in the revised model. The proposed new model will be transitioned into a community outreach model in order to retain and maximise front line service provision. Services will be based in three Recovery Centres with extensive outreach provision to extend accessibility into more local communities. The new model will enable improvement of a number of key pathways in the current specification. Savings will be accrued from a reduction in rent, rates, utilities and other associated running costs of buildings.

The timeline for the procurement of the new drug and alcohol service is 14 September 2017 for the tender publication with a service commencement date of 1 February 2018. A detailed mobilisation plan will be developed and worked through with the successful provider which will be overseen by the Drug and Alcohol Procurement Board.

Decision

We have:

- a) noted the consultation which has taken place to inform the final design of the service model;
- b) approved the proposals for the revised Drug and Alcohol Recovery Service model as outlined in the report;
- c) approved the procurement of the new service for a 1st February 2018 start date;
- d) noted the approach taken to service mobilisation.

4. Locomotion Cabinet Portfolio Holder– Councillor Ossie Johnson Contact – Nigel Dodds 03000 264599

We have considered a report of the Corporate Director of Regeneration and Local Services which sought approval to enter into new management arrangements at Locomotion. The report sought approval to transfer operational responsibility for the site into a single management structure under The Science Museum Group's (SMG) control; whilst retaining the strategic partnership between SMG and Durham County Council (DCC).

Locomotion, the National Railway Museum at Shildon, opened in 2004 and has operated under a joint management arrangement between DCC, formerly Sedgefield Borough Council, and SMG for the thirteen years it has been operating. Both DCC and SMG are committed to the long-term development of the museum which has exceeded all of its initial expectations.

In November 2016 a review report was presented to the Locomotion Management Board. The report provided an overview of the current

management structures and governance processes that are in place as well as setting out the recommended next steps to achieve an improved offer for both the management and future expansion of the museum.

Negotiations with the Council have been ongoing since that time in relation to the future management arrangement for Locomotion. Those negotiations have now reached the stage of an 'in principle' agreement. Both parties require approval through their respective governance procedures prior to the final agreement being put in place.

Both parties require approval through their respective governance procedures prior to the final agreement being put in place. The report provide a detailed analysis of the 'in principle' including the management of staff and assets, financial issues and governance arrangements.

The Council remains committed to the future development of Locomotion as a key venue in its cultural offer and recognises its role in the local community, county and region as well as its national significance as a railway museum. Whilst the museum currently attracts circa. 200,000 visitors per annum, it is hoped by approving these changes that this can grow significantly over the next phase of the museum's development.

Decision

We have approved that:

- a) The Corporate Director of Regeneration and Local Services and the Corporate Director of Resources be delegated to progress the transfer in consultation with the Portfolio Holder for Tourism, Culture, Leisure and Rural Issues and the Portfolio Holder for Strategic Housing and Assets.
- b) The Science Museum's Group be offered a lease of the site for a period of 112 years at a peppercorn rent which is to be formally progressed through the due process.

5. Quarter 1 2017/18 Performance Management Report Leader of the Council- Councillor Simon Henig Contact – Jenny Haworth 03000 268071

We have considered a report of the Director of Transformation and Partnerships which presented progress against the council's corporate performance framework by Altogether priority theme for the first quarter of the 2017/18 financial year.

Despite the ongoing effects of austerity, the Council continues to improve or maintain performance in many key areas. The employment rate has improved and is now at its highest level since 2007/08, which is better than the regional rate for the first time since 2014/15, but remains below the national figure. For the past two years, the number of 18 to 24 year olds claiming out of work

benefits has fluctuated around its lowest level since 2014/15. Apprenticeship starts for 16 to 17 year olds and those sustained for 15 months or more from Durham County Council schemes, have increased since last year. In relation to Adult social care support, the reablement and rehabilitation service is improving with a higher percentage of older people still at home three months after discharge from hospital. First time entrants to the youth justice system remain low with fewer reported incidents of anti-social behaviour. Street and environmental cleanliness is good.

In other areas there are increasing needs or demands and some performance challenges. The number of looked after children has been steadily rising since 2008 and is significantly higher than national levels with the number of looked after children residential placements with independent providers increasing considerably from last year. Increases are also evident in the number of children with a child protection plan and the number of children in need referrals. Challenges are ongoing in relation to the health of the county with life expectancy and healthy life expectancy, the mortality rate for deaths related to drug misuse, and breastfeeding prevalence all worse than national levels. Crime levels show a significant increase, mainly due to changes in recording practice, but there is evidence of real increases in some crime categories. Fly-tipping incidents have seen a 3% reduction this quarter. Ongoing improvement issues continue in relation to the rate of employee appraisals and although sickness levels have improved, they remain a priority.

Decision

We have:-

- a) considered and commented on the council's performance at quarter one;
- b) agreed the changes to the Council Plan outlined below:

Altogether Wealthier

- i) Agreeing a proposal for North Road has been further delayed while work for securing an external development partner and establishing the financial viability is carried out. The revised date is to be confirmed.
- ii) The deadline to deliver the Chapter Homes business plan has been revised from December 2018 to October 2019 as the Council has not yet agreed to the transfer of land so the deadline now reflects the expected site completion date.
- iii) Work to improve access to Durham Rail station is ongoing on the western path and the deadline has been delayed from June 2017 until August 2017.
- iv) Developing and finalising a full business case for Horden Rail Station has been delayed from December 2017 to October 2018

while awaiting detailed design work with Network Rail for planning permission.

Altogether Safer

- v) Expanding enforcement powers around anti-social behaviour by increasing the number of Public Space Protection Orders (PSPOs), designed to reduce anti-social behaviour in public spaces, is delayed from April 2017 to October 2017. A new countywide PSPO was introduced for dog fouling in June and more PSPOs are being considered going forward.
- vi) Work with partners to evaluate the effectiveness of the Multi-Agency Intervention Service to ensure the current approach is meeting its desired outcomes has been delayed from July 2017 until July 2018. An August start date is anticipated with evaluation built into this project.

Altogether Greener

- vii) The review to harmonise current operational practices relating to the collection of clinical waste is delayed from September 2017 to March 2018. Stage 1 in the north will roll out in September 2017 but as this is a complex issue further consultation and operational changes are required.
- viii) The Commissioning of a leachate treatment system at Coxhoe East landfill site has been delayed from August 2017 to November 2017. The service is currently preparing this project for tender.
- ix) A strategic review of street sweepings and food waste to improve the customer experience, reduce costs and generate revenue (including waste operations and contracts) has been delayed from August 2017 to March 2018. The street sweeping element is almost complete. The food waste element is part of the government funded Waste Collection Methodology Project which is about to commence.
- x) The fleet restructure to realign operational practices to meet service delivery demands (due June 2017) and a review of the location of fleet vehicles (due September 2017), have both been delayed until March 2018. Consultations have commenced with staff and trade unions. Review of location of fleet vehicles will commence once the fleet restructure is finalised.
- xi) The review of operational practices around allotments to harmonise standards and embed enforcement has been delayed from January 2018 to July 2018. Enforcement activity has increased regarding basics such as non-cultivation. Wider enforcement is dependent on a review of standard rules to be considered.

- xii) The review of the Allotment Policy to increase community ownership and involvement in the management of allotments has been delayed from April 2017 to July 2018. It is anticipated that the Policy will be considered by Scrutiny in the autumn, followed by consultation and implementation.
- xiii) Completion of capping activities at Joint Stocks Landfill site to standards set by the Environment Agency due June 2018 has been delayed until November 2019. The ability to cap is proportionate to the volume of soil able to be secured. Phase 1: Part 1 aims for completion by November 2018 and Part 2 by November 2019.

Altogether Better Council

- xiv) The review of public conveniences to ascertain the distribution and standard of provision to inform future countywide proposals by May 2017 is behind target with a revised completion date of September 2017. Scoping work has been completed and further work is being considered.
- xv) The review of the Customer First Strategy is under further consideration in light of the Head of Service restructure which has led to the establishment of the new Digital and Customer Services function. It has been proposed that a combined Digital and Customer Service Strategy is developed; to be confirmed once some initial baselining work has been completed.

**6. Medium Term Financial Plan (8), Council Plan, Service Plans 2018/19-2021/22 [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, the Medium Term Financial Plan (MTFP(8)) and Council Plan / Service Plans 2018/19 to 2021/22.

The Chancellor of the Exchequer's 8 March 2017 Budget reported a deterioration in the public finances. It is forecast that the national deficit in 2017/18 could be higher than in 2016/17. The government has announced that the Autumn Statement will be published on 22 November 2017 and it is expected that it will confirm that the national finances will not achieve a surplus until at least the mid 2020's. There is also significant uncertainty over the impact of Brexit and the impact on local government.

The former coalition government were working towards the introduction of 100% Business Rate Retention for local government with a forecast implementation date of 2019/20. The required legislation for this policy was not included in the 2017 Queens Speech. It is not clear at this stage if this policy will be implemented. The government has confirmed that the Fair

Funding review which was an element of the 100% Business Rate Review process will continue. The output from the Fair Funding Review could result in significant impact upon the resources available to individual Councils depending on Governments approach to allocating funding by formula.

The government has also announced a review into Social Care funding. It is expected that this review could influence the Better Care Fund, the Adult Social Care precept and the Public Health Grant. Any reduction in these income streams would have a significant impact on the Councils resources.

All of these uncertainties considered alongside the possible impact of new policies from the government generate significant complications and areas of uncertainty in developing plans for MTFP(8). Through prudent planning the council has a reserve position to assist in supporting the budget during this significant period of uncertainty.

The MTFP(8) model has been updated assuming no further government funding reductions beyond 2019/20. There is a risk that these assumptions will not prove to be correct however a based on this position, savings required over the period are forecast to be £37 million.

The achievement of an additional £37 million of savings over the next four years will be extremely challenging. 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. By the end of this financial year, the Council will have made savings of £209 million and achieving further savings in managerial and back office efficiencies is extremely difficult. At this stage, the total savings required to balance the 2018/19 budget amount of £15.3 million. Savings plans of £14.8 million were detailed in the report. It is currently forecast that £0.5 million of the Budget Support Reserve(BSR) will be utilised to balance the 2018/19 budget.

The savings, which were detailed within the report will be considered as part of the MTFP(8) budget consultation process which will focus on the Area Action Partnerships (AAPs).

Decision

We have:

- a) noted the £14.8 million of 2018/19 savings identified at this stage for consultation;
- b) noted that at this stage it is forecast that £0.5 million of the Budget Support Reserve would be required to be utilised to balance the 2018/19 budget;
- c) noted the savings recommended in Appendix 2 of the report also realise savings of £2.445million and £1.383million in 2019/20 and 2020/21 respectively;

- d) noted the requirement to identify total savings of £37.4 million for the period 2018/19 to 2021/22;
- e) noted the forecast MTFP(8) savings shortfall of £18.8 million;
- f) agreed the approach to preparing the Council Plan and Service Plan;
- g) agreed the approach outlined for consultation;
- h) noted the initial equality analysis in this report and in individual Equality Impact Assessments in the Members' Library and also agree the proposals to build equalities considerations into decision making.

7. Transformation Programme
Cabinet Portfolio Holder– Councillor Joy Allen
Contact – Andy Palmer 03000 268561

We have considered a report of the Director of Transformation and Partnerships which informed Cabinet of progress in the Council's Transformation Programme, since the last Cabinet report in December 2016. The report also set out the main elements of the programme for the next three years.

Cabinet received a report in December 2016 setting out the initial approach to the Council's Transformation Programme. The report highlighted that Durham County Council has been on a continual programme of change since its inception as a Unitary Council in 2009 with notable success in forming the Council and providing good quality public services. This has been achieved whilst simultaneously dealing with significant budget reductions escalating to over £209m pa, and reductions in staffing levels of over 2500 FTE posts.

The report set out the four outcomes of the programme:

- Redesign services to better meet customers' needs at reduced cost to the Council.
- Help communities become more self-reliant and resilient
- Move partnership working from good to great
- Become renowned for a skilled and flexible workforce and employee engagement.

The report further highlighted that whilst a number of transformational initiatives, such as the Inspire Programme, were already in existence, further work was required to increase productivity and maintain the best possible outcomes for the people of the county in the face of continuing austerity. This would include a renewed focus on the digitisation of process with associated investment in ICT and staff training, partnership working and a series of service reviews. The report also highlighted that a deep dive exercise was being commissioned to carry out an analysis of the Council's working practices, procurement activity and business models in order to highlight

further areas where savings and improvements could be made. The report provided details of the progress to date.

PWC Consulting were commissioned at the end of last year to carry out a deep dive exercise into the Council's processes. High level findings were presented to Council managers in the summer and these findings were detailed in the report. The Council reshaped its Transformation Programme to take account of PWC findings and integrated a number of new projects into the portfolio. The programme is a significant undertaking of change and it is organised through four main interlocking initiatives which are:

- The Inspire Programme
- Digital Workforce
- Digital Customer
- Service Transformations and Commercialisation

The Programme will work in a systematic way over the next three years integrating projects into a single portfolio of programmes and projects to transform the way the Council operates and to support the resilience of service provision during continued austerity.

Decision

We have:

- a) Noted the contents of the report and endorsed the approach taken to transform the Council over the medium term.
- b) Recommended to continue their engagement in the programme through the Transformation Board in order to provide governance for the programme and shape future high quality services.

8. Improved Better Care Fund (iBCF) – Update and MTFP Considerations

Cabinet Portfolio Holders– Councillors Alan Napier, and Lucy Hovvels

Contact – Lee Alexander 03000 268180

We have considered a joint report of the Corporate Director of Adult and Health Services and the Corporate Director of Resources which provided Cabinet with an update in respect of the Improved Better Care Fund (iBCF) allocations and proposed expenditure plans, as agreed with local Clinical Commissioning Groups (CCG's) and the impact on the Councils Medium Term Financial Planning.

The Better Care Fund (BCF) brings together ring-fenced budgets Clinical Commissioning Groups (CCG's) allocations, the Councils Disabled Facilities Grant (DFG) capital allocations and funding paid direct to the Council for adult social care services. The BCF pooled budget totals £45.7 million for 2017/18, the majority of which is funded from CCG revenue contributions. The BCF is

accounted for through the Council's accounts. In the current year, the BCF allocations have been augmented with additional resources – the Improved Better Care Fund (iBCF) – initially announced in the autumn statement last year and augmented in the March budget. The iBCF allocations are additional monies payable to Councils to support the adult social care budget.

The iBCF consists of two elements – a planned allocation included in the Local Government Finance Settlement 2017/18 (£2.378 million), and additional funding for adult social care announced at Budget 2017 (£13.112 million) for 2017/18. Future year allocations for the iBCF have also been published, and projected income streams were set out in the report.

The initial planned iBCF amounts, which increase to c£23 million by 2019/20, have already been built into the MTFP to support adult social care-related activity. The additional monies announced at Spring Budget 2017 offer further opportunities to utilise funds to support social care and health priorities, and defer future savings pressures.

Whilst the additional iBCF allocations were announced in March, the grant conditions were not received until 24 April, 2017 and the detailed BCF planning guidance was not received until July 2017. Due to the late notification of these additional funds, received after the Council and the local CCG's had set their 2017/18 budgets, and the delay in receiving the planning guidance, plans have only recently been finalised. This has required detailed discussions with local CCGs.

In terms of the 2017/18 iBCF additional funding allocations, the report outlined investments which will support overall health and social care priorities across County Durham. In terms of the additional allocations for 2018/19 (c£8m) and 2019/20 (c£4m), these amounts have been built into MTFP (8) and will be utilised to delay adult care-related MTFP savings.

Decision

We have:

- a) Noted and agreed the proposed spending plans for the 2017/18 additional iBCF allocation, as agreed with the CCG's.
- b) Provided delegated authority to the Corporate Director of Adult and Health Services and Corporate Director of Resources in consultation with relevant Portfolio Holders and NHS/CCG colleagues to implement iBCF spending plans.
- c) Noted and agreed the use of 2018/19 and 2019/20 additional iBCF allocations to support the MTFP by deferring adult care-related savings pressures.

9. Proposal for Changes to the Charging Policy for Non-Residential Social Care Services
Cabinet Portfolio Holders– Councillors Alan Napier, and Lucy Hovvels
Contact – Lee Alexander 03000 268180

We have considered a joint report of the Corporate Director of Adult and Health Services and the Corporate Director of Resources which outlined proposed changes to the Non-Residential Charging policy for individuals who receive social care services and are assessed to determine their financial contribution towards their care costs. This would bring the DCC charging policy into line with the Department of Health's national guidance.

The Council's Non-Residential charging policy was reviewed in 2011 and again in 2013 and 2016 when the following changes were implemented:

- a) charges for day care services were introduced in 2011/12;
- b) service users with savings over £23,250 were required to meet the full cost of their non-residential care services from November 2013;
- c) the automatic disregarding of 50% of the weekly severe disability premium (SDP) in non-residential financial assessments for all new service users seeking to receive non-residential social care services was ended with effect from 1 October, 2016 and instead individual assessments of Disability Related Expenditure were introduced, in line all other non SDP service users.

The combined impact of these changes resulted in savings of £1.7 million being delivered across the period 2011/12 and 2013/14 and further estimated £1 million of savings from the changes to SDP disregards as part of the Council's MTFP across the period 2016/17 to 2019/20.

Proposed Changes to Non Residential Charging Policy

Following a further review of the remaining discretionary elements of the Councils Non-Residential Care charging policy, potential changes to the treatment of service users in receipt of non-residential services have been identified in the use of the Minimum Income Guarantee (MIG).

When the Care Act 2014 came into force on 1 April 2015, the Department of Health prescribed the minimum amount of income a person must be left with after charging for care and support. Councils can allow people to keep more income if they wish. This is referred to as the Minimum Income Guarantee (MIG). The MIG allowances can be found in the Care and Support (Charging and Assessment of Resources) 2014 regulations.

The Care and Support Statutory Guidance provides that 'There are differences in how income is treated in a care home and in all other settings. Charging a person in a care home is provided for in a consistent national framework. When charging a person in all other settings, a local authority has more discretion to enable it to take account of local practices and innovations.' (Care Act Statutory Guidance, Annex C, par 2).

Durham County Council currently use the Minimum Income Guarantee +25% as a mechanism by which service users can be left with a basic income plus a 25% buffer. The concept of MIG +25% was originally devised by Torbay Council and at the time recommended as best practise by the Department of Health. The Department of Health has issued a circular [LAC (DH) (2017) 1], which states that the MIG allowances for 2017/18 will remain frozen to the rates first set in 2015/16.

This puts Durham in a position where it is currently applying allowances higher than those defined in DH guidance, which applies a buffer equivalent to MIG + 18.6%. This results in service users in County Durham contributing less towards their care than if the allowances set out in the Department of Health's circular were applied. A comparison of the MIG thresholds set out in the DH guidance compared to the policy that currently exists in Durham was set out in the report.

Impact of Potential Policy Change – Movement to DH Guidance

There are 6,372 service users receiving non-residential care services. Of these 4,875 (76.5%) make a financial contribution towards their care costs based on a means tested financial assessment in line with national guidance and the DCC policy framework. 1,497 (23%) of all service users currently are on zero charge because they are already on minimum income i.e. no chargeable income.

1,975 (31%) of all service users, 41% of those who make a financial contribution towards the cost of their care, currently pay for the full cost of their non-residential care services. The level of care being delivered to them is dependent on the assessed level of care needs, some will pay more if the level of their care increases.

The amount a service user pays is dependent on the level of care they receive and their financial circumstances. Two different service users, each assessed as being able to pay a maximum charge of £30 may contribute entirely different amounts on a weekly basis e.g. one may only receive 1 hr of service so pays the full cost of that 1 hr service i.e. £14.00, whereas the other may receive 60 hours of service and pay the £30 maximum contribution.

The effect of adopting a MIG allowance in line with DH LAC (2017) 1 as a disregard is best illustrated by case studies, which shows the maximum charge which could be paid currently and if the revised policy criteria was adopted. The greatest effect will be on the charges to Older People as a result of the fact that this group that have received the greatest uprating increases in benefit income compared to those people of working age over recent years. Examples were attached at Appendix 2 of the report.

The Welfare Reform Act 2012 provided for the introduction of 'Universal Credit'. Universal Credit (UC) is administered by the Department for Work and Pensions (DWP), who are responsible for leading the roll out of this project and ensuring that appropriate support frameworks are in place for claimants. The impact of the roll out of Universal Credit on service users will be carefully monitored in preparation for the start of the managed migration in 2019 and

the effect on the Council's charging income further evaluated at that stage. In line with general charging principles there is the potential to consider the waiving of charges in exceptional circumstances due to severe hardship or if care management /social work staff consider a person to be at risk.

The report proposed that the Council seeks the views of key stakeholders and the wider public, including relevant disability charities and Community and Voluntary Sector groups. A 12 week consultation period would take place and a further report would be submitted to Cabinet on 14 March 2018 to enable members to make a final decision on these proposals, taking into account the outcome of the consultation. Any policy changes would be implemented 1 April 2018 for new service users.

The MTFP(8) savings proposals put forward by AHS, include an additional £0.8million of income (AHS3.2) from a further review of the discretionary elements of the Non Residential Charging Policy. Based on a strategy of applying the changes to new service recipient, it is reasonable to assume MTFP savings of c£267,000 per annum across the period 2018/19 to 2020/21 can be achieved. The savings therefore would be as follows:

Year	Savings: MIG Changes Applied to New Service Users Only [AHS3.2]
2018/19	266,667
2019/20	266,667
2020/21	266,666
	800,000

Decision

We have noted the content of the report and supported the following recommendations:

- a) that the consultation is undertaken on proposals to change the MIG+25% disregard and replace this with the disregards as set out in the DH guidance with this policy change applying to new service users only. This will generate c£800,000 of MTFP savings across a three year period;
- b) that a 12 week period of public consultation on these proposals is undertaken, with a further report on the outcome of this consultation to be considered by Cabinet in March 2018.

10. Transport for the North – Incorporation as a Sub-National Transport Body
Cabinet Portfolio Holder– Councillor Carl Mashall
Contact – Adrain White 03000 267466

We have considered a report of the Corporate Director of Regeneration and Local Services which requested Cabinet’s consent to the making of Regulations by the Secretary of State to establish Transport for the North (TfN) as a Sub–National Transport Body under section 102J of the Local Transport Act 2008.

The consent of each Highway Authority within the area of each Combined Authority, which is a Constituent Authority of TfN, is required to the making of Regulations by the Secretary of State because the Regulations contain provisions giving TfN highway powers to be exercised concurrently with the Local Highway Authorities.

To address concerns about transport connectivity across the North, Local Transport Authorities and Local Enterprise Partnerships from the North of England came together in 2014 in partnership with the Department for Transport and the National Transport Agencies to form Transport for the North (TfN). TfN have developed a pan-northern transport strategy to drive economic growth in the North. The ambition of TfN is to achieve significant devolution of transport responsibilities for the North of England.

In October 2016, with the agreement of constituent authorities, TfN submitted a proposal to the Secretary of State for Transport that TfN should be established as the first sub-national transport body (STB) under the provisions of section 102E of the Local Transport Act 2008 as amended by the Cities and Local Government Devolution Act 2016. The proposal submitted by the TfN requested various powers and functions which were detailed in the report.

The Secretary of State has now formally responded to the Proposal and has indicated that he is minded to make Regulations creating TfN as the first Sub-National Transport Body with the following functions:

- a) The preparation of a Northern Transport Strategy
- b) The provision of advice on the North’s priorities, as a Statutory Partner in the Department’s investment processes;
- c) The coordination of regional transport activities, (such as smart ticketing), and the co-management of the TransPennine Express and Northern rail franchises through the acquisition of Rail North Ltd.

Regulations have now been drafted to create TfN as a Sub-National Transport Body, which once passed will confer on TfN the majority of the functions and powers requested in the proposal. The proposal includes a number of Highway Authority powers. These powers relate to land acquisition for highways, the ability to enter into agreements to carry out certain highway works and the powers to construct new highways. This would allow TfN to

play a coordination and commissioning role for strategic road schemes that span multiple administrative boundaries.

The highway powers were detailed in Appendix 3 of the report. It is intended that before TfN exercises any transport powers or functions it holds concurrently with any of the Constituent Authorities or Highways Authorities within the TfN area, TfN will enter into a written Protocol with the Constituent Authorities or the local Highway Authorities covering the way in which the functions will be exercised.

Before the Secretary of State can make the Regulations he must obtain consent from each of the nineteen Constituent Authorities. It is also necessary to gain consent to the granting of concurrent highway powers from each of the Highway Authorities within TfN's area. It is anticipated that the Secretary of State will send a letter to each of these Highway Authorities requesting formal consent to the making of the Regulations. It is understood that the letter will request a response before the end of October 2017.

The North East Combined Authority (NECA) has already given its consent to the making of the Regulations. However, as NECA are not a Highway Authority it is necessary for each individual Highway Authority within the NECA area to give their consent to the granting of highway powers within the Regulations.

Decision

We have formally consented under section 102J of the Local Transport Act 2008 to the making by the Secretary of State of Regulations to establish Transport for the North as a Sub-National Transport Body and giving TfN concurrent highway powers.

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

24 October 2017

County Council**1 November 2017****Local Council Tax Reduction Scheme
2018/19**

Report of Corporate Management Team**John Hewitt, Corporate Director of Resources****Councillor Alan Napier, Portfolio Holder for Finance**

Purpose of the Report

- 1 To seek Council approval for the continuation of the current Local Council Tax Reduction Scheme (LCTRS) for a further year into 2018/19, which would continue to protect all claimants in line with what their entitlement would have been under the Council Tax Benefit System, as agreed by Cabinet at their meeting on 12 July 2017.

Background

- 2 The Government abolished the national Council Tax Benefits System on 31 March 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a LCTRS with effect from 1 April 2013. The LCTRS provides a 'discount' against the Council Tax charge, rather than a benefit entitlement.
- 3 The Council Tax Reduction Scheme Grant replaced Council Tax Benefit subsidy and from April 2013 is paid directly to the Council and the major precepting bodies (Police and Fire).
- 4 Government funding towards council tax support was reduced by 10 per cent nationally in 2013/14. By so doing, the Government also transferred the risk of any growth in the system through more council taxpayers becoming eligible for support with their council tax to local authorities as the government grant was a fixed amount.
- 5 The funding made available to support the Local Council Tax Support Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements. Whilst separate figures were published for this in 2013/14, there is no longer any visibility over what level of funding is now contained in the formula for Council Tax Reduction Schemes.
- 6 The Council's formula grant includes an element relating to Town and Parish (T&P) Councils and whilst the Council has passed the grant on to the Town and Parish Councils, there is no statutory requirement to do so.

- 7 Following discussions with the Town and Parish Councils' Working Group, and in the spirit of partnership working, recognising the important role Town and Parish Councils play in providing local services to communities, Cabinet resolved on 13 July 2017 to continue to pass on the Town and Parish element of the formula grant in 2018/19. In doing so, Cabinet also resolved to continue to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils 2018/19, in line with reductions in the overall formula funding made available to the Council.
- 8 Formula grant has been subject to significant ongoing year on year reductions since 2010/11 and the latest MTFP includes a forecast c£14.140 million reduction in Revenue Support Grant in 2018/19, partially offset by retail price index inflation (RPI) increases in the local share of business rates and top up grant under the localisation of Business Rates. Overall, funding from a combination of formula grant and business rates top up is forecast to reduce by c5.36% in 2018/19. This is the reduction that will be applied against the Council Tax Support Grant paid to Town and Parish Councils in 2018/19.

Review of the Local Council Tax Support Scheme

- 9 On 28 October 2016 Council agreed the current Local Council Tax Reduction Scheme for 2017/18, which mirrors the previous entitlement under the Council Tax Benefit System for all claimants. No council tax benefit claimants have therefore been worse off in the last five years than they would have been under the previous national scheme.
- 10 The Council has been mindful of the continuing impacts of the wider welfare reforms which are having a detrimental impact on many low income households and the fact that the additional Council Tax liabilities for working age households could have a significant impact on affected household budgets by around £100 to £130 a year based on a scheme whereby entitlement for working age claimants is set at a maximum of 90% entitlement. This would make collection of council tax more difficult and costly to recover from these low income households.
- 11 In approving the scheme for 2017/18, the Council (26 October 2016) gave a commitment to review it on the grounds of medium term financial plan (MTFP) affordability and on-going austerity.
- 12 In the North East region, Durham and Northumberland have schemes that continue to mirror entitlement under the former Council Tax Benefit (CTB) system, whilst the other ten Councils have schemes that cap the maximum entitlement to working age claimants.
- 13 Nationally, 74 Councils changed their schemes in April 2017. There are now only 37 Councils across the country who continue to mirror entitlement under the former Council Tax Benefit system (11%), with 277 out of 326 having cut the amount of support available to claimants by introducing either a minimum payment or a band cap. The other 12 councils have made other changes such as removing the second adult rebate to their schemes.

- 14 In some local authorities, low-income households continue to be exempt from paying Council Tax whilst in others they are required pay up to 45% of their bill. There is therefore a wide disparity of support available across the Country. In the fifth year of the LCTRS, around two million families across the Country continue to be adversely affected by the change from CTB. On average these families will have to pay £191 additional Council Tax in 2017/18 in comparison to what they would have paid under the national CTB scheme. Nationally, the number of LCTRS claimants paying £200 or more has increased to 825,000 in 2017/18.
- 15 There are currently 58,674 LCTRS claimants in County Durham, of which 24,937 (43%) are pensioners and 33,737 are working age claimants (57%), with 22,372 working age claimants on 'passported' benefits i.e. also in receipt of either Job Seekers Allowance or Income Support. LCTRS support to claimants in terms of discounts against their Council Tax liability currently totals circa £53.5 million per annum.
- 16 There are 2,527 claimants in County Durham currently classed as working age that would have been treated as pensionable age claimants previously, and therefore fully protected from any changes in the LCTRS should the Council wish to do so, as a result of changes to the pensionable age eligibility across the last four years. Nationally there has been a 13.5% reduction in pensionable age claimants across the last four years, the reduction in County Durham has been a 6.8% reduction since 2013.
- 17 As Members will be aware, if any changes are made to the scheme, these must be consulted on and be subject to an equality impact assessment. Councils are required to review and approve their schemes annually and have this agreed by a Council Meeting before 31 January each year.
- 18 Pensioners have to be protected from any changes with any reductions applied to working age claimants only.
- 19 Based on Taxbase assumptions, the estimated net cost of retaining the scheme in 2017/18 is circa £5.1 million. To recover the full £5.1 million cost by reducing the benefit awarded to working age claimants, which currently totals circa £31.3 million, would require a reduction in the maximum entitlement from 100% to 79.5%.
- 20 Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.5 million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.133 million (based on a scheme that awarded maximum entitlement of 79.5% with a prudent collection rate of 80%). This would impact circa 33,700 working age households across County Durham, where circa 7,300 are actually in low paid jobs rather than being unemployed.

- 21 Following careful consideration of the current financial position of the Council and in light of further cuts to the Welfare Budget planned by Government, including the roll out of Universal Credit Full Service from October 2017 in County Durham; Cabinet resolved on 13 July 2017 to recommend to Council that the current scheme should be extended for a further year into 2018/19 and, therefore, that no additional council tax revenues are built into the MTFP projections from a review of the LCTRS at this stage.
- 22 The reasons for extending the current scheme are due to the current scheme remaining within existing cost parameters for the Council. In addition, whilst the full impacts of the Government's Welfare Reforms are complex and difficult to track, demand for Discretionary Housing Payments; Social Fund Applications and Rent Arrears statistics in County Durham compared to others across the region, would suggest that the council tax benefit protection afforded to working age claimants, in addition to the wide ranging proactive support that has been put in place, is continuing to have a positive impact on these households.
- 23 The Council will need to continue to review the national situation and track what is happening in local authorities that have introduced Local Council Tax Reduction Schemes that have reduced entitlement to their working age claimants in terms of impacts and performance in terms of recovery of the council tax due.
- 24 With regard to the Council's financial forecast on the impact of retaining 100% entitlement to council tax support in the current financial year (2017/18), the position at 30 September 2017 indicates that the planning assumptions in terms of setting the 2017/18 budget were prudent and remain appropriate.

Conclusions

- 25 There is a statutory requirement for Full Council to approve the Local Council Tax Reduction Scheme (LCTRS) to be operated in 2018/19 before 31 January 2018.
- 26 There are a number of financial risks associated with the LCTRS, including increased take-up and the consequential transfer of risk to the Council, plus the recovery of any council tax sums levied on working age claimants and ultimately the impact on the Council Tax Base and the Collection Fund, which are both key elements of the overall budget setting process for the Council.
- 27 Given the latest MTFP(8) financial forecasts reported to Cabinet in July and October 2016 and in light of the beneficial impact on residents who are being impacted by other Welfare Reform changes, it is proposed that Council agrees that the LCTRS be extended into 2018/19 without any changes.
- 28 Any proposed changes to the LCTRS for 2019/20 would need to be consulted upon and, should any changes be proposed, a report would need be brought to Cabinet in July / September 2018 before embarking on a consultation process thereafter.

Recommendations

29 Council is recommended to:

- (a) continue the current Local Council Tax Reduction Scheme into 2018/19, which will retain the same level of support to all working age council tax payers on low incomes;
- (b) agree that the extension to the Scheme be initially for a further year only and be kept under continuous review with a further decision on the scheme to apply in 2019/20 to be considered by Cabinet in July / September 2018 and Full Council by January 2019.

Contact: Paul Darby Tel : 03000 261 930

Background Papers

- Local Government Finance Act 1992 (section 13A)
- Welfare Reform Act 2012
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
- 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 – report to Cabinet 12 July 2017

Appendix 1: Implications

Finance

The funding made available to support the Local Council Tax Reduction Schemes in 2013/14 (90% of the previous funding available under the Council Tax Benefit System) now forms part of the Council's formula funding arrangements.

Following discussions with Town and Parish Councils, Cabinet resolved on 2013 July 2016 to continue to pass on the Town and Parish element of its formula grant in 2018/19 but in doing so continue to apply pro-rata reductions in the Council Tax Support Grant paid to Town and Parish Councils in 2017/18 in line with reductions in the overall formula funding made available to the Council. Estimated Grant paid to Town and Parish Councils will be circa £1.401 million in 2018/19 compared to £1.417 million in 2017/18.

The Council introduced a Local Council Tax Reduction Scheme in 2013/14 which ensured that entitlement to the new discount for all claimants would be in line with the level of Council Tax Benefit that would otherwise have been granted had the Council Tax Benefit system continued. This was subsequently extended into 2014/15, 2015/16, 2016/17 and 2017/18.

The Council is responsible for the costs of any increase in caseload as the level of Government support is fixed within formula grant.

Prudent estimates and provisions were built into the tax base forecasts at budget setting, and whilst the Council is subject to greater financial risk now, the current scheme remains within the budget provisions.

Should the Council review its scheme and reduce maximum entitlement to working age claimants, depending on the forecasted council tax collection from affected low income households, there would be scope to increase Council Tax revenues by between £2.5 million (based on a scheme that awarded maximum entitlement to working age households of 90% with a prudent collection rate of 80%) and £5.133 million (based on a scheme that awarded maximum entitlement of 79.5% with a prudent collection rate of 80%). This would impact circa 33,700 working age households across County Durham, where circa 7,300 are actually in low paid jobs rather than being unemployed.

Staffing

None.

Risk

The report outlines a range of financial risks surrounding the Local Council Tax Reduction Scheme. These are being effectively managed at this time. Given that the proposal is to extend the current arrangements into 2018/19 there are no system development issues or risk associated with these proposals as the systems were amended in advance of 2013/14.

Equality and Diversity / Public Sector Equality Duty

The Equality Act 2010 aims to advance equality of opportunity and provide protection from discrimination for people based on their 'protected characteristics'. We are

legally required under the public sector equality duty (PSED) to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

In relation to the LCTRS, this means that the Council needs to take account of the available data and broader evidence to actively consider how the scheme might affect people who share a relevant protected characteristic and people who do not share it. The PSED does not prevent public authorities making difficult decisions but we must ensure that the decision making process is fully informed by equality impacts and, where there is potential for negative impact, full consideration is given to mitigating actions and implementation of the final decision can be clearly justified.

Given the proposals are to extend the current LCTRS into 2018/19, thereby continuing to protect current entitlement, there will be no negative equalities impact, with the financial position of claimants protected in 2018/19.

This will need to be revisited next year if proposals are subsequently brought forward to change the scheme in 2019/20.

Should the Council decide against extending the current scheme into 2018/19, and elect instead to pass on reductions to working age claimants, there would be a range of potential negative equalities impacts. These include financial impact for working age claimants and possible additional impacts in relation to health and wellbeing, housing and the consequences of debt or legal action. These impacts are most likely in relation to gender, age and disability with limited impacts for race and sexual orientation and no evidence of impact on transgender status, religion or belief.

Accommodation

None.

Crime and Disorder

Any reduction in Council Tax support, alongside other welfare changes could see an increase in crime if customers seek to increase their income to make up for the benefits lost. The proposals set out in this seek to protect current entitlement in 2018/19 and as such have no implications, though the impact of the wider welfare reforms agenda will need to be kept under constant review.

Human Rights

None

Consultation

Towns and Parish Councils were consulted on the proposals to continue to passport an element of the Councils formula grant, equivalent to the Town and Parish share of the Local Council Tax Reduction Scheme grant funding within formula grant for 2018/19.

No further consultation has been undertaken as Cabinet resolved on 13 July 2017 to recommend to Council that it extends and continues the current Local Council Tax Reduction Scheme into 2018/19, thereby retaining the same level of support to all working age council tax payers as the previous Council Tax Benefit Scheme, which was abolished on 1 April 2013.

Procurement

None

Disability Discrimination Act

See above.

Legal Implications

The Welfare Reform Act 2012 abolished the national council tax benefits system (CTB), paving the way for new Local Council Tax Reduction Schemes (LCTRS) to be introduced under the auspices of the Local Government Finance Act 1992.

Section 13A of the Local Government Finance Act 1992 (“the 1992 Act”) requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need (“a council tax reduction scheme”).

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (“the 2012 Regulations”) prescribe matters which must be included in such a scheme in addition to matters set out in paragraph 2 of Schedule 1A to the 1992 Act.

Each year regulations amending the 2012 Regulations are made in November/December. The majority of the amendments are to ensure consistency with changes to social security legislation and these are subsequently included in our local scheme.

The LCTRS provides a ‘discount’ against the Council Tax charge, rather than a benefit entitlement and as such impacts on the Councils tax base.

Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended) the Council to calculate a council tax base for each financial year.

The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012 and applies to the financial years beginning 1 April 2013 onwards contains the rules which require the Council to calculate the Council Tax Base.

A key element of the tax base calculation is the Councils policy in terms of its LCTRS.

There is a statutory requirement for the Council to adopt a local council tax support scheme for the ensuing financial year by 31 January. Where the Council is proposing any changes to its scheme, there is a statutory requirement to consult on these proposals in advance of making any changes. Pensioners, have to be protected from any changes, with any reductions applied to working age claimants only.

County Council

1 November 2017

Trimdon and Thornley By-election



Statement of Returning Officer

Following a by-election held on 28 September 2017 in the Trimdon and Thornley Electoral Division, I formally submit below a Statement for the information of the County Council showing details of the person elected as a County Councillor:-

ELECTORAL DIVISION	NAME, ADDRESS AND DESCRIPTION OF PERSON ELECTED
TRIMDON AND THORNLEY	Judith Helen Grant 20 Gore Hill Estate Thornley Durham DH6 3DS LABOUR

TERRY COLLINS
 Returning Officer

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