

21 October 2020

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on at meetings held on 18 March, 5 June, 8 July and 16 September 2020 to enable Members to ask related questions.

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**1. Local List of Historic Parks, Gardens and Designed Landscapes
[Key Decision: REAL/01/2020]
Cabinet Portfolio Holders - Councillor Brian Stephens, Councillor
Carl Marshall and Councillor Kevin Shaw
Contacts - Steve Bhowmick 03000 267122, Ged Lawson 03000
267139 and Sue Mullinger 03000 267142**

We considered a report of the Interim Corporate Director of Regeneration and Local Services which detailed the Local List of Historic Parks, Gardens and Designed Landscapes for County Durham, to be used in the consideration of planning proposals and for helping to conserve the County's historic environment. The report sought grant approval of a review process to update and add to the Local List on a five year cycle using a similar assessment methodology.

County Durham's most important historic parks and gardens are identified in Historic England's Register of Parks and Gardens of Special Historic Interest in England. A number of parks and gardens of local interest have been identified in the past in some Local Plans, but many remained unidentified. A systematic review was carried out between 2017 and 2019 to develop a Local List of Historic Parks, Gardens and Designed Landscapes as part of the evidence base of the County Durham Plan.

Government guidance on the historic environment advises that plan-making bodies should make clear and up to date information on non-designated heritage assets accessible to the public to provide greater clarity and certainty for developers and decision-makers. Non-designated heritage assets are buildings, monuments, sites, places, areas or landscapes identified by plan-making bodies as having a degree of heritage significance meriting consideration in planning decisions, but which do not meet the criteria for designated heritage assets such as being a Scheduled or Listed asset.

While the primary impetus to the production of a local list has been to support the Council's planning function, it has wider benefits in raising awareness and understanding of these important components of the county's landscape.

Durham County Council Landscape, Archaeology and Design specialists drew up a list of potential sites. The list was reviewed by a panel of experts, including a representative of the Northumbria Gardens Trust, which produced a list of 109 candidate sites for further assessment. Durham County Council appointed consultant garden historian Fiona Green to undertake an assessment of the significance of each candidate site: 96 were recommended for inclusion in a local list. Consultation on the findings of the assessment was carried out between January 2019 and March 2019. Residents and landowners were contacted and directed to an online public consultation hosted on the

Durham County Council website. Comments were reviewed by the expert panel and by the consultant garden historian. Some changes were recommended to individual sites including changes to boundaries, background information and/or assessments of significance. The proposed local list included 96 sites. Following adoption, the list and its supporting information would be publicly available and reviewed on a 5 year cycle.

The review represents a systematic assessment of parks, gardens and designed landscapes on a county-wide basis. It supports the Council's planning function, whilst delivering wider benefits in raising awareness and understanding of these important components of the county's landscape.

Decision

We adopted the Local List of 96 recommended sites and approved proposals to review the list on a five year cycle using a similar process used in the review. We noted that in exceptional cases, a nomination may be considered ahead of the 5 year cycle if there was a clearly demonstrable and immediate need.

2. Options for the future of the two schools that constitute the Durham Federation

Cabinet Portfolio Holders - Councillor Olwyn Gunn and Councillor Alan Napier

Contacts - Phil Hodgson 03000 265842 and Paul Darby 03000 261930

We considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which outlined the educational and financial sustainability issues relating to Durham Community Business College (DCBC) and Fyndoune Community College (FCC), which jointly make up the Durham Federation.

In September 2014, both FCC and DCBC were inspected by Ofsted and deemed to be 'inadequate'. As a result they were issued with a directive 'Academy Order' by the Secretary of State requiring them to convert to academy status. This was followed by a protracted period of time in which the Department for Education (DfE) failed to secure an academy sponsor for the schools. In 2018, the DfE agreed that no academy sponsor could be found and that the Academy Orders for the schools would be revoked and therefore they would remain under Local Authority maintained control. Revocation of the Academy Orders was dependant on the council taking steps to amalgamate the schools and remove one unique reference number (URN) through this process. This step would in effect amount to the closure of one of the schools.

Pupil numbers had fallen steeply during the prolonged period in which the future of the schools remained very uncertain following the inadequate Ofsted judgement.

These pupil numbers alone mean a split-site amalgamated school is unviable. The numbers also indicate that without a reversal of the current admission trend the sustainability of a single site school is also of significant concern. DfE guidance is that a minimum size new secondary school requires 600 pupils to be financially viable.

The report presented a set of options and recommended we to agree that Fyndoune Community College (FCC) is closed but that the site be retained for educational purposes and community use, as detailed in the report. The options explored were as follows:

- Option 1 Amalgamate the schools and continue provision across both sites.
- Option 2 Close Fyndoune Community College and educate all pupils on DCBC site.

The consequences of taking either these options were addressed in the report.

The conclusions drawn from the analysis of options is that the closure of FCC is necessary. This will meet the DfE stipulation of removing one URN from the two schools and provides the only option for future sustainability of a single site school. Even taking this action does not fully address the future sustainability concerns of a single site school.

The report provided full details of the implications of taking the recommended action, the alternatives which have been considered and rejected, and the reasons for all decisions. It also describes the intention of the council to explore future usage of the FCC site, following proper consultation with all stakeholders.

The demand for future school places in this part of the county is described in the report, and clearly demonstrates the need for one of the schools to remain open. The case for this being DCBC is also expanded upon, influenced not least by the substantial building programme on that site during 2018-19, funded by the ESFA, to a total of circa £3 million. The admissions pattern and potential catchment capacity of the two sites also indicate that DCBC should be the future base.

To support improvement in standards and future growth in pupil numbers to enable a sustainable single site at DCBC it is proposed also to explore

brokering a relationship with one or more educational establishments or with a multi academy trust (MAT).

Since 2014 when Ofsted found both schools to be inadequate there have been a range of issues impacting on the sustainability of both schools. The uncertainty created by the 'inadequate' judgements and the Department of Education's failure to secure a suitable sponsor has seriously undermined attempts to address the underlying issues. As a result, pupil numbers have fallen and significant challenges have exacerbated the difficult situation and the recommendations of the report represent a measured but increasingly urgent response to safeguard the future education of children living within the area served by the Federation.

Decision

We agreed to the process of closure of Fyndoune Community College (option 2) which would begin with statutory consultation.

We approved the action by which local authority officers would work with school leaders and governors of Durham Community Business College to secure a relationship with another education provider to improve the long-term financial sustainability and educational standards of that school.

We agreed to the Council working with the local community to find a sustainable approach for the Fyndoune Community College site that protected and expanded on existing community use.

3. Forecast of Revenue and Capital Outturn 2019/20 – Period to December 2019

Cabinet Portfolio Holder - Councillor Alan Napier

Contacts - Jeff Garfoot 03000 261946 and Paul Darby 03000 261930

We considered a report of the Corporate Director of Resources which provided:

- (a) updated forecast revenue and capital outturn for 2019/20;
- (b) updated forecast for the council tax and business rates collection fund position at 31 March 2020;
- (c) updated forecast use of earmarked, cash limit and general reserves and estimated balances to be held at 31 March 2020.

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

The 2019/20 projected revenue outturn a forecast cash limit overspend of £3.479 million plus an underspend on all other budgets of £4.107 million. This forecast net underspend of £0.628 million represents 0.1% of the net expenditure budget of £421.576 million. Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £18.220 million in 2019/20, from £209.069 million to £190.849 million.

The updated projected capital outturn is £117.574 million.

The estimated outturn for the Council Tax Collection Fund is a surplus of £0.446 million. Durham County Council's share of this forecasted surplus is £0.373 million.

The estimated outturn for the Business Rates Collection Fund is a surplus of £14.116 million. Durham County Council's share (49%) of this estimated surplus is £6.917 million. This improved forecast outturn position has been influenced by the outcome of a review of the provision for appeals. This provision is no longer required in relation to a liability to refund business rates to NHS bodies within County Durham, following the result of a recent High Court case.

Decision

We noted

- (a) the council's overall financial position for 2019/20;
- (b) the forecast use of earmarked reserves;
- (c) the forecast end of year position for the cash limit and general reserves; and
- (d) the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates.

We agreed

- (a) the proposed 'sums outside the cash limit' for approval; and
- (b) the revenue and capital budget adjustments.

**4. Update on the delivery of the Medium Term Financial Plan 9
Cabinet Portfolio Holder - Councillor Simon Henig and all Cabinet
collectively**

**Contacts - Andy Palmer, Head of Transformation 03000 268551
and Abbie McQuillan, Senior Project Manager 03000 264714**

We considered a report of the Corporate Director of Resources which provided an update on the position of the delivery of the 2019/20 Medium Term Financial Plan (MTFP9).

The report provided details of the cumulative MTFP savings during since 2011 and confirmation of the savings achieved up to the end of quarter 3 (December 2019) for the MTFP9 period of 2019/20. For MTFP9 the council has delivered quarter 3 savings of £9,601,545 which is 93% of the £10,334,712 target. Since 2011, the council has delivered over £233 million in savings.

The council continued to plan on the basis that the government's austerity will continue for several more years. From MTFP10 onwards, monitoring would include an additional element to track progress against Council Wide Transformation based efficiency savings and income targets.

Decision

We noted the contents of this report and the amount of savings delivered during quarter 3 of the MTFP period. We also noted the savings met to date through the use of cash limits and ensure alternative proposals are in place.

We agreed that future quarterly updates would be included in the finance reports which are presented to Cabinet.

**5. Durham County Council Festivals & Events Programme 2020/21
Cabinet Portfolio Holder - Councillor Joy Allen,
Contact - Gill O'Neill 03000 264577**

We considered a report of the Interim Corporate Director of Regeneration and Local Services which confirmed details of the 2020/21 festivals and events programme, and sought agreement to obtain agreement for the allocation of funding to the programme.

The county is becoming increasingly known, nationally and internationally, for its arts and cultural offer. Events have played a significant role in this perception change, in particular the biennial Lumiere Durham, high profile exhibitions at The Bowes Museum, and international cricket at Durham County Cricket Club; supported by the extensive annual programme of exhibitions, events and festivals across the county.

In 2020, the Council, Visit County Durham and cultural partners are once again looking at a programme of activity across the year. 'Year of Cathedrals, Year of Pilgrimage 2020' is a national theme that is being celebrated in the county as Durham's Year of Pilgrimage #Pilgrimage2020. Part of the celebrations will see the launch of new walking trails across the region, which tell the fascinating stories of the region's Northern Saints. The programme proposed is for DCC's annual programme of festivals for 2020/21, which continues to demonstrate the Authority's commitment to culture-led regeneration.

It was reported that the annual programme has not seen festival resources increase for many years. It recognised that inflationary and other factors mean the cost of event delivery has increased without a matched increase in funds. For this reason, the report proposed to give certain events an uplift in-line with the actual costs of delivery, as follows:

- Miners' Gala - an increase of £10,000 to £20,000 to cover increases in traffic management costs, Hostile Vehicle Mitigation provision, and land testing costs;
- BRASS - an increase of £5,000 to £120,000 to cover increasing infrastructure and artist costs;
- Bishop Auckland Food Festival - an increase of £5,000 to £60,000 to cover increasing infrastructure costs;
- TakeOff Festival - our agreement is to provide £16,000 of direct funding, plus £7,000 support for marketing. It is proposed that these marketing costs should be covered from the Festivals budget, as currently this is a budget pressure borne by the Gala Theatre.

The report proposed some budget reallocation.

After seven years of funding, the Tour Series Cycle Race was no longer providing the profile and economic impact required. Cash investment in the Tour Series over the seven-year period had been in the region of £560,000. Over the period of support, the event had not attracted spectator numbers proportionate to the amount invested. Over recent years, changes had been made to the event in the hope that the event would to grow and develop. This had not materialised. An evaluation of spectator numbers attending the 2019 event, estimated that only 1,200 people attended at the peak of the event. This contrasted with all other events in the Annual Festivals and Events programme showing an increase across the same period. The report recommended that the Tour Series be removed from the festivals programme and the money be reinvested into other events.

Decision

We approved:

- a) the proposed allocation of budget for the 2020/21 Annual Programme and Investment and Development programme of events, noting the decision to enhance DCC funding to this area of work from within service budgets; and
- b) the proposed changes to the programme;

We noted the draft forward plan for potential signature events or support requests and the wider cultural festival and events offer from other partner organisations which Durham County Council support and promote.

6. County Durham Joint Commissioning Strategy for Children and Young People and their families 2019-21 Cabinet Portfolio Holders - Councillor Olwyn Gunn and Councillor Lucy Hovvels Contacts - Mark Smith 03000 267395 and Alison Ayres 0191 3744237

We considered a report of the Corporate Director of Children and Young People's Services and Corporate Director of Adult and Health Services which presented the County Durham Joint Commissioning Strategy for Children and Young People and their Families (2019-2021).

Commissioning is the process that public bodies use to identify needs, secure new or transform existing services and pathways to meet those needs and then monitor their effectiveness. Joint commissioning represents a method for two or more partner agencies to commission collaboratively to secure better outcomes for a defined population than either can achieve on their own. This joint commissioning strategy builds upon the existing joint commissioning arrangements and sets out the key joint commissioning priorities and activities required to support improvements in services for children and young people (aged 0-25 years) and their families, that will be prioritised over the next two years by Durham, Dales, Easington and Sedgefield Clinical Commissioning Group, North Durham Clinical Commissioning Group and Durham County Council.

Whilst the majority of joint commissioning activity focuses upon the needs of children and young people with special educational needs and disabilities (SEND), ensuring compliance with the SEND Code of Practice, the strategy seeks to optimise all opportunities for joint commissioning relating to children, young people and their families.

The strategy draws upon several recent local health needs assessments and strategic reviews to support the development of a joint understanding of need and makes full use of Durham Insight which provides commissioners with an evolving analysis of the local needs and pressures faced by children, young people and families across County Durham.

The plan identifies the following priorities that will facilitate the joint commissioning and how this will work together to understand, plan deliver and review, as appropriate, children's services in County Durham:

- Improve a range of local services to support the transformation of the local education, health and care system
- Secure the provision of high quality, cost effective services
- Ensure effective partnership working
- Harness the views of children and young people, their families and carers
- Develop integrated approaches across key pathways
- Support arrangements for Personal Budgets
- Understanding Outcomes and impact
- Development of an integrated commissioning function

The strategy seeks to capture this activity via a 'Plan on a Page'. A detailed action plan that sets out how each of the activities will be delivered over the coming two years is in development.

The SEND Joint Commissioning Group, which is made up of Education, Health and Local Authority colleagues, is responsible for this Strategy including the overarching action plan. This group is accountable to the County Durham Joint Commissioning Group and the Integrated Steering Group for Children. The County Durham Health and Wellbeing Board has oversight of the implementation of this strategy with regular reports submitted to County Durham Clinical Commissioning Group's Joint Executive Committee. This document will remain live and evolve in response to developments and findings as it is implemented.

The review of the overall progress against each of the key priorities is scheduled to be monitored via the Durham Joint Commissioning Group and Integrated Steering Group for Children.

Decision

We agreed the County Durham Joint Commissioning Strategy for Children and Young People and their Families 2019-2021. We also agreed reporting, monitoring and governance arrangements for the plan to secure accountability, support and challenge.

7. Council housing delivery – Durham County Council development potential

Cabinet Portfolio Holder - Councillor Kevin Shaw

Contact - Laura Martin 03000 261260

We considered a report of the Interim Corporate Director of Regeneration and Local Services which provided an update in terms of the potential for the Council to develop and own social housing stock, Council Housing, going forward. The report identifies next steps in respect of developing a business case assessing the long term strategy and scale of the opportunity.

The Council makes use of its Strategic Housing Market Assessment (SHMA) to assess the need for affordable housing in County Durham. The SHMA identifies a net shortfall of 836 affordable dwellings per year (2016 – 35).

However, in terms of delivery, taking account of all types and developers, the Council rarely meets 50% of this need on an annual basis.

The Housing Strategy identifies a number of ways in which this gap can be filled, including buying back houses that have been the subject of right to buys; the Council seeking to purchase property to assist in getting people back onto the housing ladder; and working in partnership with Registered Providers (RPs) to deliver more ambitious delivery plans in relation to general need housing, ensuring that they locate in areas of most need and to meet the aims and ambitions of the Housing Strategy.

The Government White Paper - Fixing our Broken Housing Market (Feb 2017) sought to diversify the market to achieve the amount, quality and choice of housing that people want. The White Paper noted that this includes supporting new and different providers. In this context the White Paper identified the intention to support local authorities to build more homes and to ensure that the public sector plays its part by encouraging and making possible more building by councils. The White Paper set out that local authorities' role in delivering new housing goes beyond their planning powers and that they have an important role in delivering homes themselves.

On 12 February 2020 we identified £1 million over two financial years (second year subject to revenue settlement) for a pilot scheme to increase the supply of social housing.

It is suggested that this be utilised looking at opportunities currently in the pipeline and developing new build projects that meet local housing need. The proposals will need to be supplemented by grant match from Homes England and possible Section 106 contributions.

In 2013 the Council agreed a Large Scale Voluntary Transfer of the ownership of its housing stock, Believe Housing to manage the homes in order to maintain a decent homes standard going forward. Government agreed to write off £130 million debt in order to allow the transfer to proceed.

In doing so the Council was required to close the Housing Revenue Account which was the financial tool by which all housing stock was managed. In the event that the Council builds and acquires over 200 new council homes in the future, it will need to re-establish a Housing Revenue Account. The Council continues to be a Registered Provider with Homes England and in addition, would need to be approved as an Investment Partner in order that grant subsidy can be accessed.

This process will require significant financial support and there will be a number of challenges that will need to be overcome. It was therefore recommended that the Council develops a business plan based on a number of scenarios and funding opportunities in assessing the scale and opportunity of once again building and owning Council homes.

Decision

We noted the contents of the report and the strategic argument for the Authority to intervene within the housing market by directly building and owning Council houses.

We agreed to the development of a business plan and associated strategy which will be the basis of a future report.

5 June 2020

8. COVID-19 planning and response

Cabinet Portfolio Holder - All Cabinet Members

Contacts - Jane Robinson 03000 267355, John

Hewitt 03000 261943, Amanda Healy 03000 264323

and Kevin Edworthy 03000 268045

We considered a report of the Corporate Management Team which provided a summary of the actions the council has taken working with partners to respond to the COVID-19 pandemic and the framework for recovery planning.

A novel coronavirus - severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) – was identified in Wuhan, China at the end of last year. The virus is highly infectious and causes a respiratory illness called COVID-19. The virus has spread rapidly across the world and was declared a global pandemic by the World Health Organisation on 11 March 2020.

As at 27 May 2020, 213 countries/territories had been affected; there were 5,488,825 confirmed cases globally; and 349,095 confirmed deaths. In the UK, there were 267,240 confirmed cases and 37,460 confirmed deaths. In County Durham, as at 27 May 2020, there were 1,976 confirmed cases and 532 confirmed deaths.

The highly infectious nature of the virus and the serious illness it can cause has significantly affected how we live, work and play. It has resulted in global adjustments to normal ways of life, travel and commerce, to try to contain the spread of the virus, minimise deaths and ensure that COVID-19 cases do not overwhelm health and social care systems.

As such, the coronavirus pandemic is one of the most profound challenges society has faced in more than a generation and with effective vaccines yet to be produced, we have to anticipate that society will be affected by COVID-19 for some time to come.

The council and its partners had emergency and business continuity management planning frameworks in place, which enabled a prompt response to the threat as it emerged. However, the council has had to respond dynamically and innovatively revising its approach as the national coronavirus action plan and recovery strategy evolved.

The council has worked nationally, regionally and locally to protect communities and to support those affected by the pandemic, economically, socially and in relation to their own physical and mental health. County Durham communities themselves have been a major force in this and have made an immense contribution to the 'County Durham Together' response.

County Durham residents have observed and cooperated with national guidance and while the lockdown restrictions are beginning to be relaxed for many, the council will continue to support the many thousands of residents who are still shielding and self-isolating.

Council employees also have risen to the challenge and demonstrated their willingness to work flexibly, adopt new ways of working and support each other, focussing on what needs to be done to maintain services and support local communities.

Locally, the council has worked with partner agencies via the County Durham and Darlington Local Resilience Forum (LRF) to manage the multi-agency response to COVID-19. The council's Director of Public Health is a member of the regional Health Strategic Group which has worked with the three LRFs and other strategic planning groups across the region.

The council has played a key leadership role regionally, supporting the LRF and regional health partnerships. Locally the council has focused upon the following key aspects of its own response plan:

- (a) public health and overall planning and response to the pandemic;
- (b) population health management;
- (c) community support, action and welfare support;
- (d) social care and commissioning;
- (e) support to businesses;
- (f) education and children's services;
- (g) business continuity;
- (h) neighbourhood services;
- (i) on-line services;
- (j) workforce and human resource management;
- (k) testing;
- (l) recovery planning.

In responding to the pandemic, the council:

- (a) developed overall planning arrangements, translating WHO and government guidance into local action and support, underpinned by dedicated intelligence and data analysis, public health practitioner advice, communications and human resources (HR) management;
- (b) established a community support hub with the community and voluntary sector, to support vulnerable people affected by coronavirus including those advised to 'shield' themselves for an extended period;
- (c) offered assistance to 75,000 vulnerable people in the county, as well as to 13,271 people who said they needed help to shield from infection because they are at extreme risk of illness;

- (d) established a volunteer bureau to enable local people and groups who want to help;
- (e) invested an additional £1.5 million via Area Action Partnerships (AAPs) to support local and cross-county community responses and have enabled local Members to allocate Member budgets more flexibly, potentially providing a further £1.764 million of revenue support;
- (f) increased our Welfare Assistance Scheme by a further £1 million to provide emergency financial assistance for those in crisis, utilising funding from the Hardship Fund;
- (g) extended the benefits of the Local Council Tax Support Scheme, utilising the Hardship Fund to provide up to an additional £300 council tax relief and arranged individually with council tax payers in financial hardship for their payments to be deferred with instalments to recommence later in the year;
- (h) supported commissioned social care providers through over 13,600 telephone calls and the provision of advice and support;
- (i) agreed 10 percent funding increases for social care providers in addition to their annual inflationary uplift to help meet additional costs of dealing with the pandemic and made £13 million of payments upfront, as opposed to in arrears in order to help with funding and cashflow issues;
- (j) supplied over 815,000 items of PPE through to 27 May, including over 480,000 items to the social care sector and managed the provision of emergency PPE on behalf of the LRF;
- (k) established an infection inspection team and comprehensive multi-agency support package to support care homes to prevent and tackle infection outbreaks;
- (l) supported over 8,000 businesses with total grant payments of over £94 million;
- (m) recalculated the business rates bills of just under 2,300 businesses, applying business rate reductions and discounts totalling over £49 million;
- (n) introduced immediate supplier payments, supplier relief for important vulnerable suppliers and rent deferrals for commercial tenants;

- (o) provided advice and assistance to schools across the county and assisted over 240 schools to remain open to provide childcare for key workers;
- (p) maintained all child protection, safeguarding and social care services, maintaining contact with children and their families;
- (q) prioritised and maintained service delivery wherever possible, which has involved facilitating home working for approximately 60 percent of our workforce and the redeployment, training and development of 500 staff;
- (r) maintained essential services such as refuse collection, social care and community support;
- (s) rapidly expanded on-line service delivery, communications and online and telephone customer support, including the development of digital and video alternatives to face-to-face service delivery;
- (t) developed access to rapid local testing for council and social care staff, and is continuing to support and challenge the roll-out of testing via the National Testing Programme and development of regional and local contact tracing arrangements;
- (u) developed and communicated physical and mental health support packages for staff and maintained proactive employee communications and engagement and positive industrial relations with the trade unions.

The council's focus has now turned to restoring council services and laying the foundations for recovering from the pandemic.

While there is a possibility that we may experience further outbreaks and pandemic peaks, recovering from COVID-19 will set the context for future community and council planning and decision-making in the county as we develop and implement the new county vision and council plan, within the context of the significant financial pressures we can expect to face.

Decision

We noted the contents of the report and acknowledged the immense contribution local communities made to the response and the cooperation of County Durham residents.

We also acknowledged that the council is continuing to support many people who are still shielding or self-isolating.

We reflected on the contribution the council's employees and strategic partners made to the response.

8 July 2020

9. Proposal to Close the Trimdon Grange Site of Bluebell Meadow Primary School on 31 August 2020 [Key Decision: CYPs/06/2020] Cabinet Portfolio Holder - Councillor Olwyn Gunn Contact - Graeme Plews 03000 265777

We considered a report of the Corporate Director of Children and Young People's Services which sought approval to close the Trimdon Grange site of Bluebell Meadow Primary School on 31 August 2020 and to operate solely from the Trimdon Village site from 1 September 2020.

Initial consultation had been carried out on the proposal to close the Trimdon Grange site of Bluebell Meadow Primary School between 9 March and 3 April 2020. Consultation was undertaken with Governors, staff, parents and the wider community. A total of 15 responses were received to that phase of consultation. 4 responses were in support of the proposal and 11 not in support of it. Details of the consultation and responses received were outlined in the report. The majority of responses did not address the educational reasons for the consultation.

Following the initial consultation phase a decision was made on the 8th April 2020 by the Corporate Director, Children and Young People's Services, using delegated powers, to approve the issuing of a statutory notice proposing approval to close the Trimdon Grange site of Bluebell Meadow Primary School on 31 August 2020. The statutory notice was issued on 23 April 2020. Any person wishing to object or make comments on the proposal had four weeks from this date to do so. Three comments were received, all opposed to the proposal. These comments reiterated concerns highlighted in the initial consultation phase but again did not address the educational reasons for the proposal.

It is believed that the best way of improving education outcomes and easing the pressure on the school budget will be most effectively achieved by Bluebell Meadow Primary School operating on one site rather than two sites. Furthermore, the academy sponsor secured by the DfE, Eden Academy Trust, Hartlepool will only agree for the school to become part of the Trust if it has responsibility for only the building and site of the former Trimdon Junior School. Although there has been limited response to the consultation and statutory notice, and the majority of responses received were not in favour of the proposal, there have been no educational reasons put forward as to why the Trimdon Grange site of Bluebell Meadow Primary School should not be closed on 31 August 2020.

Decision

We agreed that the Trimdon Grange site of Bluebell Meadow Primary School should close on 31 August 2020 so that the school operates solely on the Trimdon Village site from 1 September 2020.

**10. St Bede's RC Comprehensive, Peterlee [Key Decision: CYPS/08/2020]
Cabinet Portfolio Holder - Councillor Olwyn Gunn and
Councillor Alan Napier
Contacts - J Murray 03000 265808 and D Shirer 03000 268544**

We considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which provided an overview and update of educational aims and plans for academisation and catholic education in the Diocese of Hexham and Newcastle alongside the priority schools in their conversion strategy. The report reviewed the financial impact of the academy conversion of the last maintained Roman Catholic (RC) secondary school, St Bede's RC Comprehensive in Peterlee and its conversion to join the Bishop Chadwick Catholic Education Trust, and, made recommendations with regard to the treatment of the accumulated financial deficit of this school at the point of conversion.

St Bede's RC Comprehensive in Peterlee has been supported by Northern Saints Academy Trust (now Bishop Chadwick Catholic Academy Trust) since January 2015. Failure to attract an appropriate candidate for the headship in 2015 meant that the council needed to secure temporary leadership support from St Wilfrid's RC school in South Tyneside, part of the Northern Saints Academy Trust. The support required was significant and has extended well beyond the original intended temporary period and remains in place.

Closure of a faith school of this size and in this locality would place significant strain on pupil placement in other faith and non-faith schools. Pupil-place planning data shows there is insufficient capacity in County Durham to disperse all pupils to existing schools within reasonable travelling distance of home. These exceptional circumstances have meant that sustainability of the school, from an educational and finance perspective, has been critical.

Due to the specific circumstances of the school and the risks to the continuing provision of suitable school places in the area, the council has worked with the school on the financial risks it has faced. This has included agreement for the school to set a deficit budget on the basis that it considered alternatives for a longer-term sustainable model of provision. The estimated deficit at 1st October 2020 when conversion is planned will be £1.6m. The increase in pupil numbers over the last three years will help to move the school to become more financially sustainable over the medium to longer term.

The executive leadership provided by St Wilfrid's had a significant impact upon accelerating the school's improvement journey in terms of Ofsted and performance league tables. This in turn has transformed pupil numbers, though there is a legacy of low pupil numbers that is still prevalent in years 10 and 11 from September 2020.

The work of the Executive Headteacher and the continuing support of St Wilfrid's was reflected in the April 2015 monitoring visit, and outcomes improved significantly across 2015. Outcomes also significantly improved in 2016 and the rapid improvement helped secure a good overall Ofsted inspection in February 2017. These were very positive steps on the school's improvement journey. The school has continued to prosper and outcomes for 2019 were excellent in terms of progress and attainment ensuring that the school is a strong provider with some outstanding aspects of progress.

The Diocesan Academy policy plans aim to ensure that all 43 maintained Roman Catholic (RC) schools in County Durham will academise by July 2022. This ambition has not changed post the Covid outbreak. Each of the RC schools in the North East will join one of four large continuing diocesan trusts. Existing catholic academies are also required to join one of these trusts and Durham schools have been aligned to three of these trusts, according to their location. All the trusts are in the North East. Secondary RC schools have been the priority for conversion. St Bede's RC Comprehensive in Peterlee is the last RC maintained secondary school. The other schools have all academised since 2011 and have now joined their new diocesan trust. St Bede's RC Comprehensive did not convert with other diocesan secondary schools because of its financial position and an Ofsted Requires Improvement inspection in 2016, which had a significant impact upon the school's popularity with pupils and parents.

The scale of academisation brought about by the Diocesan Academy policy has reduced the financial risk of St Bede's joining Bishop Chadwick Trust, because the increase in the size of the trust will reduce the risk relative to trust resources.

The trust now wishes to accelerate the academisation process, despite the school still operating an in-year deficit. To enable the transfer to proceed, Bishop Chadwick Catholic Education Trust have requested the council to write off the school's cumulative deficit at the point of transfer. This reflects the significant support and time invested within the school and local community and secures the future of the School.

The report set out the financial implications of the proposal and the earmarked school reserve that was set up to cover the financial risk of accumulated school deficits in these circumstances.

Decision

We noted the Diocesan Academy policy plans set out in the report, and agreed the following:

- a) To write off the accumulated deficit of St Bede's RC Comprehensive School at the point of conversion, in order to deliver a financially viable future for the school and sustainable education for the communities affected. The costs of writing off the deficits to be met from the Schools' earmarked reserve.
- b) To note the Diocesan Academy Policy for Catholic Education and its impact on schools in County Durham.

11. Overview and Scrutiny Review of Elective Home Education in County Durham **Councillor Heather Smith, Chair of Children and Young People's Overview and Scrutiny Committee** **Contact - Ann Whitton 03000 268143**

We considered a report of the Corporate Director of Resources which presented for comment the Children and Young People's Overview and Scrutiny Committee's review report focusing on Elective Home Education in County Durham. A copy of the report was attached at appendix 2.

The Children and Young People's Overview and Scrutiny Committee agreed on 2 July 2018, to undertake a scrutiny review looking at elective home education in County Durham. The following terms of reference were agreed by the committee at its meeting on 1 July 2019:

- a) to understand the level of EHE in County Durham and examine the demographics of children home educated;
- b) to consider whether children who are home educated receiving a suitable education;
- c) to consider whether children home educated supported, safeguarded and protected from harm;
- d) to review how the local authority works in partnership with other agencies to support children who are electively home educated.

The review group gathered evidence from DCC officers; colleagues working in the health service; Durham Police; and parents who are or have home educated their children. The executive summary of the review report was appended to the report and made conclusions relating to:

- a) the number of children in County Durham who are home educated;

- b) there is currently no national framework in place for local authorities so support may differ from one local authority to another;
- c) the education at home panel has worked with three further education colleges to provide opportunities for EHE children of year 10/11 age group to have access to core GCSE subjects and vocational courses.
- d) all schools should have a high level of understanding of special educational needs and disabilities and where necessary training should be given to staff;
- e) parents should be asked the reasons why they chose to remove their child from the school roll and this should be included in the Head Teacher report and discussed at governor meetings.
- f) Parents suggested an annual event should be held that would enable them to meet with other families who home educate; officers from the service and for children to meet up too.

Decision

We agreed the following recommendations contained in the review report:

- i. Recommendation One
That Cabinet lobby regionally and nationally for a common framework to improve oversight of the quality of education and safeguarding of children and young people who are Elective Home Educated. That such a framework should include a national register of all children and young people who are home educated; and the reasons why children are home educated are recorded.
- ii. Recommendation Two
The Corporate Director of Children and Young People's Service continue to work with the Principals of Further Education Colleges in County Durham to provide places to enable access to vocational and core GCSE courses for year 10 and 11 pupils who are electively home educated and develop capacity to ensure all children and young people who are electively home educated have the opportunity to access these courses.
- iii. Recommendation Three
That the Corporate Director of Children and Young People's Services work in partnership with all County Durham's schools to promote a high understanding of Special Educational Needs and Disabilities including autism and encourage all schools to provide appropriate training to staff so that children and young people with a special educational need or disability receive the appropriate level of support whichever school they attend.
- iv. Recommendation Four

That the Corporate Director of Children and Young People's Services develop a reporting model that will encourage all schools to include within their Head Teacher report to the Governing Body on an annual basis:

- 1) Discussion of reasons given for Elective Home Education
- 2) Where bullying is cited as a reason that this is discussed
- 3) Ensure that anti-bullying policies are continuously reviewed.

v. Recommendation Five

That the Corporate Director of Children and Young People's Services hold an annual event for families who home educate their children to engage with the service, meet other families in a similar position to themselves and for the children to have an opportunity to interact and socialise with other children who are home educated.

We also agreed that a review of the progress made against the recommendations will be undertaken six months after the report is considered by Cabinet.

**12. High Needs Block Funding for SEND and Inclusion Support
Cabinet Portfolio Holders - Councillor Olwyn Gunn and
Councillor Alan Napier
Contacts - Martyn Stenton 03000 268067 and David Watchman
03000 268573**

We considered a joint report of the Corporate Director of Children and Young People's Services and the Corporate Director of Resources which provided an update on spend and pressures on the High Needs Block (HNB) of the Dedicated Schools Grant (DSG), which supports Special Educational Needs and Disability (SEND) and inclusion support services for children and young people.

The 2019/20 financial outturn position was outlined, along with the proposed five-year financial plan that aims to ensure HNB spending is kept to within available resources and the deficit which accumulated within the HNB is recovered over this period.

The report also contained an update on key work areas and planned next steps with HNB sustainability work which is being done alongside support to learning providers and families and recovery planning as a result of the coronavirus outbreak.

In recent years there have been enduring pressures on the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) which provides funding for SEND

and inclusion support services for children and young people. A combination of ongoing austerity across the public sector, implementation of the SEND Reforms (2014) which increased support to cover children and young people from birth up to 25 years of age, and changing customer needs which are becoming more complex, meant there were insufficient resources to support children and young people with SEND and inclusion needs. This position is replicated in other local authorities and the council has continued to feedback to the Government on spending pressures and request additional government funding for these services and local schools.

The final outturn position for the HNB in 2019/20 is a slightly improved position than previously reported to cabinet with an overspend of £8.6 million against the HNB DSG grant allocation, rather than the previously forecasted £9.4 million. The council will fund £5.6 million of the overspend from its reserves and the balance of £3.0 million will increase the cumulative deficit position on the HNB reserve from £2.7 million to £5.7 million as at 31 March 2020.

Previous Government regulations required local authorities to submit a deficit recovery plan to the Department for Education (DfE) if their cumulative DSG deficit was in excess of 1% of their overall DSG grant allocation. For Durham this would have been if the cumulative deficit exceeded £3.9 million at the end of 2019/20. As Durham has positive DSG reserves relating to Early Years and de-delegated DSG of £1.9 million which offset the deficit of £5.7 million relating to the HNB, the net deficit position of £3.8 million would not have triggered the requirement for a deficit recovery plan to be submitted to DfE.

Despite the increase in Government HNB funding available for 2020/2021, previous forecasts showed there were insufficient resources to support predicted HNB expenditure in future years, and to bring the HNB deficit back into balance. To address this a five-year financial strategy was developed alongside continued work on the HNB sustainability plan work areas following the consultation period reported previously to cabinet. This seeks to reduce spending on HNB activity, try and ensure spending is kept to within the HNB resources available each year in future years and recover the HNB deficit by the end of 2024/2025.

The budgeted position for 2020/21 is that the additional Government HNB funding, along with a planned reduction of HNB expenditure in comparison to 2019/20, will mean that HNB expenditure is £0.2 million lower than the HNB DSG grant allocation in 2020/21 based on current forecasts of spending patterns.

The report provided an update on each of the key elements of the sustainability plan, the planned next steps, and, highlighted some areas of work that may be disrupted due to the coronavirus outbreak. It also noted that the recovery period

may be protracted in relation to some SEND support needs for children and young people.

The report proposed that the SEND and Inclusion Resources Board continue to oversee the implementation of the work programme to deliver the proposed changes, the five year plan and any impact from the coronavirus outbreak.

Decision

We noted the final outturn position for HNB spend in 2019/20 along with the updated assumptions and forecast position for 2020/21; and agreed

- a) to the proposed five-year financial plan for 2020/21- 2024/25 which includes a deficit recovery plan for previous HNB overspend;
- b) to the five-year plan being regularly reviewed and updated, including taking into account any impacts from the coronavirus outbreak and subsequent recovery period which may be protracted in relation to SEND support needs.

We also noted the update on key areas of work outlined in the report and proposed next steps and will receive a further update on HNB spend, forecasts and progress with key areas of work in winter 2020/21.

13. 2019/20 Final Outturn for the General Fund and Collection Fund Cabinet Portfolio Holder - Councillor Alan Napier Contact - Jeff Garfoot 03000 261946 and Paul Darby 03000 261930

We considered a report of the Corporate Director of Resources which provided information on:

- (a) the final revenue and capital outturn for the General Fund for 2019/20;
- (b) the final outturn for the council's Council Tax and Business Rates Collection Fund for 2019/20;
- (c) the use of and contributions to earmarked, cash limit and general reserves in year and the closing position regarding balances held at 31 March 2020.

The final revenue outturn position for 2019/20 is a net cash limit overspend of £5.088 million plus an overachievement of core government grant and underspend on all other budgets of £5.061 million. The total net overspend is £27,000, which represents less than 0.01% of the revised net expenditure budget of £421.576 million.

Total general, earmarked and cash limit reserves (excluding school reserves) decreased by £5.530 million in 2019/20, from £234.175 million at 31 March 2019 to £228.645 million at 31 March 2020, although this reduction would have been £17.5 million higher were it not for the receipt of the first tranche of the Covid 19 Support Grant on 27 March 2020. The unutilised element of the first tranche of £17.5 million has been transferred into an earmarked reserve. The final capital outturn position for 2019/20 is an underspend of £7.446 million, which is 6.3% of the revised capital budget of £117.574 million.

The final outturn for the Council Tax Collection Fund is a surplus of £0.220 million. Durham County Council's share of the actual surplus generated in 2019/20 is £0.184 million. The actual outturn for the Business Rates Collection Fund is a net surplus of £9.949 million of which Durham County Council's share (49%) is £4.875 million.

We noted:

- (a) the final revenue outturn overspend of £27,000 which represents less than 0.01% of the revised net expenditure budget of £421.576 million;
- (b) the decrease in the Cash Limit Reserves of £1.158 million during 2019/20 with closing Cash Limit Reserves of £11.757 million. These sums will continue to be held as Earmarked Reserves and be available for Service Groupings to manage their budgets effectively;
- (c) the closing General Reserve balance of £23.950 million;
- (d) the closing balance on General Fund Earmarked Reserves (excluding Cash Limit Reserves) is £192.938 million;
- (e) the closing balance on Schools Reserves is £12.142 million;
- (f) the outturn position for the Collection Funds in respect of Council Tax and Business Rates.

Decision

We approved a capital budget of £10.978 million be carried forward into 2020/21 and that service groupings regularly review capital profiles throughout 2020/21, reporting revisions to Cabinet as necessary.

14. The Impact of Covid-19 on Local Bus Services in County Durham
Councillor Carl Marshall,
Contact - Andy Leadbeater 03000 268512

We considered a report of the Corporate Director of Regeneration Economy and Growth which informed Cabinet of the impact of the coronavirus pandemic on local bus operators and the involvement of the County Council in maintaining an essential network across County Durham.

The onset of coronavirus has led to wide ranging changes across the whole of society and public transport provision has been significantly impacted by these changes. The bus network has remained vital to the economic and social well-being of the region during the pandemic. The reduction in patronage during lockdown required urgent action in the form of financial support to maintain an essential traveller network. This financial support was also important so that local bus service providers can continue to play a central role in communities after the pandemic is over.

Financial support has been provided by both central and local government with the County Council maintaining payments for the English National Concessionary Travel Scheme (ENCTS) and tendered services at pre-Covid-19 levels in line with Government guidance. In return for this support, the council has set out a number of requirements that it expects from operators.

Officers have worked closely with the sector to ensure that the bus network is co-ordinated and has responded in line with the demands of the region. This collaborative working and strengthening of our partnership approach with operators have made it possible to maintain this essential service network across County Durham and will continue to be key when facing the challenges during the recovery phase. By continuing the support for operators, the council will take the opportunity to add further conditions to funding which will build on the positive outcomes of the current arrangements in an effort to embed some of the new practices into the new normal.

It is likely that it will take many months for patronage levels to return to near pre-pandemic levels. Notwithstanding this, it is anticipated that further pressure will be placed on the local bus network. As such, it is essential that the County Council continues to play a key role in ensuring that local bus service providers can continue to play a central role in communities after this pandemic is over.

We noted the contents of this report and endorsed the approach adopted towards local bus operators in respect of partnership working.

We approved the continuing levels of financial support in line with Government guidance and expectation and as applied consistently across the region, but

subject to any future conditions, which will be agreed by the Corporate Director in consultation with the portfolio holder.

Decision

We agreed the recommendations in the report.

15. Council Plan 2020-2023 [Key Decision: CORP/R/19/04] Cabinet Portfolio Holder - Councillor Simon Henig Contact – Tom Gorman 03000 268027

We considered a report of the Corporate Director of Resources which presented a draft Council Plan for 2020-23 for consideration, prior to submission to full Council for approval.

The Council Plan is the primary corporate planning document for the county council and details Durham County Council's contribution towards achieving the objectives set out in the Vision for County Durham 2035, together with its own change agenda. It aims to provide a summary for Members, partners and the public of priorities for the county, and the main programmes of work that will be undertaken over the coming three years to help achieve these priorities. The Council Plan aligns to both the council's Medium Term Financial Plan, which sets out how priorities will be resourced, and the County Durham Plan which is a spatial representation of ambitions contained within the Council Plan around housing, jobs and the environment until 2035, as well as the transport, schools and healthcare to support it. The Council Plan is underpinned by a series of corporate strategies and service planning arrangements providing more detailed information on the actions which are being undertaken to deliver on priorities. The report also presented new equality objectives.

Decision

We agreed the contents of the draft Council Plan and recommended it for approval by Council, subject to any final minor amends by the Corporate Director of Resources. We also agreed the revised Equality Policy.

16. Selective Licensing Scheme [Key Decision: REG/03/20] Cabinet Portfolio Holder - Councillor Kevin Shaw Contact – Stuart Timmiss 03000 267334

We considered a report of the Corporate Director of Regeneration, Economy and Growth which proposed a Selective Licensing scheme for homes which are privately rented in some parts of County Durham. The scheme will cover 42% of the private rented sector (PRS) in the county and, as this is over 20%, it is a legislative requirement to obtain Government approval. Prior to the application

being made to Government, the council has consulted on the proposals and gathered and analysed the results.

Details of the reasons for implementing the scheme, the proposed scope of the scheme, the costs of licensing, the operational structure of the scheme and the timetable were contained in the report. These will form the basis of the submission to the Secretary of State for the implementation of selective licensing in County Durham.

In County Durham there is a growing number of private rented sector landlords, with many concentrated in some of the most deprived and low value areas. Unfortunately, anti-social behaviour is also blighting some communities, and, as a result the council is seeing the confidence in some areas reduce, with growing numbers of empty properties, and rent and house values reducing.

A key objective of The County Durham Housing Strategy 2019 to 2024 is to maintain and improve standards across County Durham's housing stock and the wider housing environment which includes developing an approach to selective licensing, addressing empty homes, improving energy efficiency of properties and supporting and maintaining communities. The scheme will make a significant contribution to a wider strategy of improving the county's towns and villages by improving both housing conditions and access to quality housing. Tenure intelligence modelling work carried out before consultation means the private rented sector levels are even greater than originally estimated when looking into the business case for selective licensing. In County Durham the private rented sector is significant with an estimated total of 68,516 properties representing 28% of the total homes in the county, above the current national average of 19.46%.

As the private sector grows, so does the number of private landlords. One bad landlord can disproportionately affect an area and negativity can quickly spread between owners and tenants – all affected by dropping house prices and increased empty homes. The introduction of selective licensing in areas where there is a high proportion of private rented stock can help to create sustainable neighbourhoods.

This will be achieved by improving housing standards as well as providing tenants with a greater choice of safe, good quality and well managed accommodation. Proactive enforcement action will be taken against both unlicensed properties and/or where there are breaches of the licence conditions. The conditions of the licence will require that the property is managed effectively and will give tenants added protection against poor landlords. When applying, the council will need to be satisfied that proposed licence holders are 'fit and proper persons' to hold a licence, and that they have satisfactory management arrangements in place including for dealing with anti-social behaviour.

There are areas within the county that do not form part of the proposal for selective licensing. They do not currently meet the statutory or guidance criteria set out by the Secretary of State. Officers will monitor various datasets relating to these areas and, should any meet the criteria in the future, Cabinet will be asked to consider a separate application to the Secretary of State to extend the scheme in the county.

The licence will last for five years and the council will set a charge that the landlord must pay for each property in ownership that is rented. A licence fee of £500 is proposed but discounts will be available which could reduce the fee to £350. The income received from the scheme is ring fenced to the administration of the scheme and will fund the staffing infrastructure and associated costs. The body of the report will provide a high-level understanding of the staffing and support infrastructure that will be put in place.

The application to the Secretary of State must be robust and clearly demonstrate that the tests and criteria set out in the legislation and the Government guidance have been met and have clarity in terms of the areas included. Robust consultation must have taken place and any concerns expressed properly considered.

Consultation has taken place proposing 43 of the 66 Middle Super Output Areas (MSOAs) within County Durham as the basis for data collection and analysis. A list of the 43 MSOAs consulted on were detailed at Appendix 3 of the report. Consultation provided more information as to the relative issues within each MSOA and, partly as a result, areas have changed (to Lower Super Output Areas) to reflect a more detailed analysis.

MSOAs can vary in size but most contain approximately 3,000 to 4,000 residential addresses. Generally, each MSOA can contain four to six LSOAs, which can often be a village, or for larger villages or towns these can still be broken down into LSOAs of generally 500 to 800 residential addresses. Analysing at these smaller areas (LSOAs) shows transparency and fairness, and that the council are only targeting the areas that require a scheme now and can be improved because of it.

Subject to authorisation from the Secretary of State, the scheme is expected to go live around April 2021. The scheme will benefit from close partnership working both internally (HMO licencing, private sector housing, etc.) and externally (Safe Durham Partnership, Police, Fire & Rescue Service, Probation Service, and housing providers etc.).

Decision

We authorised

- (a) the proposed areas to be designated and submitted in a formal application to the Secretary of State for confirmation;
- (b) the proposed licence fee of £500 with discounts, as set out in the report;
- (c) the scheme service proposals outlined in the report;
- (d) delegated powers for the Director of Regeneration, Economy and Growth to amend selective licensing conditions, in conjunction with the portfolio holder for strategic housing and assets, in line with legislation and/or best practice.

**17. Forecast of Revenue and Capital Outturn 2020/21 – Period to 20 June 2020 and Update on Progress towards achieving MTFP(10) Savings
Cabinet Portfolio Holder - Councillor Alan Napier
Contact - Jeff Garfoot 03000 261946 and Paul Darby 03000 261930**

We considered a report of the Corporate Director of Resources which provided information on the:

- a) forecast revenue and capital outturn for 2020/21;
- b) forecast for the council tax and business rates collection fund position at 31 March 2021;
- c) forecast use of earmarked, cash limit and general reserves and estimated balances to be held at 31 March 2021.

The report also sought approval of the budget adjustments and proposed sums outside of the cash limit, and, provided an update on progress towards achieving MTFP(10) savings.

Since the outbreak of COVID-19, the council, partners and local communities have been working tirelessly to respond to the pandemic and to put steps in place for recovery. The financial implications of COVID-19 are significant and complex which makes forecasting the council's outturn position even more challenging than usual. The financial position of the council will be monitored very closely over the coming months to ensure that steps can be taken to maintain spending within available budgets and to reallocate resources as required.

It is currently forecast that service grouping budgets will overspend by £43.3 million. This overspend position results from additional expenditure and loss of income associated with the COVID-19 outbreak.

The government has provided three tranches of funding for local authorities for additional costs incurred as a result of COVID-19. This funding is allocated

based upon formulae and to date the council has received £38.1 million. Of this, £1.1 million was to cover costs incurred in 2019/20. This leaves funding available of £37 million to be applied in 2020/21.

The government has also announced an 'Income Guarantee Scheme' to provide financial support for lost sales, fees and charges income. The details of the scheme were published on 23 August 2020. The scheme requires councils to bear the first 5% of any qualifying income loss after which the government will provide a grant for 75% of subsequent losses. A number of areas of income loss such as commercial income and rental income are not covered by the scheme. In addition, any underspends generated in the areas in question must be utilised to offset any lost income.

The guidance details that an initial return will be required for the period April 2020 to July 2020 and submitted by the end of September. The council will then expect to be advised by government in October if this initial claim is successful. Subsequently returns would then be submitted in December and finally April 2021. Whilst the Income Guarantee Scheme will enable the council to reclaim a proportion of lost income, at this stage the forecasts do not include an estimate of the amount that will be recovered as this will be dependent upon the content of the September and later returns and their acceptance by government. The government has also indicated that the financial impact of any Collection Fund deficits for council tax and business rates can be spread over three years. At this stage, after netting off additional Section 31 grant for extended business rate reliefs, the council is forecasting its share of the in year Collection Fund deficit at £4.1 million. This position could further deteriorate if the county experiences further job losses or business failure over the coming months.

After taking account of estimates of cost, lost income and additional government funding, it is forecast that the council will overspend by £6.16 million. This position is heavily caveated at this stage because of the wide range of assumptions that have been made in relation to expenditure and income over the remainder of the financial year and the uncertainty over the level of additional government funding that will be made available through the Income Guarantee Scheme.

In terms of service grouping cash limits, the projected revenue outturn is a forecast cash limit underspend of £1.024 million (0.23%). The cash limit position excludes COVID-19 related issues which are considered to be outside of the control of budget managers.

The total forecast net overspend of £6.16 million represents 1.4% of the net expenditure budget of £440.890 million.

Total earmarked and cash limit reserves (excluding school reserves) are forecast to reduce by £24.571 million in 2020/21, from £204.697 million to £180.126 million. This mainly results from the utilisation of the £17.5 million held

in earmarked reserves in relation to Tranche 1 of the government COVID-19 Support Grant.

The projected capital outturn is £155.780 million.

The estimated outturn for the Council Tax Collection Fund is a deficit of £5.576 million after taking into account the in year position and deficit brought forward from 2019/20. Durham County Council's share of this forecasted deficit is £4.670 million.

The estimated outturn for the Business Rates Collection Fund is a deficit of £41.563 million after taking into account the in year position and the surplus brought forward from 2019/20. Durham County Council's share (49%) of this estimated deficit is £20.366 million, before accounting for the receipt of compensating Section 31 grant for extended business rate reliefs and discounts.

For MTFP(10), the council has delivered quarter one savings of £7.033 million which is 88% of the £8.010 million target. Since 2011, the council has delivered over £241 million in savings.

Decision

We:

- (a) noted the council's overall financial position for 2020/21 and the uncertainty associated with the outturn forecast resulting from the impact of the COVID-19 outbreak as set out in the report;
- (b) agreed the proposed 'sums outside the cash limit' for approval;
- (c) agreed the proposed reallocation of the former Regeneration and Local Services and Transformation and Partnerships cash limit reserves;
- (d) agreed the revenue and capital budget adjustments;
- (e) noted the forecast use of earmarked reserves;
- (f) noted the forecast end of year position for the cash limit and general reserves;
- (g) noted the additional costs and income loss faced as a result of COVID-19 which is offset by additional grant funding provide by government
- (h) noted the position on the capital programme and the Collection Funds in respect of Council Tax and Business Rates;
- (i) noted the amount of savings delivered during quarter one of the MTFP(10) period.

18. Annual Enforcement Programme Children and Young Persons (Protection from Tobacco) Act 1991 and Anti-Social Behaviour Act 2003

Cabinet Portfolio Holder - Councillor Brian Stephens

Contacts - Joanne Waller 03000 260924, Owen Cleugh 03000 260925 and Craig Hudson 03000 260938

We considered a report of the Corporate Director of Regeneration Economy and Growth which reviewed enforcement activities under the Children and Young Persons (Protection from Tobacco) Act 1991, the Anti-Social Behaviour Act 2003 and the Licensing Act 2003 for the period April 2019 to March 2020 and sought approval of a new enforcement programme for 2020/21.

The County Council has statutory responsibility for enforcement of age restricted products, namely tobacco, spray paint containers, alcohol, videos and DVDs, cigarette lighter refills, fireworks and the proxy sale of tobacco products and supply of nicotine inhaling products to under 18s. The Authority has also elected to enforce the age-restricted sales of solvents and glue, knives, access to gaming establishments and access to sunbed premises.

For many years the Authority has taken a proactive approach to tackling the harms and criminality associated with the illegal supply and misuse of alcohol and tobacco within County Durham. Together with partners in the Police Harm Reduction Unit and the County Durham Tobacco Alliance, we continue to conduct high visibility enforcement campaigns to tackle the health inequalities and links with organised crime associated with these products. Protection of children is also a high priority. This forms part of a holistic approach the County Council has adopted to tackle the harms caused by alcohol and tobacco as well as tackling the wider determinants of health.

The report provided details of enforcement activity during 2019/2020, in relation to age restricted products and tackling supplies of illicit tobacco, and reported on complaints, test purchase and seizure activity for this period.

The proposed enforcement programme for 2020/2021 includes the activities detailed as follows:

- (a) An intelligence led approach to underage sales enforcement and illegal tobacco. This will continue to develop the intelligence from the "Keep it Out Campaign" to deliver enforcement action where possible. Continue to develop sources of community intelligence through partnership working and publicity activity.
- (b) Working in partnership with the Police and other enforcement agencies to identify and disrupt the involvement of organised criminality in the illicit tobacco supply chain.
- (c) Investigation of all consumer and trader complaints.

- (d) Undertaking market surveillance project activity in relation to age restricted products.
- (e) Continuation of joint working with the Police Harm Reduction Unit and other agencies to adopt a holistic approach to solving problems associated with the accessibility and misuse of age restricted products.
- (f) Hold events to raise public awareness of the harms associated with illicit tobacco, to publicise the work of the service and encourage reporting of this criminal activity.
- (g) Continuation of the 'Do You Pass' retailer training as a way of assisting business.
- (h) Continuation of work in partnership with the Police, HMRC and other agencies to tackle sales from private premises to children, particularly in relation to alcohol and tobacco.
- (i) Working with the County Durham Tobacco Alliance partners, provide guidance to traders on the legal requirements surrounding E Cigarettes/Vaping equipment and products and access of their customers to advice on smoking cessation support.
- (j) Continuation with a practice of reviewing premises when appropriate, following incidents of the underage sale of alcohol.
- (k) Continuation of work to tackle health inequalities and antisocial behaviour associated with the misuse and illegal supply of age-restricted products, in particular alcohol and tobacco.
- (l) Deliver business advice on and carry out enforcement of new legislation for which we may be statutorily responsible including all new legislation, which may emerge in relation to knife sales and corrosive substances, once these provisions commence in law.

The agreement of the proposed Enforcement Programme for 2020/2021 will ensure that the Council continues to address the problem of underage sales and access to age restricted products by those underage as well as the wider health and criminal issues surrounding these products. Adoption of the Offensive Weapons Act 2019 will ensure that the service can respond to complaints and address any compliance issues relating to the sale of bladed articles and corrosive products from retail and remote sellers in a timely manner.

Decision

We noted the enforcement activity undertaken during 2019/2020 and the anticipated changes in enforcement action upon a commencement order being made in respect of the Offensive Weapons Act 2019.

We approved the proposed enforcement programme for 2020/2021.

19. Maintained School Budget Plans and Permission to Set Deficit Budgets 2020/21
Cabinet Portfolio Holder - Councillor Olwyn Gunn
Contacts - Paul Darby 03000 261930 and David Shirer 03000 268554

We considered a joint report of the Corporate Director of Children and Young People's Services and Corporate Director of Resources which provided an overview of maintained schools' initial budget plans for 2020/21, as agreed by the relevant Governing Bodies. The report highlighted where the Corporate Director, Resources has exercised his judgement in terms of approving the setting of deficit budgets, in accordance with the Council's constitution and the Scheme of Financing for Schools.

Schools carry forward under and overspends against their budgets as part of their retained balances. This is a concern for the council, because deficit balances could become a cost to the council if a school closes or becomes a sponsored academy.

Previous experience is that schools' initial budget plans, and the updated budget plans prepared during the autumn term, tend to underestimate final balances, which are usually significantly higher than those included in the budget plans and forecasts.

At the end of 2019/20 the net balances carried forward by maintained schools were £16.066 million. The Quarter 3 forecast of outturn indicated that school balances would have retained net balances of £15.548 million. Since the end of 2019/20, retained balances have changed as a result of schools converting to academies, including one school with a substantial deficit. The current net retained balances for maintained schools come to £16.478 million.

The initial budget plans submitted by schools for 2020/21 sees a significant forecast use of schools' reserves to balance individual budgets. Plans agreed by individual governing bodies show that schools are currently planning to utilise £8.002 million of their retained balances as at 31 March 2020 in 2020/21, reducing the forecast schools' balances at 31 March 2021 to £8.476 million. Experience suggests that schools will use much less than this and that the final balance figure will be much higher.

Budget planning has been and will continue to be impacted by the Covid-19 lockdown. Whilst many costs will not be affected, schools will lose third-party income (from lettings and out-of-school childcare), and planned savings through restructures have been delayed in some cases, which will reduce in-year savings in 2020/21. Schools will not be able to claim additional grant to offset these losses. Eight schools submitted initial budget plans that would result in a deficit balance being carried forward at the end of the current financial year. Of

these, seven had a deficit at 31 March 2020, with four of these being schools with long standing financial issues. Five of the schools that have submitted an initial budget plan with a deficit carried forward at the end of this financial year were schools that had a licensed deficit in 2019/20.

The Corporate Director for Resources has considered the initial budget plans submitted by all schools where the school requested a deficit budget plan. The Corporate Director of Resources, who is the council's S.151 officer and must approve licensed deficits has approved licensed deficits for six schools and has provisionally approved a further two school requests pending the outcome of further reviews.

Decision

We noted the action taken under delegated powers by the Corporate Director for Resources to approve licensed deficits for six schools and to provisionally approve licensed deficits for two other schools pending the outcome of further reviews for the reasons set out in the report.

20. Weardale Railway: Request for Financial Support Cabinet Portfolio Holders - Councillor Alan Napier, Councillor Joy Allen and Councillor Carl Marshall Contact - Geoff Paul 03000 267453

We considered a report of the Corporate Director of Regeneration, Economy and Growth which advised Cabinet on the current position and opportunity regarding the development of Weardale Railway and of a request from The Auckland Project (TAP) to support its future development.

The Weardale Heritage Railway line stretches from Bishop Auckland to Eastgate, a total of 19 miles although the most recent use of the line is only 16 miles from Bishop Auckland to Stanhope. This provides an important transport link between those areas as well as an important asset to attract the visitor economy. The line connects a number of towns and villages and has open stations at Witton le Wear, Wolsingham, Frosterley and Stanhope.

Weardale Railways CIC (Community Interest Company) is the holding company for the railway. It is 75% owned by British American Rail Services (BARS). The remaining 25% voting rights are shared between the Weardale Railway Trust and Durham County Council. The CIC provides management services for the railway and is the responsible body to the official Railway authorities. The Auckland Project (TAP) has now concluded the purchase of the Heritage Railway and is seeking to secure the required certificates and authorisation from the Department of Transport to allow trains to run on the line. In December 2019 TAP provided the council with a high level business case with financial projections over a three year period. The intention is to

successfully develop the railway to protect and sustain this heritage asset, provide employment and training opportunities, enhance the wider visitor experience in Durham, develop the volunteer base and eventually extend the passenger rail network to the west of Bishop Auckland. If delivered successfully, directly support the local area, economy and communities. The 5 objectives are described as:

- (a) provide a world class tourist attraction, made available for the people of Bishop Auckland, Weardale and the wider area in addition to national and international visitors;
- (b) economic regeneration of the areas served by the Weardale Railway via tourism;
- (c) employment for local people associated with a world class visitor attraction;
- (d) the provision of education opportunities for local people;
- (e) the sustainable use of the natural environment in partnership with heritage and commercial activities.

An additional 160,000 visitors to Bishop Auckland are estimated as a result of the Weardale Railway increasing GVA by an estimated £3.2 million. Successful delivery of the objectives above will result in a sustainable future for an important heritage asset and will deliver a number of economic and social benefits to the local area and wider County.

In order to make the project viable, the council is being asked to provide financial support towards the costs of repairs to a number of bridges along the line. The financial business plan provided to the council deals only with the first three years of operation and there are no guarantees of the longevity of the initiative. No financial projections over the longer term have been provided. In view of the limited detailed business case information, the current Covid-19 environment and the historical difficulty associated with creating a sustainable heritage offer at Weardale railway the provision of £2.1 million financial support represents a significant commitment. The Cabinet considered the option of linking any financial support to a requirement to repay the amount in the event of certain events occurring.

The grant funding requested meets the relevant tests to constitute State Aid. The General Block Exemptions Regulations allow aid to be granted for culture and heritage conservation which this project falls squarely within. The total amount of aid granted must not exceed the difference between the eligible investment costs and the projected operating profit.

The opening of the heritage railway and the continued investment and associated economic leverage in Bishop Auckland is important to the County and local area. The financial ask, however, is significant and comes at an unprecedented time. Taking all factors into account it is suggested that the

council supports the project and provides a grant of £2.128 million subject to a formal grant agreement as referenced in the body of the report.

Decision

We agreed:

- a) to the provision of a grant totalling £2.128 million to Weardale Railway / The Auckland Project as outlined the report; and
- b) delegated powers to finalise the agreement be given to the Deputy Leader and Portfolio Holder for Finance, the Portfolio Holder for Economic Regeneration, the Portfolio Holder for Transformation, Tourism and Culture, the Corporate Director of Resources and the Corporate Director of Regeneration, Economy and Growth to finalise the agreement.