



Special Cabinet

Date **Wednesday 8 February 2012**
Time **10.00 am**
Venue **Committee Room 2 - County Hall, Durham**

Part A

**Items during which the Press and Public are welcome to attend.
Members of the Public can ask questions with the Chairman's
agreement.**

1. Declarations of interest

Ordinary Decisions:

2. Medium Term Financial Plan 2012/13-2015/16 and Revenue and Capital Budget 2012/13 - Joint Report of Corporate Director Resources and Assistant Chief Executive (Pages 1 - 88)
3. Housing Revenue Account Medium Term Financial Plan 2012/13 to 2016/17 and 2012/13 Budget - Joint Report of Corporate Director Resources and Corporate Director Regeneration and Economic Development (Pages 89 - 106)
4. Council Plan and Service Plans 2012-2016 - Report of Assistant Chief Executive (Pages 107 - 210)
5. Update on the Delivery of the 2011/15 Medium Term Financial Plan - Report of Assistant Chief Executive (Pages 211 - 216)

Key Decision:

6. Library Strategy - Report of Corporate Director Adults, Wellbeing and Health [Key Decision: AWH04/11] [MTFP Ref: AWH10] (Pages 217 - 294)
7. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.
8. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

9. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Colette Longbottom
Head of Legal and Democratic Services

County Hall
Durham
31 January 2012

To: **The Members of the Cabinet**

Councillors S Henig and A Napier (Leader and Deputy Leader of the Council) together with Councillors N Foster, L Hovvels, M Nicholls, M Plews, C Robson, B Stephens, C Vasey and B Young

Contact: Ros Layfield

Tel: 0191 383 4205

Cabinet

8 February 2012



**Medium Term Financial Plan 2012/13 –
2015/16 and Revenue and Capital Budget
2012/13**

Report of Corporate Management Team

Joint Report of Don McLure, Corporate Director Resources and

Lorraine O'Donnell, Assistant Chief Executive

Councillor Alan Napier, Portfolio Holder, Resources

Purpose of the Report

- 1 To provide comprehensive information to enable Cabinet to make recommendations for a 2012/13 balanced budget to the County Council meeting on 22 February 2012.

Executive Summary

- 2 The Council continues to face unprecedented levels of reductions in Government grants over the current Comprehensive Spending Review (CSR) period to 31 March 2015. The Council's Formula Grant for 2012/13 was confirmed in December 2011 at £223.2m which is in line with the figure announced in last year's CSR – a reduction of £17.1m when compared to 2011/12.
- 3 In total, this report is forecasting that Government Support for the five year period 2011/12 to 2015/16 will reduce by £108.7m and by £115.8m when including the forecast grant reduction for 2016/17. This equates to a 30% reduction in Government Support over this period.
- 4 After also taking into account estimated base budget pressures and growth in some priority service areas, the report is forecasting the need to deliver £159.2m of cash savings for the five year period 2011/12 to 2015/16 and savings of £171.8m when including forecasts for 2016/17. This equates to a 40% net revenue budget reduction over this period.
- 5 Despite having to make the above unprecedented level of savings, the report is recommending Cabinet to agree a net revenue budget of £432.58m for 2012/13. Although the budget requires the delivery of £26.6m in 2012/13 in order to deliver a balanced budget, it is also able to protect and increase some service budgets for the benefit of council tax payers including:
 - for the third consecutive year, the council tax for County Durham would stay the same in 2012/13 should the Council accept the Government's

'one off' Council Tax Freeze Grant. The grant would be payable in 2012/13 but not in future years, equates to almost £5m and is equivalent to a 2.5% council tax increase;

- protecting the winter maintenance budget in line with this being a high priority service based upon public consultation feedback;
- increasing the adult social care budget by £2.15m in recognition of the increasing demands on the service due to demographic changes and more people becoming dependent upon these services;
- increasing the children's safeguarding service budget by £1.5m in recognition of increasing demands due to more children entering the care service;
- an additional £3.5m of revenue to invest in new and current capital projects through prudential borrowing. The capital programme for 2012/13 will deliver schemes to the value of over £197m in line with the Council's key priorities to stimulate regeneration and job creation within the local economy.

- 6 Grant reductions are forecasted to continue beyond the current CSR and into 2015/16 and 2016/17 after taking into account the Government's outline Departmental Expenditure Limit (DEL) forecasts included in the Chancellor's Autumn Statement on 29 November 2011. Analysis based upon a range of assumptions would indicate that Grant reductions for Councils in these two years could be 5.7% and 3.7% respectively.
- 7 Also, in addition to the current public sector pay freeze for 2011/12 and 2012/13, the Government has announced a 1% pay increase cap in the public sector for 2013/14 and 2014/15. Although councils receive no explicit, specific funding to finance pay awards, the Government has confirmed that Grant will be reduced in 2013/14 and 2014/15 based on an assumption that 2.5% had previously been built into formula grant calculations for each of these two years.
- 8 The Council's previous four year savings plan amounting to £123.5m for the period 2011/12 to 2014/15 was agreed by the Council on 23 February 2011, following a very extensive consultation in which over 8,000 people throughout County Durham either responded or participated.
- 9 The results of this consultation were fully reflected in last year's MTFP report and the development of this new MTFP for 2012/13 to 2015/16 has also taken this consultation into account. The new savings plans listed at Appendix 2 have therefore been built upon the detailed savings plan that was included in last year's MTFP plus £7.07m of new savings proposals for 2012/13 to bring the budget into balance.

Budget Pressures

- 10 The 2012/13 budget also needs to absorb several significant cost pressures including:
- Landfill tax of £1.07m due to the Government increasing the costs of landfill by £8 per tonne from April 2012;

- Additional employer pension contributions of £1.2m due to a 5.3% increase on the sum required to recover the forecast deficit for County Council employees on the Pension Fund;
- Concessionary fares - due to the increasing numbers of pensioners qualifying for bus passes, the increasing patronage on bus services and the withdrawal of Government Grants to bus companies, the concessionary fares budget is forecasted to increase by £0.85m;
- Excessive inflation experienced during 2011/12 on energy and fuel costs has required £1.35m and £1.0m to be added to base budgets in 2012/13.

Capital Funding

- 11 The Council continues to strive to attract grant funding from external sources and was recently successful in receiving a provisional grant of £6.9m for improving Superfast Broadband access in remote areas across the County. Confirmation of funding is anticipated in February 2012 to enable a procurement exercise to be carried out in the summer for the engagement of an external partner to support the roll out programme.
- 12 Funding of £3.8m has also been confirmed from the Housing and Communities Agency to improve four Gypsy and Travellers' sites across the County. These much needed improvements will start in 2012/13.
- 13 Unfortunately, Government support for Capital investment in schools has significantly reduced below expectation for 2012/13 with a £3.6m reduction from the 2011/12 levels.
- 14 After taking into account external grants, forecasted income from capital receipts and unsupported prudential borrowing, there will be enough funding for the Council to be able to make new investments of £60.2m in 2012/13 and £43.3m in 2013/14 in addition to the current earmarked schemes in the Capital Programme. This would result in the Council having a total Capital Programme across the 2012/13 to 2015/16 three year MTFP period of £359.4m as outlined in Appendix 6.

Equality and Diversity Impact Assessments and Risk Assessments

- 15 The Council has carried out extensive work in relation to both Equality and Diversity Impact Assessments and Risk Assessments. This work has been challenging due to the size and scope of the recommendations included in this 2012/13 Budget and MTFP but is essential to ensure all factors are considered in this key decision making process.
- 16 Looking forward beyond the 2012/13 budget, the County Council faces a number of significant risks including:
 - The Local Government Finance Bill contains plans for Business Rate income to be retained locally and become the main source of income for councils along with locally raised Council Tax from April 2013. The MTFP included in this report assumes the level of business rate income will not reduce in 2013/14 when compared to the 2012/13 base line position.

- In addition, the Finance Bill contains plans for the localisation and control of Council Tax Benefit award criteria to be devolved to local authorities but with an estimated 10% reduction in Government funding. The Council's MTFP from 2013/14 assumes council tax benefit costs will be contained within the Government's grant allocation.
 - The transfer of Public Health responsibility and delivery of public health services to the Council will also take place from April 2013. A shadow budget for the Council for 2012/13 was due to be announced by the Government in December 2011, but no announcement has been made yet.
- 17 All of the above issues will need to be considered over the next twelve months in the development of the Council's next MTFP for 2013/14 to 2016/17.
- 18 Because of all the above risks, plus the 2012/13 budget risks listed in paragraph 52 including:
- 2012/13 pay award
 - Inflation impact on external contracts
 - Global economy potential impact on interest rates and inflation
 - Single status implementation costs

it is prudent to include a contingency budget of £3.2m in the Council's 2012/13 base budget.

Development of the 2012/13 – 2015/16 Medium Term Financial Plan

- 19 The Medium Term Financial Plan (MTFP) integrates corporate service and financial planning over a four-year budgeting period – 2012/13 to 2015/16.
- 20 The MTFP translates the Council Plan priorities into a financial framework that enables members and officers to ensure policy initiatives can be delivered within available resources, and can be aligned to priority outcomes.
- 21 The MTFP provides the resource envelope to allow the Cabinet to set out the policy framework and service and financial planning leading up to the Budget and Council Tax setting report to Full Council on 22 February 2012.
- 22 The drivers for the Council's financial strategy are the same as those that were agreed by Cabinet on 28 June 2010 and include:
- To set a balanced budget over the life of the MTFP whilst maintaining modest and sustainable increases in Council Tax.
 - To fund agreed priorities, ensuring that service and financial planning is fully aligned with the Council Plan.
 - To deliver a programme of planned service reviews designed to keep reductions to front line services to a minimum.
 - To strengthen the Council's financial position so that it has sufficient reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for customers.

- Always ensuring the Council can demonstrate value for money in the delivery of its priorities.

Local Government Finance Settlement

Formula Grant

- 23 Under the current CSR announced in December 2010, the Government provided local authorities with a two year Finance Settlement for 2011/12 and 2012/13. The Formula Grant allocations for Durham County Council for 2011/12 and 2012/13 were as follows:

	£m
2011/12	235.4
2012/13	218.3

- 24 The Government confirmed the Council's 2012/13 Formula Grant on 8 December 2011 at £223.2m. This includes a transfer into the Formula Grant of the 2011/12 Council Tax Freeze Grant for 2012/13 of £4.9m. On this basis the core Formula Grant of £218.3m is unchanged from last year's settlement figure i.e. a reduction of £17.1m. The settlement information also confirmed a major shift in the grant elements that make up the Formula Grant as detailed below.

Table 1 – Formula Grant Breakdown 2011/12 and 2012/13

	2011/12 £m	2012/13 £m
Redistributed Business Rates	179.8	219.0
Revenue Support Grant	55.6	4.2
TOTAL FORMULA GRANT	235.4	223.2

- 25 There has been a significant increase in re-distributed Business Rates the Council receives from £179.8m to £219m. At the same time the Council will only receive £4.2m of Revenue Support Grant in 2012/13.
- 26 This adjustment is linked to the future changes in the financing of Local Government detailed in the Local Government Finance Bill. It is likely that from 2013/14 the Council will receive little or no Revenue Support Grant.
- 27 The Government has indicated that the 2013/14 Finance Settlement will not be announced until December 2012. This late announcement will make it more difficult in financial planning terms. The Government should be in a position to provide notification of the settlement much earlier than this to enable more effective planning to occur and this will be drawn to the attention of the Government during the summer. .

New Homes Bonus

- 28 The New Homes Bonus was introduced in April 2011. The grant calculation and award is based upon the net increased change in dwellings in each Council Tax Band from one year to the next, multiplied by the previous year's National Average Council Tax for that band.
- 29 The Government is financing the New Homes Bonus by 'top slicing' Formula Grant. Analysis has been carried out into Formula Grant the Council would have received if the New Homes Bonus had not been introduced, compared to the New Homes Bonus that the Council actually receives. The outcome of the analysis for County Durham is detailed in the table below.

Table 2 – Impact of Introduction of a New Homes Bonus

	Top Slice Formula Grant Loss (Cumulative)	Cumulative New Homes Bonus	Cumulative Loss of Funding
	£m	£m	£m
2011/12	1.86	1.30	0.56
2012/13	4.24	2.55	1.69

- 30 The table above identifies that in 2012/13 the Council will have lost £1.69m since the introduction of the New Homes Bonus.

2011 Autumn Statement

- 31 The Chancellor of the Exchequer delivered his Autumn Statement (AS) on 29 November 2011. The AS contained a number of issues which will impact upon the finances of councils as detailed below:

(i) **Public Sector Pay**

The current Comprehensive Spending Review (CSR) identified that there would be a pay freeze in the Public Sector for 2011/12 and 2012/13. The AS detailed that in addition to the pay freeze, a cap will be placed upon increases in Public Sector Pay for 2013/14 and 2014/15 of 1% per annum. Although councils receive no specific Government funding for pay awards, the AS identified that the Finance Settlements received by councils in 2013/14 and 2014/15 would be reduced to take account of the 1% pay cap. Nationally, the forecasted sums deducted are detailed overleaf along with the forecast annual impact upon the Council.

Table 3 – Impact on 1% Pay Increase Cap

Year	National Funding Reduction	Estimated Durham County Council Loss of Grant
	£m	£m
2013/14	240	2.28
2014/15	257	2.44

The Grant reductions detailed above are in addition to the Grant reductions already indicated in the CSR for 2013/14 and 2014/15 of £2.65m and £12.4m respectively.

(ii) **Finance Settlements for 2015/16 and 2016/17**

The AS announced that Government expenditure would reduce by 0.9% in real terms in 2015/16 and 2016/17 i.e. after taking into account a forecasted 2.5% annual inflation rate. The AS also provides outline forecasts on Departmental Expenditure Limits (DEL) for 2015/16 and 2016/17. DEL relate to Government Departmental budgets such as the Department for Communities and Local Government (DCLG). The AS forecast total for DEL in 2015/16 and 2016/17 is detailed in table 4 below:

Table 4 – Forecast Reduction in Department Expenditure Limits 2015/16 and 2016/17

Year	DEL	Annual Reduction
	£bn	%
2014/15	328.1	-
2015/16	324.5	1.1
2016/17	323.5	0.3

- The table above shows that the current CSR funding reductions will continue into 2015/16 and 2016/17. To forecast the likely reductions in DCLG funding, it has been assumed that Health, Education and Overseas Aid budgets will continue to receive financial protection – in this case an annual 2.5% increase in funding.

Applying these assumptions would result in the following reduction in Government funding for the Council in 2015/16 and 2016/17.

Table 5 – Forecast Reductions in Government Support in 2015/16 and 2016/17

Year	Reduction in Government Funding	
	£m	%
2015/16	11.6	5.7
2016/17	7.1	3.7

Factoring in annual inflation of 2.5% would result in real term cuts of 8.2% and 6.2% respectively.

Specific Grants

- 32 The existing CSR significantly reduced the number of specific grants received by councils. Although these grants are not ring fenced and any increase could be utilised to support the Council's overall budget, the grant increases are often associated with additional duties and responsibilities. The MTFP report to Cabinet on 13 July 2011 identified that the New Homes Bonus would be utilised to support the 2012/13 budget but that Service Groupings would retain any other increases in Specific Grants. The increases received in 2012/13 are detailed below:

Supporting the Overall 2012/13 Budget

	£m
New Homes Bonus	2.55

Specific Grant Increases Utilised by Service Groupings

	£m
Learning and Disability Reform Grant	0.23
Early Intervention Grant	1.05
Local Services Support Grant	0.30
Preventing Homelessness Grant	0.07
Local Lead Flood Authorities Grant	0.09

- 33 There have also been reductions in some grants which are either included as pressures in the 2012/13 budget or will be managed within service groupings cash limits.

Recommendations

- 34 **It is recommended that Members:**
- (i) **Note the confirmation of the £223.2m 2012/13 Finance Settlement, which is in line with the CSR announcement.**
 - (ii) **Note the forecast further reductions in Government support in 2013/14 and 2014/15 of £2.28m and £2.44m due to the imposition of the 1% pay increase cap.**

(iii) Note the forecast of continuing reductions in Government support in 2015/16 and 2016/17.

Consultation

- 35 Throughout November 2010, the Council consulted extensively with over 8,000 members of the public and partner agencies to determine their views as to how it might set its four year budget, and in particular, address the unprecedented challenge of managing reductions in excess of £123.5 million.
- 36 The programme of consultation included a range of techniques including:
- An extensive Residents' Survey
 - A postal survey
 - An online survey
 - Deliberation at Area Action Partnership (AAP) Forums.
- 37 The results of the consultation formed a key element of the report to Council in February 2011 that approved the authority's four year savings strategy. That report highlighted that although various methods were used, there was a great deal of consistency in the messages provided by the participants. These messages highlighted a preference to protect the following services wherever possible:
- Winter maintenance
 - Repairs to roads and pavements
 - Adult care services
 - Community safety and tackling anti social behaviour
 - Child protection, adoption and fostering
- 38 There was also a clear message for the Council on applying a greater reduction to support services such as resources, policy, service improvement, scrutiny and communications.
- 39 Members will be aware that these findings were used to develop the Council's current four year savings plan. The proposals developed by Service Groupings to meet the revised savings targets have been developed in line with the key findings of the consultation. Consequently, the focus of this year's budget consultation has not been to duplicate the collection of preferences when these were comprehensively collected so recently. Instead, presentations, with the opportunity for questions, have been given to each AAP Forum by a member of the Council's Corporate Management Team to highlight the continued significance of the public preferences highlighted above in current saving plan proposals.

- 40 In addition to presentations to individual AAPs, the Leader of the Council also held an open question and answer session at the inaugural joint meeting of AAPs where those present were given the opportunity to ask Cllr Henig questions on any aspect of the budget.
- 41 The questions raised at these events fell into three broad categories. The largest category included queries raised by members of the public seeking clarification as to the approach being taken towards achieving the reductions as they relate to particular service areas. The second category was queries highlighting concerns that the changes were perceived to be having on a small number of service areas, these included benefits and planning. Although none of the questions raised have fundamentally disagreed with the approach being taken by the Council to managing the budget reductions, the third category of questions did highlight the need to monitor the impact when applying the reductions. In particular, a number of the questions have focussed on the need to be vigilant as to the potential impact of reductions on rural and deprived communities.
- 42 The questions raised by the public have reaffirmed partner agencies' responses to last year's consultation, namely that as the reductions are applied, the impact on the different localities of Durham need to be reviewed. This matter has been raised at the County Durham Partnership where work is ongoing to ensure a multi-agency approach is taken to address this issue given the need for reductions across the public sector.
- 43 Members should also note that in addition to the countywide consultation on the MTFP carried out in November, prior to any proposed saving being implemented, where this has a direct impact on service users, detailed service specific consultations will be carried out to inform the relevant decision making body. This continued commitment was reaffirmed at all the AAP forums.

Recommendation

- 44 **It is recommended that members:**
- (i) **Note the basis on which the consultation carried in 2010 has informed the budget setting process and the ongoing commitment to carry out targeted consultation prior to commencing service changes where they would impact service users**

Revenue Budget

Forecast of Outturn for 2011/12

- 45 Projected outturn figures for the County Council based upon information as at 30 September 2011 were reported to Cabinet on 16 November 2011 and at that time forecasted a reduction in Cash Limit Reserves of £0.3m and an addition to General Reserve of £2.6m. An update based upon the period to 31 December 2011 will be presented to Cabinet on 7 March 2012.

- 46 The final outturn for 2011/12 will be determined as part of the production of the Statement of Accounts. During the process of finalising the Statement of Accounts, the Corporate Director Resources will be required to make a number of decisions in the interests of the Council. Such decisions will be fully disclosed in the Statement of Accounts.

Recommendations

- 47 **It is recommended that Members:**
- (i) **Note the 2011/12 Forecast of Outturn contribution to the General Reserve.**
 - (ii) **Agree that the Corporate Director Resources be authorised to make decisions, as necessary, in the interests of the Council to finalise the Statement of Accounts for 2011/12.**

Revenue Budget for 2012/13

- 48 The initial strategy report on the 2012/13 – 2015/16 MTFP and 2012/13 Budget was presented to Cabinet on 13 July 2011. This report detailed the review that had been carried out into the MTFP assumptions for 2012/13. A key factor at that stage of the 2012/13 budget process was the forecasted impact upon the MTFP of excessive inflationary pressures, especially relating to energy and fuel costs.
- 49 The review identified that additional savings were going to be required to balance the 2012/13 budget in addition to the 5% savings already detailed in the previous MTFP. Each service grouping was therefore allocated an additional 2% savings target, amounting to £7.07m.

Base Budget Pressures in 2012/13

- 50 The MTFP agreed by Council on 23 February 2011 identified a range of forecast base budget pressures for 2012/13. Throughout the last seven months Cabinet has received updated MTFP reports which have reviewed and updated estimates in this regard. The table overleaf details the final forecasted position on the 2012/13 Base Budget pressures:

Table 6 – 2012/13 Base Budget Pressures

	£m
Price Inflation (2%)	2.50
Corporate Risk Contingency	3.20
Landfill Tax	1.07
Employer Pension Contributions	1.20
Concessionary Fares	0.85
Energy Inflation	1.35
Fuel Inflation	1.00
Pension Augmentation	1.85
Community Buildings	0.18
Housing Benefit Lost Admin Grant	0.52
Animal Health Grant Reductions	0.08
Safeguarding Children	1.50
AWH Demographic Pressures	2.15
TOTAL	17.45

- 51 The forecasted additional demographic pressures in Adults, Wellbeing and Health (AWH) for 2012/13 of £2.15m are to be financed from the AWH cash limit reserve.
- 52 A prudent element of the base budget pressures is the £3.2m Corporate Risk Contingency budget. The financial environment in which the Council is currently working is highly volatile and a range of financial risks, as well as the ones included in paragraph 16 above are to be faced from 2012/13. Some of these additional risks are detailed below:
- (i) **2012/13 Pay Award** – at this stage the MTFP model is assuming a 0% pay award but trade unions have submitted a request for a 5% pay award. Negotiations are ongoing.
 - (ii) **Inflation** – although inflation is reducing, the economy has encountered inflation in excess of 5% for the last 6 months. The Council could come under pressure in the coming months from external service providers for contract price increases in excess of the 2% price inflation sum included in the 2012/13 base budget.
 - (iii) **Global economy** – the broader global economy is so volatile at the present time that it is not possible for the Council to predict what may happen in the next twelve months. Any negative impact upon interest rates or inflation can increase the Council's cost base significantly.
 - (iv) **Single Status** – following Council approval in November 2011 to commence negotiations with the Trade Unions, the Council is expecting to implement a new Single Status pay model during 2012/13. At this stage the financial consequences are yet to be determined.

Service Grouping Investment Priorities

- 53 Service Groupings have recognised the financial pressures faced by the Council and have minimised bids for additional investments. Wherever possible, service groupings will manage pressures within their cash limits. The service grouping's investment priorities are detailed below:

Table 7 – Investment Priorities

Service Grouping	Investment Priority	2012/13
		£m
Neighbourhoods	Contaminated Land - Site Surveys	0.10
Resources	Community Governance Reviews	0.10
TOTAL		0.20

Other Pressures

- 54 Other pressures facing the Council relate to support for the current capital programme and the need for continued prudential borrowing to support ongoing capital investment. The investment need is detailed below:

Table 8 – Other Budget Pressures

	£m
Capital financing for current programme	3.03
Prudential Borrowing for ongoing capital investment	0.50
TOTAL	3.53

Savings

- 55 The Council's approach to achieving savings for the previous MTFP period 2011/12 – 2014/15 was set out in the approved Budget report to Council on 23 February 2011. At that time, the Council was facing Government Grant cuts of £92.4m over the four year period with total savings of £123.5m due to the need to finance additional budget pressures.
- 56 To achieve these very significant levels of savings, the Resources Service Grouping had a savings target of 33% across the MTFP period and all other service groupings were set a savings target of 25%. The Council also confirmed that at least 30% reductions in the costs of Management and Support Services would be achieved across the MTFP period.
- 57 During 2011/12 since the previous MTFP was developed, a range of factors have impacted upon the finances of the Council and have led to a deterioration in the financial outlook as detailed overleaf:

- (i) The Council continues to face a range of base budget pressures which must be addressed e.g. demographic pressures in AWH, safeguarding pressures in CYPS, excessive inflation on fuel and energy.
- (ii) Government confirmation that the Finance Settlement for 2013/14 and 2014/15 will be reduced further due to the setting of a 1% annual pay cap.
- (iii) Outline Government confirmation that Public Expenditure will continue to be reduced in 2015/16 and 2016/17.

58 The savings plans for each service grouping for the 2012/13 – 2015/16 MTFP period are detailed in Appendix 2. The table below summarises the savings targets for each Service Grouping across the MTFP. The table also shows the forecasted shortfall in savings which will need to be identified to achieve financial balance from 2013/14 onwards due to the deterioration in the financial outlook for the Council as detailed above.

Table 9 – Service Grouping Savings Plans

Service Grouping	2012/13	2013/14	2014/15	2015/16	Total
	£m	£m	£m	£m	£m
ACE	0.8	0.6	0.3	0.2	1.9
AWH	9.1	8.4	6.1	3.2	26.8
CYPS	4.8	3.6	3.6	1.3	13.3
NS	6.3	4.0	2.6	1.3	14.2
RED	2.5	0.8	0.6	0.5	4.4
Resources	2.9	2.3	2.6	0.6	8.4
Other	0.2	0.3	0	0	0.5
Savings yet to be identified	0	0.9	8.7	13.7	23.3
TOTAL	26.6	20.9	24.5	20.8	92.8

59 The total saving for the period 2011/12 – 2015/16 is summarised below:

Table 10 – Total Savings 2011/12 – 2015/16

Year	Saving
	£m
2011/12	66.4
2012/13 – 2015/16	92.8
TOTAL	159.2

60 The saving of £159.2m represents a budget reduction of approximately 37% of the Council's 2010/11 Net Budget Requirement over this five year period.

2012/13 Net Budget Requirement

- 61 After taking into account base budget pressures and savings, the Council's 2012/13 Net Budget Requirement would be £432.58m. How the Budget would be financed is detailed below:

Table 11 – Financing of 2012/13 Budget

Financing Method	Amount
	£m
NNDR	219.007
Revenue Support Grant	4.245
Council Tax	201.788
Council Tax Freeze Grant	4.989
New Homes Bonus	2.551
TOTAL	432.580

- 62 The Gross Expenditure and Net Expenditure Budget for 2012/13 for each Service Grouping would be as detailed at Appendix 3. Appendix 4 provides a summary of the 2012/13 Budget by Service expenditure type, based on the Chartered Institute of Public Finance and Accountancy (CIPFA) classifications of cost.

Council Tax

- 63 The Government has confirmed that councils will receive a Council Tax Freeze Grant equivalent to 2.5% increase in Council Tax, if they agree not to increase Council Tax in 2012/13. This grant however, valued at almost £5m for County Durham, is a one-off, unlike the Council Tax Freeze Grant received in 2011/12 which has now been built into Formula Grant and will continue to be paid going forward for at least this CSR period to 31 March 2015.
- 64 The 2012/13 Council Tax Base was approved by Cabinet on 14 December 2011. The council tax base for 2012/13 is 157,295.3 Band D equivalent properties. The tax base for council tax setting and income generation purposes will be based upon a 98.5% collection rate in the long run.
- 65 The 2012/13 budgeted council tax income has taken the following factors into account:
- (i) The increase in the tax base will generate additional council tax income of £0.8m.
 - (ii) The Council is no longer forecasting to achieve a Collection Fund Surplus in 2012/13. This is identified as a £0.8m pressure for 2012/13.
 - (iii) The reduction in Council Tax Discount to nil on long term empty properties agreed by Council on 14th December 2011 is forecast to generate an additional £2.1m of income in 2012/13. It is prudent to forecast that the Government's Formula Grant will be reduced correspondingly in 2013/14 so the £2.1m should be treated as a one off financial benefit only at this stage.

- 66 The Government announced as part of the Finance Settlement that any Council setting a Council Tax increase in excess of 3.5% would require council tax payer approval through a referendum.
- 67 Council has previously agreed to a 10% council tax discount for the owners of 'second homes'. It is recommended that this policy continues.
- 68 **It is recommended that Members:**
- (i) **Approve the identified base budget pressures.**
 - (ii) **Approve the Service Grouping investments detailed in the report.**
 - (iii) **Approve the savings plans detailed in the report.**
 - (iv) **Approve the acceptance of the Council Tax Freeze Grant for 2012/13 and thereby leave County Council' Council Tax levels unchanged for the second consecutive year.**
 - (v) **Approve the retention of the 10% Council Tax Discount for the owners of second homes.**
 - (vi) **Approve the 2012/13 Net Budget Requirement of £432.58m.**

Medium Term Financial Plan – 2012/13 to 2015/16

- 69 The following assumptions have been utilised in developing the MTFP model for 2012/13 – 2015/16:
- (i) Government Grant reductions for the MTFP period have been developed utilising information from both the 2012/13 Finance Settlement, the CSR and the Autumn Statement. The forecast reductions in Government Grant are shown in table 12 below:

Table 12 – Forecast Government Grant Reductions

Year	Grant Reduction £m
2012/13	17.177
2013/14	4.930
2014/15	14.840
2015/16	11.560

- (ii) Forecast Pay and Price Inflation levels have taken into account the 1% pay increase cap for 2013/14 and 2014/15 as detailed below:

Table 13 – Pay and Price Inflation Assumption

Year	Pay Inflation	Price Inflation
2012/13	0%	2%
2013/14	1.0%	2%
2014/15	1.0%	1.5%
2015/16	1.5%	1.5%

- (iii) Continuing budget pressures in relation to Landfill Tax, Carbon Tax, Employer Pension Contributions, Concessionary Fares, energy price inflation and AWH demographic pressures.
- (iv) All staffing budgets currently have a 3% turnover allowance deducted. In the coming years, staff turnover is expected to reduce with a 2% turnover rate felt to be more prudent which the report is recommending be built into the MTFP from 2013/14.
- (v) Continuing need to support both the current and additional capital programmes, whilst accounting for variations in estimated investment income.
- (vi) Council Tax increases for 2013/14 to 2015/16 are assumed to be 2.5% per annum.
- (vii) There is a need for additional savings to be identified in 2013/14, 2014/15 and 2015/16 totalling £23.3m to achieve a balanced budget across the whole MTFP.
- 70 The Local Government Finance Bill, if enacted will introduce two key policies which will have a significant impact upon the MTFP from 2013/14 as detailed below:
- (ii) **Localisation of Business Rates** – the Government’s Local Government Resource Review (LGRR) recommends that councils should be able to retain all business rate income generated locally. This would provide a constant income stream and could incentivise councils to grow their local economies on the basis that they will be able to retain the additional business rates generated from any new businesses and growth in existing businesses. The business rate income would replace Formula Grant received from Government. To ensure no Council is favoured or penalised, a system of ‘top ups’ and ‘tariffs’ will be introduced as a starting point. Beyond this time however, a significant proportion of the Council’s ongoing income, will in effect depend upon the health and vitality of the local economy. This will be a significant risk for the Council as there is little, if any link, between the local economy and the demand for major services such as for example; care provision for the elderly and safeguarding services for children. The MTFP model makes no assumptions at this stage of the likely financial impact of this policy.

- (iii) **Localisation of Council Tax Benefit Support** – the Government intends to implement this policy also from 1 April 2013. Before implementation, the Government intends to top slice 10% of council tax benefit funding, which equates to circa £6m for County Durham. The Council will become responsible for developing a policy to distribute council tax benefit although the Government will stipulate that key vulnerable groups, such as pensioners, must be protected. This is likely to result in people of working age facing a disproportionate impact. The MTFP model assumes the funding reduction from withheld council tax benefit funding will be fully passported via a revised Council Tax Benefit Scheme. The Council will also be financially responsible for any increased costs due to residents claiming additional benefit, especially during a period of recession.

Financial Reserves

71 Reserves are held:

- (i) As a working balance to help cushion the impact of uneven cashflow and avoid unnecessary temporary borrowing – this forms part of the General Reserve.
- (ii) As a contingency to cushion the impact of unexpected events or emergencies – this also forms part of General Reserves.
- (iii) As a means of building up funds, Earmarked Reserves to meet known or predicted future liabilities.

72 The Council's current reserves policy is in summary:

- (i) To set aside sufficient sums in earmarked reserves as it considers prudent to do so.
- (ii) Aim to maintain General Reserves of between at least 3% to 4% of the Council's net budget requirement which equates to between at least £13m to £17m.

73 Each Earmarked Reserve, with the exception of the Schools' reserve, is reviewed on an annual basis. The Schools' reserve is the responsibility of individual schools with balances at the year end which make up the total reserve.

74 A Local Authority Accounting Panel Bulletin published in November 2008 (LAAP77) makes a number of recommendations relating to the determination and the adequacy of Local Authority Reserves. The guidance contained in the Bulletin 'represents good financial management and should be followed as a matter of course'.

75 This bulletin highlights a range of factors, in addition to cash flow requirements that councils should consider; these include the treatment of inflation, the treatment of demand led pressures, efficiency savings, partnerships and the general financial climate, including the impact on investment income. The bulletin also refers to reserves being deployed to

fund recurring expenditure and indicates that this is not a long-term option. If Members were to choose to use general reserves as part of this budget process appropriate action would need to be factored into the MTFP to ensure that this is addressed over time.

- 76 The setting of the level of reserves is an important decision not only in the budget for 2012/13 but also in the formulation of the Medium Term Financial Plan.
- 77 The Quarter 2 Forecast of Outturn report to Cabinet on 16 November 2011, forecast a General Reserve Balance at 31 March 2012 of £19.95m. Taking this forecast level of General Reserve and the risks facing the Council into account, it is recommended that the Council maintains its current policy for Reserves as follows:
- i) Set aside sufficient sums in Earmarked Reserves as it considers prudent to do so. The Corporate Director Resources will be authorised to establish such reserves as are required, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.
 - ii) Aim to maintain, broadly, General Reserve levels of between at least 3% and 4% of the Net Budget Requirement or in cash terms, at least between £13m to £17m.
- 78 A balanced MTFP model has been developed after taking into account the assumptions detailed above. The MTFP model is summarised below with full detail attached at Appendix 5.

Table 14 – MTFP Summary Position

	2012/13	2013/14	2014/15	2015/16	TOTAL
	£m	£m	£m	£m	£m
Reduction in Resource Base	5.440	5.030	12.873	7.315	30.658
Budget Pressures	21.180	15.876	11.584	13.467	62.107
Savings Required	26.620	20.906	24.457	20.782	92.765

Recommendations

- 79 **It is recommended that Members:**
- (i) Note the forecast 2012/13 to 2015/16 MTFP financial position.**
 - (ii) Set aside sufficient sums in Earmarked Reserves as it considers prudent to do so. The Corporate Director Resources will be authorised to establish such reserves as are required and to review them for both adequacy and purpose on a regular basis**

reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.

- (iii) Aim to maintain, broadly, General Reserve levels of between at least 3% and 4% of the Net Budget Requirement or in cash terms between at least £13m to £17m.

Capital Budget

80 The current 2011/12 Capital Budget of £214m was approved by Cabinet on 16 November 2011. Since that date the Capital Member Officer Working Group (MOWG) has approved recommendations to Cabinet of a range of budget revisions. The table below details the latest revised Capital Budget for the period 2011/12 to 2014/15 and how the programme is financed.

Table 15 – Revised Capital Programme

Service Grouping	2011/12	2012/13	2013/14	2014/15	Total
	£m	£m	£m	£m	£m
ACE	2.520	2.443	1.359	-	6.322
AWH	0.569	1.609	1.862	4.584	8.624
CYPS	77.721	80.961	33.505	0.533	192.720
Neighbourhoods	28.591	13.670	1.261	1.054	44.576
RED	48.956	25.153	1.392	0.250	75.751
Resources	9.572	13.442	2.450	0.491	25.955
Other	-	45.366	30.000	30.000	105.366
Total	167.929	182.644	71.829	36.912	459.314
Financed by					
Grants & Contributions	98.498	67.340	20.904	-	186.742
Revenue and Reserves	6.069	1.832	1.607	0.807	10.315
Capital Receipts	5.982	20.634	10.000	10.000	46.616
Capital Receipts – BSF/Schools	0.066	2.974	8.000	3.000	14.040
Borrowing	57.314	89.864	31.318	23.105	201.601
Total	167.929	182.644	71.829	36.912	459.314

Capital Consideration in the MTFP Process

- 81 Service Groupings developed Capital bid submissions during the summer alongside the development of revenue MTFP proposals. The Council's Corporate Management Team (CMT) and the MOWG have considered the Capital bid submissions taking the following into account:
- (i) Priority based upon Asset Management Scoring System.
 - (ii) Service Grouping assessment of priority.
 - (iii) Affordability based upon the availability of capital financing. This process takes into account the impact of borrowing upon the revenue budget.

- (iv) Whether schemes could be self-financing i.e. capital investment would generate either revenue savings or income generation enough to repay the borrowing costs to fund the schemes.

82 Whilst considering Capital bid proposals, MOWG recognised the benefits of committing to a longer term Capital programme to aid effective programming of investment. At the same time MOWG also recognised the need for caution in committing the Council to high levels of prudential borrowing at this stage for future years.

Government Capital Grant Allocations

83 The 2011/12 Local Government Finance Settlement provided indicative figures for 2012/13 for both Local Transport Plan (LTP) Grant and General Resource Social Services Grant. Actual allocations are in line with this earlier announcement.

84 Capital Grant allocations from the Department for Education (DfE) for 2012/13 are extremely disappointing. The Council received £13.6m in 2011/12 to invest in Schools Structural Maintenance and to provide accommodation for schools with additional pupils. The Council was expecting to receive a similar sum in 2012/13 but the sum actually received was much less as shown in the table below:

Table 16 – DfE 2012/13 Capital Grant

	£m
School Structural Maintenance	7.69
Basic Need (Additional Pupils)	2.23
TOTAL	9.92

85 The sum received is 27% less than forecast. The key reasons for the reduction are as follows:

- (i) Almost 30% of the Schools Structural Maintenance grant nationally has been 'top sliced' and is being allocated to new School Academies.
- (ii) Basic Need funding apportionment is based upon pupil growth targeting funds more towards the South East rather than Durham.

- 86 The Government Grants that the Council will receive in 2012/13 and indicative grant levels for future years are detailed in the table below:

Table 17 – 2012/13 Government Capital Grants

Govt Dept	Grant	2012/13	2013/14	2014/15
DoH	General Personal Social Services	1.50	---	---
DfE	Capital Maintenance	7.69	---	---
DfE	Basic Need	2.23	---	---
DfE	Schools Capital Maintenance	3.59	---	---
DfE	Schools Devolved Capital	1.55	---	---
DfT	Local Transport Plan - Highway Maintenance	10.68	10.13	9.78
	Integrated Transport	3.18	3.18	4.47
TOTAL		30.42	13.31	14.25

Capital Receipt Forecasts

- 87 Based upon the current Asset Disposal Programme, the level of capital receipts estimated per annum is £10m (excludes capital receipts ring fenced for use in the Building Schools for the Future (BSF) programme and new school builds in Stanley and Consett). This is deemed to be a reasonable target based upon prevailing market conditions.

Self Financing Schemes

- 88 In many circumstances, capital investment will generate revenue efficiencies. To finance these programmes should they be approved by Council, Service Groupings will transfer sufficient sums to the Capital Financing budget to cover the relevant borrowing costs.
- 89 In total, it is being recommended that £3.52m of Self Financing capital schemes are to be supported in 2012/13.

External Grants

- 90 Two schemes in the capital programme have attracted significant levels of external funding as detailed below:
- (i) **Broadband** – the Government through its Broadband Development United Kingdom (BDUK) programme has provided grant funding of £6.9m which the report is recommending be matched by the County Council to develop Superfast Broadband across the County.
 - (ii) **Gypsy and Travellers Sites** – the Homes and Communities Agency (HCA) has provided grant funding of £3.8m which is to be matched with £5.7m of Council funding to refurbish four Gypsy and Travellers Sites in the county.

Approval of Additional Capital Schemes

- 91 The need to invest in Capital Infrastructure during the economic downturn is seen as an essential means of regenerating the local economy and for job creation. Additional investment will maintain and improve infrastructure across the County, help retain existing jobs, create new jobs and ensure the performance of key Council services are maintained and improved.
- 92 After considering all relevant factors, the MOWG have recommended that the following value of schemes be approved for inclusion in the Capital Programme. Full details of these schemes are detailed in Appendix 6.

Table 18 – Additional Capital Schemes for 2012/13 and 2013/14

Service Groupings	2012/13	2013/14
	£m	£m
ACE	1.260	1.260
AWH	0.450	-
CYPS	15.619	8.550
Neighbourhoods	16.197	14.688
RED	17.926	15.646
Resources	8.706	3.200
TOTAL	60.158	43.344

- 93 The investments detailed in Appendix 6 will ensure the Council continues to invest in priority projects and key maintenance projects. Investments have been recommended for 2012/13 and 2013/14 to ensure that schemes can be effectively planned. Examples of the investments recommended are detailed below:

- (i) **Road Maintenance and Structural Patching 2012/13 - £12.179m, 2013/14 - £11.632m**

Maintenance of all elements of the adopted network, including remedial works due to winter damage.

- (ii) **Broadband 2012/13 - £5.8m, 2013/14 - £1.1m**

This budget introduces the grant funding which is matched by the County Council for superfast broadband capability across the County.

- (iii) **Disabled Facilities 2012/13 - £1m, 2013/14 - £1m**

This funding supplements the Disabled Facilities Grant and will assist in supporting vulnerable people across the County, increasing independence and choice.

(iv) **East Durham Rail Station 2012/13 - £0.25m, 2013/14 - £2m**

To build a new rail station on the Durham Coast Rail Line to improve opportunities for employment, access to services and to attract new investment.

(v) **Relocation of Crook Library 2012/13 £0.45m**

Invest in the relocation of the Library into the Civic Centre providing a modern and high quality facility.

94 The £3.6m reduction in DfE funding will restrict the Council's capability to invest in key projects and will delay when schemes could be developed. The full impact of this 27% reduction in funding will not be clear until the result of the Council's Private Finance Initiative (PFI) bids for Seaham School of Technology and Trinity Special School are announced by the Government.

95 It is also recommended that a commitment to maintain investment over and above grant levels is maintained across the MTFP. At this stage a sum of £30m will be included in forward plans, financed as follows:

Table 19 – Funding Available to Support Capital Programme

	£m
Prudential Borrowing	20
Capital Receipts	10
TOTAL	30

- 96 If approved by Council, the 2012/13 – 2015/16 base Capital Budget will be as follows:

Table 20 – New MTFP Capital Programme

Service Grouping	2012/13	2013/14	2014/15	2015/16	Total
	£m	£m	£m	£m	£m
ACE	3.703	2.619	-	-	6.322
AWH	2.059	1.862	4.584	-	8.505
CYPS	96.580	42.055	0.533	-	139.168
Neighbourhoods	29.867	15.949	1.054	-	46.870
RED	43.079	17.038	0.250	-	60.367
Resources	22.148	5.650	0.491	-	28.289
Other	-	9.924	30.000	30.000	69.924
Total	197.436	95.097	36.912	30.000	359.445
Financed by					
Grants & Contributions	85.490	44.172	-	-	129.662
Revenue and Reserves	5.426	1.607	0.807	-	7.840
Capital Receipts	18.634	10.000	10.000	10.000	48.634
Capital Receipts – BSF/Schools	2.974	8.000	3.000	-	13.974
Borrowing	84.912	31.318	23.105	20.000	159.335
Total	197.436	95.097	36.912	30.000	359.445

Recommendations

- 97 **It is recommended that Members**
- (i) **Approve the revised 2011/12 Capital budget of £167.929m.**
 - (ii) **Approve that the additional schemes detailed in Appendix 6 be included in the Capital Budget. These capital schemes will be financed from the additional Government grants available, from match funding attained, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.**
 - (iii) **Approve the Capital Budget for the 2012/13 to 2015/16 MTFP detailed in Table 20.**
 - (iv) **Approve the continued inclusion of £30m of capacity annually across the MTFP funded from Prudential Borrowing and Capital Receipts.**

Savings Proposals

- 98 The savings proposals within the 2012 – 2016 MTFP are substantially made up of proposals developed last year. The approach taken has been to build on these proposals and to continue to protect, as far as possible, front line service delivery. Management and back office savings have been prioritised,

as have efficiency and value for money reviews. In addition, services have sought to maximise income wherever feasible / possible.

- 99 Many of the proposals included in the MTFP will be subject to separate individual reports and consultation exercises prior to implementation. Members will note that Cabinet have already considered detailed reports and made policy decisions on a range of 2012/13 savings e.g. home to school transport; management options appraisal for the creation of a Culture and Leisure Trust; and an alternate weekly refuse and recycling collection service.
- 100 The following paragraphs give an overview of the recommended key savings proposals across the new MTFP period by service grouping and supplement the equality impact assessment process detailed in paragraphs 127 to 150.

Assistant Chief Executive

- 101 The MTFP includes proposals to save c£1.9m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relate to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £1.92m of savings achieved in 2011/12. Members will recall that the MTFP savings in this service grouping were substantially front loaded in the 2011 – 2015 MTFP.
- 102 In considering proposals to achieve the required savings, the focus within Assistant Chief Executive's has also been on ensuring it provides an effective support service to the Council through a period of considerable change.
- 103 The overall approach taken aligns to the consultation feedback which identified areas such as Communication, Policy, Improvement, Scrutiny and AAP budgets as the areas which should be reduced by more than the average. The service has planned to use £69K of its cash limit reserve as part of its savings proposals in 2012/13.

Adults Wellbeing and Health

- 104 The MTFP includes proposals to save c£26.8m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relate to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £19.4m of savings achieved in 2011/12.
- 105 The majority of savings proposals identified for 2012/13 build on the successful introduction of the Re-ablement Service; the adult care charging review and the consistent and effective application of the existing eligibility criteria in 2011/12, which have either produced greater savings than was originally forecast or where the savings in 2011/12 were only part year
- 106 Significant value for money savings have been put in place during the current year as a result of the successful re-tendering of the domiciliary care contract and the agreement in relation to independent sector residential care home fee levels. The savings from this are built into the 2012/13 proposals.

- 107 Proposals for the rationalisation and review of in house social care provision will continue to be developed and considered whilst ensuring that care needs of service users involved continue to be met in the most appropriate way. In terms of the Library Service, the savings are based on proposals to reduce opening times and a review of the mobile library services, with a move towards these services forming part of a Cultural and Leisure Trust in 2013/14. No libraries are proposed to be closed as part of these proposals.
- 108 Where proposals impact on front line services these will be subject to a full consultation exercise before any final decisions are made and changes implemented.

Children and Young People's Services

- 109 The MTFP includes proposals to save c£13.3m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £17.9m of savings achieved in 2011/12, which included the impact of reductions in Area Based Grants relevant to this service grouping.
- 110 In considering proposals to achieve the required savings, the focus within Children and Young People's Services has also been on assessing and responding to the impact of the Government's policies on Academies; changes in the Local Services Support Grant (to ensure that children from low income families continue to benefit from enhanced school choice supported by free home to school transport); and changes to the Early Intervention Grant (to reflect new responsibilities for providing a free early education entitlement to two year olds, beginning with those children living in the most disadvantaged localities).
- 111 For 2012/13, additional income will be derived from charges to schools for free school meal verification and increased trading of the school improvement services; finance support and other infrastructure costs will be reduced due to the end of the Sure Start grant regime; the management structure of the Youth Offending Service is also being reviewed.
- 112 Major policy changes with regards to Home to School Transport will apply from September 2012 and, due to the scale of spend on this area, will be a key aspect of MTFP savings for the next 5 years, as the revised policy is applied each year to new intakes of Primary and Secondary age pupils.
- 113 The service has planned to use £0.93m of its cash limit reserve as part of its savings proposals in 2012/13.

Neighbourhood Services

- 114 The MTFP includes proposals to save c£14.2m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £8.50m of savings achieved in 2011/12.

- 115 In considering proposals to achieve the required savings, the focus within Neighbourhood Services has placed an emphasis on proposals for savings through efficiencies and through increased value for money, including the rationalisation of back office support functions, reviewing arrangements for the management of Council buildings, and the creation of a Cultural and Leisure Trust. The continued future funding of the Lamplight Centre in Stanley will be reviewed in 2012/13.
- 116 Opportunities identified for additional income include increases to burial charges to levels in line with other neighbouring authorities, introducing charges for pest control services which are currently provided free of charge, in line with the approach taken by many other authorities, and the introduction of car parking charges at Hardwick Park.
- 117 Within the proposals identified, savings will be achieved through the continued harmonisation of service provision as well as changes to operational delivery through more efficient and streamlined ways of working; these proposals include reviewing grounds maintenance, the introduction of a county wide alternate weekly refuse and recycling collection service, a review of Education and Enforcement and street cleansing, and a restructure within Environment, Health and Consumer Protection.
- 118 Neighbourhoods have excluded winter maintenance from its savings proposals, in direct response to consultation feedback and sought to limit any reductions in highways maintenance.

Regeneration and Economic Development

- 119 The MTFP includes proposals to save c£4.4m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £13.5m of savings achieved in 2011/12, which included the impact of reductions in Area Based Grants relevant to this service grouping.
- 120 In considering proposals to achieve the required savings the focus within Regeneration and Economic Development has been on realising savings from a range of efficiency reviews, including a full service grouping review and restructure and proposed changes to the Supported Housing Service and a review of the CCTV service.
- 121 Opportunities identified for additional income include proposals to increase income within the transport and planning services, including both increasing existing charges and introducing new charges.

Resources

- 122 The MTFP includes proposals to save c£8.4m over the lifetime of the 2012 – 2016 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the 2011 – 2015 MTFP. This is in addition to the £2.9m of savings achieved in 2011/12

- 123 In considering proposals to achieve the required savings the focus within Resources has also been on ensuring it provides an effective support service to the Council through a period of considerable change. Given the nature of the service nearly all of the savings proposed are in management and support service costs.
- 124 The proposals include reviewing all areas of the service grouping alongside the introduction of a more centralised approach to the provision of support services, such as finance and human resources.
- 125 The proposals are entirely consistent with the feedback from the budget consultation which identified the Resources Strategic Grouping as the main area where savings should be made. As members will be aware, the savings targets across the 2011 – 2016 MTFP period are greater in Resources than all other service groupings.

Recommendations

- 126 **It is recommended that Members**
- (i) **Note the approach taken by Service Groupings to achieve the required savings.**

Equality Impact Assessment of the Medium Term Financial Plan

- 127 This section updates Members on the outcomes of the equality impact assessment of the MTFP and summarises the potential cumulative impact of the 2012/13 proposals.
- 128 Equality impact assessments are an essential part of the decision making process, building them into the MTFP process supports decisions which are both fair and lawful. The aim of the assessments is to:
- (i) identify any disproportionate impact on service users or staff based on the protected characteristics of age, gender (including pregnancy/maternity and transgender), disability, race, religion or belief and sexual orientation
- (ii) identify any mitigating actions which can be taken to reduce negative impact where possible, and
- (iii) ensure that we avoid unlawful discrimination as a result of MTFP decisions.
- 129 The Council is subject to the legal responsibilities of the Equality Act 2010 which, amongst other things, make discrimination unlawful in relation to the protected characteristics listed above and require us to make reasonable adjustments for disabled people. In addition, as a public authority, we are subject to legal equality duties in relation to the protected characteristics. The public sector equality duties require us to:
- (i) eliminate unlawful discrimination, harassment and victimisation;

- (ii) advance equality of opportunity; and
 - (iii) foster good relations between those who share a protected characteristic and those who do not.
- 130 The Equality and Human Rights Commission (EHRC) issued 'Using the equality duties to make fair financial decisions: a guide for decision makers' in September 2010. The guidance states that "equality duties do not prevent you from making difficult decisions such as reorganisations and relocations, redundancies and service reductions nor do they stop you making decisions which may affect one group more than another. What the equality duties do is enable you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and the rights of different members of your community."
- 131 The EHRC guidance also states that it is important "to remember that potential impact is not just about numbers. Evidence of a serious impact that may affect a small number of individuals is just as important as a potential impact affecting many people".
- 132 A number of successful judicial reviews during 2011 reinforced the need for robust consideration of the public sector equality duties and the impact on protected characteristics in the decision making process. Members must take full account of the duties and accompanying evidence when considering the MTFP proposals.

Reducing Equalities Impacts Through Our Overall MTFP Approach

- 133 In terms of the ongoing programme of budget decisions the Council has taken steps to ensure that impact assessments:
- (i) are built in at the formative stages so that they form an integral part of developing proposals with sufficient time for completion ahead of decision making;
 - (ii) are based on relevant evidence, including consultation where appropriate, to provide a robust assessment;
 - (iii) objectively consider any negative impacts and alternatives or mitigating actions so that they support fair and lawful decision making;
 - (iv) are closely linked to the wider MTFP decision-making process;
 - (v) build on previous assessments to provide an ongoing picture of cumulative impact.

Equality Impact Assessment Process

- 134 The process for identifying and completing impact assessments in relation to the MTFP has been co-ordinated through Heads of Service with support from the corporate Equalities Team in the form of briefings, training sessions, specific advice and direct support. Services were asked to consider all Year 2 proposals, including delegated decisions, and identify the level of assessment

required – either ‘screening’ or ‘full’ depending on the extent of impact and the deadline for the final decision.

- 135 The Equalities Team have reviewed all of the assessments in order to provide a level of quality assurance and build a picture of the ongoing cumulative impact. Whilst individual decisions may be deemed to have a relatively minor impact the combined effect of them may be significant. The Council’s approach to the MTFP has sought to minimise impact on frontline services but we recognise the need to consider any combined impact on service users and staff.

Progress on Completing Impact Assessments

- 136 A total of 65 assessments will be made available for Members to inform their decisions on individual proposals. Some are existing assessments from 2011/12 where there is a continuation of a savings proposal, some are new assessments and a small number of screenings record that an assessment is not required.

Service	Assessments returned
ACE	6
AWH	18
CYPS	16
Neighbourhoods	13
RED	6
Resources	6

- 137 All documentation will be available for Members via the Member Support team ahead of the Cabinet and Council decision-making meeting (by Tuesday 31 January).

Summary of Equality Impact of 2012/13 MTFP Proposals

- 138 Services were required to identify any disproportionate impact likely to arise from implementing each savings proposal. There are ongoing cumulative impacts as a result of decisions made by Council in setting the 2011/12 budget. Key ongoing proposals with equalities impacts this year include:

- (i) the review of home to school transport, which is being implemented for new students from September 2012.

- 139 The main equalities impacts in relation to new savings proposals are summarised below. In some cases the effect of the saving would apply to all service users but could have a greater impact for some, for example, changes to library services would affect all users but could impact more on age, gender and disability. Other proposals relate to targeted services which would have a more focused impact, for example, changes to learning disability respite care will impact specifically on disabled people and their carers.

- (i) ACE proposals are mainly continuations of 2011/12 savings which included impacts on age, disability, faith and sexual orientation:

- Funding to voluntary and community sector infrastructure organisations could impact on local groups supporting older and younger people, those with disabilities and faith based groups.
- (ii) AWH proposals include impacts on age, disability and gender:
- The review of social care charges whilst delivering a fairer charging regime overall, means some people may contribute more towards service costs. This could impact on many service users who are older people, mainly women, and disabled people.
 - The review of stair lift maintenance, which could impact on service users who are older people and disabled people, will be subject to a full impact assessment ahead of decision-making.
 - The Library service review could affect all equality groups to varying degrees through reduced opening hours and changes to mobile halts which could mean increased travel to alternatives. A full assessment has been drafted and will be updated before the final decision is made to take account of consultation responses from individuals and organisations.
 - The closure of Dean Lodge (providing a learning disability respite service) could have a potential impact in relation to gender, age and disability. Mitigating actions were discussed by Cabinet on 25 January, including sign posting to alternative provision.
- (iii) CYPS proposals mainly relate to changes in support functions as well as ongoing savings related to transport which include impacts on age due to the nature of services provided as well as gender, disability and religion.
- (iv) Neighbourhoods impact assessments cover a range of areas with impacts mainly on age, disability and gender:
- A number of proposals relate to the increase or introduction of charges. Whilst each is likely to affect a range of people there are particular equality issues linked to burial fees, pest control and parking at Hardwick Park. The potential impacts relate to those on lower incomes which include older people, disabled people and lone parent families.
 - The review of waste collection could affect many people but may have particular impacts including disability, gender and age, for example those with babies or young families may have greater need for regular waste collection whilst older or disabled people may rely on others for assistance and have difficulty dealing with any build up of waste.
 - Funding for the Lamplight centre is being reviewed which may affect the services offered in the area, this includes potential

impacts on access to leisure and activities for older and younger people if they needed to travel to alternative provision but final decisions on implementing the proposal will be made following consultation.

- The management options appraisal for leisure services could have impacts on both service users and staff. The impact assessment identifies mitigating actions to maintain a range of provision and access to facilities for everyone

(v) RED proposals include impacts in relation to gender, age and disability:

- The review of the Access Bus service would impact on disabled people given the nature of the service; there are also potential linked impacts to age and gender. Further evidence will be gathered as part of the review and a full impact assessment completed before a final decision is made.
- Changes to CCTV provision are likely to impact on a wide range of people but there may be particular impacts on older and younger people, including women and younger men in relation to vulnerability and fear of crime.

(vi) Resources proposals relate to support and back office functions so mainly impact upon staff.

140 It should be noted that there is less data and evidence available in relation to race, religion or belief and sexual orientation which could account for fewer impacts being identified. Ongoing monitoring of the actual impact on all groups is an integral part of the assessment process so we will continue to assess the effect of reductions including complaints and consultations or changing levels of demand from particular groups.

141 Cumulative impacts are most likely in relation to increased costs or charges, travel to alternative provision, reduced or loss of access to a particular service or venue. This is more likely to affect those on low income or without access to personal transport or reliant on others for support which impacts on disability age and gender.

Summary of Impacts on Staff

142 There are a number of assessments relating to impact on staff. Those relating to vacant posts, which do not directly affect a member of staff, consider any equality aspects delivered by that post and ensure there is evidence that the work is covered by alternative arrangements. Where members of staff are at risk then Services were asked to include equality profiles of those affected unless this relates to low numbers which risks compromising data protection. Service restructures or major staffing reviews are usually subject to a full impact assessment which is updated during the process to consider the actual impacts following consideration of early retirement and/or voluntary redundancy (ER/VR) requests or compulsory redundancies.

- 143 It should be noted that Resourcelink data is used for all protected characteristics but some areas are limited to information which has been provided by staff so figures for disability, race, religion or belief and sexual orientation are likely to be under-reported.
- 144 The impacts of the 2012/13 proposals are comparable to those reported in the Cabinet MTFP report of 26th January 2011. In summary those impacts are:
- (a) **Age** – potential impact in relation to employees over the age of 50 who may feel at greater risk of redundancy in restructures or feel under pressure to pursue early retirement and the potential difficulties of obtaining alternative employment. The impacts are not limited to older staff, younger staff at risk may have greater financial burdens in terms of mortgages or young families, they may also find it difficult to obtain alternative employment due to lower levels of experience.
 - (b) **Gender** – potential impact on both men and women, for example where reviews relate to services with traditional gender roles or there is a focus on senior posts which are more likely to be male employees or on administrative roles which are more likely to be female employees.
 - (c) From the Service returns there are some disabled staff and staff from black or ethnic minority backgrounds included in reviews and restructures but the overall numbers are low which reflects the broader workforce profile data.
 - (d) Data on the religion or belief and sexual orientation of staff is now collected but the reporting rates are still very low, we assume that there will be a range of staff affected but figures are not included in equality impact assessments.
- 145 Across the workforce as a whole there are more women than men so statistically more are likely to be affected. Reducing management posts and some technical posts is more likely to affect men. Where possible our assessments have included profile information to help us understand the broader staff implications, in many cases any final reductions will be affected by early retirement, voluntary redundancy and redeployment so we will continue to monitor the ongoing equality impacts.

Mitigating Actions

- 146 Where funding reductions do affect service provision existing adjustments for particular groups will continue to be made as far as possible, the Council will still meet our legal duty to provide reasonable adjustments for disabled people, we will continue to monitor service use and employment to ensure we meet equality responsibilities and we will include equality in our service planning processes so that any opportunities to improve in future can be implemented.
- 147 Where the individual MTFP assessments have identified impacts on service delivery mitigating actions generally include ensuring effective communication so that service users can make informed choices or find alternatives, implementing new or improved ways of working, working with partners and

transition arrangements. Consultation on specific proposals provides valuable evidence on the impact and potential mitigating actions. Ongoing monitoring will also enable the Council to identify the actual impact and additional mitigating actions in future but many will rely on the availability of new funding or on more effective partnership approaches.

- 148 Where there are staff at risk Services are required to follow corporate HR procedures to ensure fair and consistent treatment, although the impact of staff reductions cannot be easily mitigated it is important all decisions are lawful. The Change Management procedures require Services to consider equality issues including reasonable adjustments for disabled staff, ensuring that those on maternity or long-term sickness are included in communications and that tailored support is available where necessary (for example, pensions advice takes gender differences into account).

Key Findings

- 149 The equality impact assessments are vital in order to understand potential outcomes for protected groups and mitigate these where possible. The main equalities impacts of Durham's 2012/13 MTFP proposals relate to age, disability and gender. The main mitigating actions include development of alternative provision models, transition arrangements, partnership working and alternative sources of support where possible, and ongoing monitoring of impacts. There will be continued focus on equalities issues as we move into years 2013/14 to 2015/16 of this MTFP, with cumulative equality impacts revisited and reviewed each year. In some cases impact assessments are initial screenings with a full impact assessment to follow at the point of decision, once all necessary stakeholder consultation has been completed.

Recommendations

- 150 **Copies of the impact assessments will be made available for Members ahead of the Cabinet and Council meetings. Members are asked to ensure that the public sector equality duties and impact assessments are taken into account during the decision making process and are recommended to:**
- (i) **Note the equality impacts identified and mitigating actions.**
 - (ii) **Note the programme of future work to ensure full impact assessments are available where appropriate at the point of decision, once all necessary consultations have been completed**
 - (iii) **Note the ongoing work to assess cumulative impacts over the MTFP period which is regularly reported to Cabinet.**

Workforce Considerations

- 151 The 2011/12 Budget Report to Council on 23rd February 2011 identified that 'after taking into account the estimated deletion of 350 vacant posts from the establishment, it was expected that a further reduction in full time equivalent

posts of around 1,600 would be necessary across the MTFP period. This forecasted decrease equates to a 20% reduction in posts, excluding schools.

152 A range of actions have taken place in the last year to mitigate the potential for compulsory redundancies and to ensure that there is clear communication with employees as detailed below;

- (i) high level employee communications have continued to raise awareness of the significant financial challenges facing the Council
- (ii) employees have taken advantage of the ability to work flexibly and to purchase extra holidays
- (iii) a large number of employees have accepted early retirement and/or voluntary redundancy
- (iv) the Council continues to follow a robust system for the management of vacancies
- (v) where employees are at risk, a support programme is available including career planning and guidance, financial advice, sign posting to external agencies and partners for support in areas such as education and training, starting a business and job searches outside the Council
- (vi) over 340 employees who were at risk of compulsory redundancy have secured new employment within the Council after successful trial periods in the new roles.

153 **It is recommended that Members:**

- (i) Note the position on workforce considerations.**

Pay Policy

154 The Localism Act requires the Council from 2012/13 to prepare an annual pay policy statement which sets out the authority's policies relating to the remuneration of its Chief Officers, and how this compares with the policy on the remuneration of its lowest paid employees.

155 The first policy document must be approved by a resolution of the Council by 31 March 2012 and then by the end of March each subsequent year, although the policy can be amended by a resolution of the Council during the year.

156 Additionally, the Act requires that in relation to Chief Officers the policy must set out the authority's arrangements relating to:

- (i) The level and elements of remuneration for each Chief Officer
- (ii) Remuneration of Chief Officers on recruitment
- (iii) Increases and additions to remuneration for each Chief Officer
- (iv) The use of performance-related pay for Chief Officers
- (v) The use of bonuses for Chief Officers

- (vi) The approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority, and
- (vii) The publication of and access to information relating to remuneration of Chief Officers.

157 Attached at Appendix 7 is a recommended Policy Statement for Durham County Council for Cabinet consideration that outlines the details for the authority for 2012/13, in line with the above requirements.

Recommendation

158 **It is recommended that Members:**

- (i) Approve the pay policy statement at Appendix 7 which will require final approval by Council.**

Risks

159 A number of risks will need to be managed and mitigated during the MTFP process. These risks will be assessed continually throughout the MTFP four year period. Some of the key risks already identified include:

- (i) Ensure the achievement of a balanced budget and financial position across the MTFP period.
- (ii) Ensure all savings are risk assessed across a range of factors e.g. impact upon customers, stakeholders, partners and staff.
- (iii) The Finance Settlements for 2013/14 and 2014/15 are estimated based upon the original CSR. The Government has confirmed that the next Finance Settlement will be for the two year period 2013/14 to 2014/15 but will not be announced until December 2012. This leaves Councils little time to plan effectively, especially if the settlement should be significantly worse than forecast.
- (iv) The localisation of the Business Rates from April 2013 will result in the Council being subject to a wide range of risks relating to the state of the local economy over which the Council will have very little control. The MTFP Model assumes the outcome for the County Council will be cost neutral after receiving a 'top-up' payment.
- (v) Pay Award – the current 2012/13 budget model assumes there will be no pay award.
- (vi) Localisation of Council Tax Support from April 2013 – if implemented, the Government will top slice the Council Tax Benefit Transfer by 10% which equates to circa £6m. The Model assumes this impact will be passported fully via a revised Council Tax Benefit Scheme.
- (vii) The MTFP model builds in assumptions in relation to Concessionary Fares. There are still inherent risks however in relation to bus services due to inflationary pressures linked to fuel, further pressures due to withdrawn Government grants, and increases in demand.

- (viii) AWH relies heavily on the independent sector to provide adequate volumes of appropriate services for service users. Market pressures and increases in minimum wage levels will mean that the rates the Council pays will require careful consideration in the later years of the MTFP period.

Recommendation

160 **It is recommended that Members:**

- (i) **Note the key risks to be managed over the MTFP period.**

Dedicated School Grant (DSG) and School Funding

- 161 DfE is still consulting on significant changes to the way schools and academies are funded and the indications are a new National funding Formula will be introduced. No revisions to current distribution patterns will be made for the 2012/13 financial year.
- 162 The value of DSG per pupil continues to be 'cash flat' which means schools will be required to manage any inflationary increases.
- 163 The Guaranteed Unit of Funding per pupil is set at £5,067.56 for County Durham. A modest reduction in school and early years numbers indicates that the 2012/13 DSG value will be around £342.15m.
- 164 However, the establishment of academies means that by April 2012 it is expected around £77m of DSG will go direct to the new Education Funding Agency to fund academies, rather than to the County Council.
- 165 For schools and academies the Pupil Premium, linked to free school meals entitlement, rises in 2012/13 to £600 per pupil. The scope is extended to embrace pupils who have 'ever' been entitled to a FSM over a 6 year period. In overall terms, this is expected to bring £11.7m into County Durham establishments.

Recommendation

166 **It is recommended that Members:**

- (i) **Note the position on the DSG.**

Prudential Code

- 167 This section outlines the Council's prudential indicators for 2012/13 to 2014/15 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:
- The reporting of the prudential indicators, setting out the expected capital activities as required by the CIPFA Prudential Code for Capital Finance in Local Authorities as shown at Appendix 8.

- The Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 as shown at Appendix 8.
- The Treasury Management Strategy statement which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the 'Authorised Limit', the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix 8.
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance and is also shown in Appendix 8.

168 The above policies and parameters provide an approved framework within which the officers undertake the day to day capital and treasury activities.

Recommendations

169 **It is recommended that Members:**

- (i) **Agree the Prudential Indicators and Limits for 2012/13 to 2014/15 contained within Appendix 8 of the report, including the Authorised Limit Prudential Indicator.**
- (ii) **Agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 8 which sets out the Council's policy on MRP.**
- (iii) **Agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 8**
- (iv) **Agree the Investment Strategy 2012/13 contained in the treasury management strategy (Appendix 8 and the detailed criteria included in Appendix 8).**

Recommendations and reasons

170 This section of the report details all of the recommendations from within the body of the report.

171 **It is recommended that Members:**

- (a) **Local Government Finance Settlement**

- (i) **Note the confirmation of the £223.2m 2012/13 Finance Settlement, which is in line with the CSR announcement.**
 - (ii) **Note the forecast further reductions in Government support in 2013/14 and 2014/15 of £2.28m and £2.44m due to the imposition of the 1% pay increase cap.**
 - (iii) **Note the forecast of continuing reductions in Government support in 2015/16 and 2016/17.**
- (b) Consultation**
- (i) **Note the basis on which the consultation carried in 2010 has informed the budget setting process and the ongoing commitment to carry out targeted consultation prior to commencing service changes where they would impact service users**
- (c) 2011/12 Revenue Outturn**
- (i) **Note the 2011/12 Forecast of Outturn contribution to General Reserve.**
 - (ii) **Agree that the Corporate Director Resources be authorised to make decisions, as necessary, in the interests of the Council to finalise the Statement of Accounts for 2011/12.**
- (iv) 2012/13 Revenue Budget and Council Tax**
- (i) **Approve the identified base budget pressures.**
 - (ii) **Approve the Service Grouping investments detailed in the report.**
 - (iii) **Approve the savings plans detailed in the report.**
 - (iv) **Approve the acceptance of the Council Tax Freeze Grant and thereby leave County Council' Council Tax levels unchanged.**
 - (v) **Approve the retention of the 10% Council Tax Discount for the owners of second homes.**
 - (vi) **Approve the 2012/13 Net Budget Requirement of £432.58m.**
- (v) MTFP and Financial Reserves**
- (i) **Note the forecast 2012/13 to 2015/16 MTFP financial position.**
 - (ii) **Set aside sufficient sums in Earmarked Reserves as it considers prudent to do so. The Corporate Director**

Resources will be authorised to establish such reserves as are required and to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.

- (iii) Aim to maintain, broadly, General Reserve levels of between at least 3% and 4% of the Net Budget Requirement or in cash terms between £13m to £17m.**
- (f) Capital Budget - Approval of Additional Capital Schemes**
 - (i) Approve the revised 2011/12 Capital budget of £167.929m.**
 - (ii) Approve that the additional schemes detailed in Appendix 6 be included in the Capital Budget. These capital schemes will be financed from the additional Government grants available, from match funding attained, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.**
 - (iii) Approve the Capital Budget for the 2012/13 to 2015/16 MTFP detailed in Table 20.**
 - (iv) Approve the continued inclusion of £30m of capacity annually across the MTFP funded from Prudential Borrowing and Capital Receipts.**
- (g) Savings Recommendations**
 - (i) Note the approach taken by Service Groupings to achieve the required savings.**
- (h) Equality Impact Assessment of the Medium Term Financial Plan**
 - (i) Note the equality impacts identified and mitigating actions.**
 - (ii) Note the programme of future work to ensure full impact assessments are available where appropriate at the point of decision, once all necessary consultations have been completed**
 - (iii) Note the ongoing work to assess cumulative impacts over the MTFP period which is regularly reported to Cabinet.**
- (i) Workforce Considerations**
 - (i) Note the position on workforce considerations.**

- (j) Pay Policy**
 - (i) Approve the pay policy statement at Appendix 7 which will require final approval by Council.**

- (k) Risks**
 - (i) Note that the key risks to be managed over the MTFP period.**

- (l) Dedicated Schools Grant (DSG) and School Funding**
 - (i) Note the position on the DSG.**

- (m) Prudential Code**
 - (i) Agree the Prudential Indicators and Limits for 2012/13 to 2014/15 contained within Appendix 8 of the report, including the Authorised Limit Prudential Indicator.**
 - (ii) Agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 8 which sets out the Council's policy on MRP.**
 - (iii) Agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 8**
 - (iv) Agree the Investment Strategy 2012/13 contained in the treasury management strategy (Appendix 8 and the detailed criteria included in Appendix 8).**

Appendix 1: Implications

Finance – The report sets out recommendations on the 2012/13 Budget and 2012/13 – 2015/16 MTFP.

Staffing - The report details the impact on staffing for the period to 31st March 2013 with an estimated reduction in posts of 1,251 including the deletion of 261 vacant posts.

Risk – A robust approach to Risk Assessment across the MTFP process has been followed including individual risk assessment of savings plans.

Equality and Diversity – Full information on equality and diversity is contained within the report.

Accommodation – The Council's Corporate Asset Management Plan is aligned to the corporate priorities contained within the Council Plan. Financing for Capital investment priorities is reflected in the MTFP Model.

Crime and Disorder - It is recognised that the changes proposed in this report could have a negative impact on crime and disorder in the County. However, the Council will continue to work with the Police and others through the Safe Durham Partnership on strategic crime and disorder priorities and to identify local problems and target resources to them.

Human Rights - Any human rights issues will be considered for each of the proposals as they are developed and decisions made to take these forward. There are no human rights implications from the information within this report.

Consultation - A comprehensive consultation programme was carried out in 2010 involving over 8,000 local people to inform the Council's budget for the four year period of the 2011-2015 MTFP. These results have been used to inform the budget proposals set out in this report supplemented by further consultation with the 14 Area Action Partnerships. In addition, as highlighted in this report, prior to proposed budget changes being implemented, where they impact on service users, they are subject to targeted consultation.

Procurement – Wherever possible Procurement savings are reflected in Service Groupings savings plans.

Disability Discrimination Act – All requirements will be assessed in Equality Impact Assessments.

Legal Implications – The Council has a statutory responsibility to set a balanced budget for 2012/13. It also has a fiduciary duty not to waste public resources.

MTFP BUDGET SAVINGS 2012/13 TO 2015/2016

ASSISTANT CHIEF EXECUTIVE

Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
ACE1	Review of Policy and Communications Function	60,500				60,500
ACE3	Management Review within ACE			186,642	16,358	203,000
ACE4	Rationalise Performance, Research and Inspection Support	132,563				132,563
ACE5	Reduce research activity	26,000			26,000	52,000
ACE8	Review AAP Administration	154,344	35,745			190,089
ACE9	Review Partnership Support	218,448	41,019	35,745		295,212
ACE11	Reduce Member Neighbourhood Budgets		630,000			630,000
ACE12	Review support to Principal Infrastructure Organisations	58,580				58,580
ACE13	Review support to community buildings	50,000				50,000
ACE14	Review of the Civil Contingencies Unit		15,561	4,439	20,000	40,000
ACE15	Use of cash limit	69,325	-69,325			0
ACE16	Review community building grant				35,039	35,039
ACE17	Rationalisation of supplies and services	40,852				40,852
ACE18	Review of locality budgets				122,640	122,640
ACE19	Review of parish budget			34,650		34,650
ACE20	Reduction in costs of County Durham News	10,000				10,000
TOTAL ACE		820,612	653,000	261,476	220,037	1,955,125

ADULTS WELLBEING AND HEALTH

Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
AWH2	In house Home Care: Move to Reablement Service	700,000				700,000
AWH3	Review of in-house social care provision	958,000	890,000			1,848,000
AWH5	Consistent and effective application of existing eligibility criteria	330,000				330,000
AWH6	Adult Social Care Charging - full year effect of the introduction of charging for day care & transport/annual reassessment of service user contributions	1,050,000	400,000	400,000		1,850,000
AWH7	Review of Adult Care Service Level Contracts	3,075,000	40,000	40,000	40,000	3,195,000
AWH9	Review of Transport Commissioning	250,000				250,000
AWH10	Library Service Review	570,000	230,000	328,000		1,128,000
AWH11	Review Create	30,000				30,000
AWH12	Review of Funding for Arts development and external arts	20,000	30,000			50,000
AWH14	Gala Theatre - Review of operating costs	90,000				90,000
AWH16	Adult Learning Service Review	120,000				120,000
AWH17	Review of WorkAble Solutions	50,000				50,000
AWH19	Review Grant Support to Citizens Advice Bureau	26,500	26,500			53,000
AWH20	Review Community Safety Services		86,000			86,000
AWH22	Management and support services staffing restructures and service rationalisation	1,128,500	4,175,500	5,368,000	3,172,000	13,844,000
AWH23	Review of all non statutory services		3,070,000			3,070,000
AWH24	Review of service user surveys		30,000			30,000
AWH25	Review capacity to support Safe Durham Partnership		69,000			69,000
AWH27	Use of Cash Limit	690,000	-690,000			0
TOTAL AWH		9,088,000	8,357,000	6,136,000	3,212,000	26,793,000

CHILDREN AND YOUNG PEOPLES SERVICE						
Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
CYPS1	Reduced operating costs	50,000				50,000
CYPS2a	Increased income	342,780				342,780
CYPS2b	Music service phased self financing	50,000	70,000	91,000		211,000
CYPS3a	Integrated Teams - operational efficiencies	300,000	50,000			350,000
CYPS3b	Restructured management and support service	168,500				168,500
CYPS4a	Review Educational Psychological Service	100,000				100,000
CYPS4b	Revised Special Educational Needs support team structure	209,460				209,460
CYPS5a	Outdoor education to rationalise and become self financing - other than for Free School Meals pupils	50,000	50,000	60,000		160,000
CYPS5b	Reduced spend on curriculum / school improvement	100,000				100,000
CYPS7a	Revenue contribution phases out for primary free school meals pilot	70,000				70,000
CYPS8	Revised Specialist Safeguarding Services management and vacancies	172,000	15,000			187,000
CYPS11	Reduced Management - Youth Offending Service	200,000	100,000			300,000
CYPS12	Reduced support functions - Finance Teams	120,000				120,000
CYPS13	Reduced spend on Admin Support function and training	144,760	70,000			214,760
CYPS15a	Reduce level of Education Welfare Service / Management Structure	40,000				40,000
CYPS15b	Review home to school/college transport policies	2,210,000	1,300,000	1,300,000		4,810,000
CYPS15c	Charges for concessionary seats on contract vehicles - September 2011	85,000				85,000
CYPS17a	Youth Provision - premises transfer savings	25,000				25,000
CYPS17b	Cease support to shared/community use of schemes on school sites - September 2011	180,000				180,000
CYPS17c	Review of Early Years Structure	219,900				219,900
CYPS19	Vacancy management, efficiencies, service reductions		1,927,350	2,131,350	1,242,000	5,300,700
TOTAL CYPS		4,837,400	3,582,350	3,582,350	1,242,000	13,244,100

NEIGHBOURHOODS SERVICE						
Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
NS1	Review of Sport and Leisure facilities and rationalisation of Sports Development activities	638,226	20,000		80,000	738,226
NS2	Review of Back Office and Technical Support facilities	321,050	157,012		26,907	504,969
NS3	Structural reviews/Back Office rationalisation/Deletion of vacant posts/More efficient ways of working	1,649,923	1,089,923	618,194	346,712	3,704,752
NS4	Harmonisation and rationalisation of Grounds Maintenance Services	522,977	54,277	146,602		723,856
NS5	Waste and Recycling Service (Route optimisation/Harmonised collection and contractual arrangements)	867,710	363,726	95,200	11,732	1,338,368
NS6	Reassess Waste disposal costs		992,733	398,139	220,924	1,611,796
NS7	Review of Facilities Management	53,280	89,960	53,400		196,640
NS11	Review Highways Maintenance/School Crossing Patrols/Street Lighting	639,530	324,355	531,000	254,470	1,749,355
NS12	Street Cleansing Operations - Vehicle Rationalisation/Staffed Public Convenience	186,902	71,850	76,224		334,976
NS13	Increased diversion of waste - reduction in permits for Household Waste recycling Centres			60,000	222,000	282,000
NS14	Review sampling of water, food, products (Environment, Health and Consumer Protection)	10,000	2,000	15,000	15,000	42,000
NS15	Procurement Savings		45,000			45,000
NS16	Review of services provided by and contributions to external Partners	319,380	100,000	116,000		535,380
NS17	Increased income from new initiatives, above inflation increases in fees and charges and the introduction of new charges	521,053	260,004	475,000	100,000	1,356,057
NS18	Reduction in supplies and services and training	175,000			29,545	204,545
NS20	Review of governance and management arrangements in Leisure	368,664	247,233			615,897
NS21	Review of in-house service provision		200,000			200,000
TOTAL NEIGHBOURHOODS		6,273,695	4,018,073	2,584,759	1,307,290	14,183,817

REGENERATION AND ECONOMIC DEVELOPMENT						
Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
RED 1	Reduction in RED Staffing	1,432,297	229,450	144,630	250,000	2,056,377
RED 2	Reduction in supplies and services - Economic Development	415,114	250,972	248,625		914,711
RED 3	Reduction in supplies and services - Planning	103,275				103,275
RED 4	Reduction in supplies and services - Transport	10,000	10,000	57,500		77,500
RED 5	Reduction in contributions to outside bodies - Economic Development	30,000				30,000
RED 8	Income Generation - Planning	20,000	25,000	16,000		61,000
RED 9	Income Generation - Transport	164,000	24,360	50,000		238,360
RED 11	Planning - Deletion of S215 budget (blight works)	75,000	75,000			150,000
RED 13	Reduction in supplies and services - Housing	205,953	240,000	30,000		475,953
RED 14	Review of supplies and services across RED service grouping				211,000	211,000
TOTAL RED		2,455,639	854,782	546,755	461,000	4,318,176

RESOURCES						
Saving Ref	Description	2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
		£	£	£	£	£
RES1	Corporate Estates - Rationalisation of Staffing Structures	154,064	97,063	114,249	33,988	399,365
RES2	Corporate Procurement - Rationalisation of Staffing Structures	41,960	85,918	85,405		213,283
RES3	Planning and Investment Team - Rationalisation of Staffing Structures	24,787		115,130	24,787	164,704
RES4	Projects Team - Rationalisation of Staffing Structure	117,767	65,659		17,724	201,150
RES12	ICT efficiency in GIS Licenses - Reduction in Cost of VPN Circuits - Increased Charge RE BSF - Additional Income	1,031,537				1,031,537
RES13	Legal and Democratic - Review of Service Delivery	364,895	343,996	343,995	84,894	1,137,780
RES14	HR - Review of Service Delivery	394,081	389,760	535,960	107,371	1,427,172
RES15	Finance - Phase 1 and 2 Finance Unitisation	597,569	412,256			1,009,825
RES16	ICT - Review of Service Delivery		826,847	826,824	204,690	1,858,361
RES17	Finance - Review of Service Delivery				141,152	141,152
RES18	Finance - Revenues and Benefits Software Licence savings	166,152				166,152
RES19	Finance - Review of service delivery in Revenues and Benefits			465,000		465,000
RES20	Finance - Phase 3 of Finance Unitisation			106,999		106,999
RES21	Restructure of Audit and Risk	17,393	40,000	40,000	17,393	114,786
	TOTAL RESOURCES	2,910,205	2,261,499	2,633,562	631,999	8,437,265
		2012/2013	2013/2014	2014/2015	2015/2016	TOTAL
	TOTAL SAVINGS (ALL SERVICE GROUPINGS)	26,385,551	19,726,704	15,744,902	7,074,326	68,931,483

Appendix 3: Budget Summary – By Service Grouping

2011/12 Original Budget £000	2011/12 Projected Outturn £000		2012/13		
			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
		<u>Council Controlled Budgets</u>			
10,479	9,881	Assistant Chief Executive	14,279	2,910	11,369
176,328	170,205	Adults, Well-being and Health	246,762	74,329	172,433
105,274	108,000	Children and Young People's Service	164,290	63,445	100,845
99,290	105,683	Neighbourhood Services	217,518	119,342	98,176
39,617	41,801	Regeneration and Development	67,450	24,937	42,513
19,125	22,286	Resources	87,456	67,087	20,369
9,547	7,641	Contingencies	11,248	0	11,248
459,660	465,497		809,003	352,050	456,953
		<u>Non Council Controlled Budgets</u>			
0	0	Schools	328,643	328,643	0
0	0	Benefits	239,547	239,547	0
0	0		568,190	568,190	0
459,660	465,497	NET COST OF SERVICES	1,377,193	920,240	456,953
-49,020	-49,020	Reversal of Capital Charges			-49,115
26,271	24,674	Interest payable and similar charges			30,715
-577	-1,262	Interest and investment income			-577
436,334	439,889	NET OPERATING EXPENDITURE			437,976
		Less:			
-1,193	-3,448	Use of Reserves			-5,397
435,141	436,441	NET BUDGET REQUIREMENT			432,579
		Financed by:-			
-55,596	-55,596	Revenue Support Grant			-4,245
-179,861	-179,861	Re-distributed Non Domestic Rates			-219,006
-198,870	-198,870	Amount Required from Precepts			-201,788
-814	-814	Estimated net surplus on Collection Fund			0
0	0	Council tax Freeze Grant			-4,989
0	-1,300	New Homes Bonus			-2,551
0	0	SURPLUS (-) / DEFICIT FOR THE YEAR			0

Appendix 4: Budget Summary – By Expenditure and Income Type

	Original Budget 2011/12	2011/12 Projected Outturn Position	Original Budget 2012/13
	£'000	£'000	£'000
Employees	573,681	578,917	516,357
Premises	51,066	53,022	55,146
Transport	54,173	57,646	52,657
Supplies & Services	144,590	143,953	120,544
Agency & Contracted	211,392	229,347	228,245
Transfer Payments	231,690	236,424	258,751
Central Costs	86,329	96,158	83,997
Other	7,903	1,795	1,133
Capital Charges	49,020	49,020	49,115
Contingencies	9,547	7,641	11,248
GROSS EXPENDITURE	1,419,391	1,453,923	1,377,193
Income			
- Specific Grants	640,387	646,922	596,919
- Other Grants & contributions	24,854	37,579	26,232
- Sales	5,743	6,535	8,397
- Fees & charges	98,359	105,512	101,590
- Recharges	170,920	175,504	171,172
- Other	19,468	16,374	15,930
Total Income	959,731	988,426	920,240
NET COST OF SERVICES	459,660	465,497	456,953
Capital charges	-49,020	-49,020	-49,115
Interest and Investment income	-577	-1,262	-577
Interest payable and similar charges	26,271	24,674	30,715
Net Operating Expenditure	436,334	439,889	437,976
Less:			
Use of Reserves	-1,193	-3,448	-5,397
Net Budget Requirement	435,141	436,441	432,579
Financed by:-			
Amount required from council tax payers	-198,870	-198,870	-201,788
Estimated net surplus on Collection Fund	-814	-814	0
Council Tax Freeze Grant	0	0	-4,989
New Homes Bonus	0	-1,300	-2,551
Revenue Support Grant	-55,596	-55,596	-4,245
Re-distributed Non Domestic Rates	-179,861	-179,861	-219,006
Total Financing	-435,141	-436,441	-432,579

APPENDIX 5				
Medium Term Financial Plan 2012/13 - 2015/16 Model				
	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000
Savings to Achieve Financial Balance in Current MTFP	24,976	14,919	17,144	0
Net Government Grant Reductions	17,177	4,930	14,840	11,560
Council Tax Increase (2.5% each year)	0	-4,989	-5,117	-5,245
Council Tax Freeze Grant	-4,989	4,989	0	0
Council Tax Freeze Grant 2011/12 Adjustment	38	0	0	0
Council Tax - Collection Fund Adjustment	814	0	0	0
Council Tax Base - Estimated 2012/13 Increase	-800	0	0	0
Reduction of C.Tax Discount on Long Term Empty Homes	-2,100	2,100	0	0
New Homes Bonus	-2,550	0	0	0
Variance in Business Rate Income	0	0	0	0
Use of Earmarked/Cash Limit Reserve in AWH	-2,150	-2,000	3,150	1,000
Estimated Variance in Resource Base	5,440	5,030	12,873	7,315
Pay inflation (0% - 1% - 1% - 1.5%)	0	2,330	2,270	3,400
Price Inflation (2% - 2% - 1.5% - 1.5%)	2,500	2,500	1,650	1,650
Corporate Risk Contingency Budget	3,200	0	0	0
Staff Turnover Allowance - reduction from 3% to 2%	0	2,400	0	0
Base Budget Pressures				
Landfill Tax	1,070	1,011	964	917
Carbon Reduction Commitment - 'Carbon Tax'	0	200	0	0
Disturbance Allowances re Accommodation Strategy	0	0	-220	0
Additional Employer Pension Contributions	1,200	1,300	1,100	1,000
Concessionary Fares	850	600	600	600
Energy Price Increases	1,350	500	500	500
Fuel Price Increases	1,000	0	0	0
Pension Augmentation	1,850	0	0	0
Community Building running costs	180	0	-180	0
Housing Benefit Lost Admin Grant	520	-100	-100	-100
Animal Health Grant	83	0	0	0
Bank Compliance Software	0	100	0	0
Safeguarding Children - Increased volumes	1,500	0	0	0
AWH Demographic Pressures	2,150	2,000	2,000	2,000
Service Investment Priorities				
Contaminated Land	100	0	0	0
Community Governance Reviews	100	-50	0	0
Prudential Borrowing to fund new Capital Projects	500	2,000	2,000	2,000
Capital Financing for current programme	3,027	1,500	1,000	1,500
Investment Income	0	-415	0	0
TOTAL PRESSURES	21,180	15,876	11,584	13,467
SUM TO BE MET FROM SAVINGS	26,620	20,906	24,457	20,782
Savings				
MTFP Savings	-18,419	-19,726	-15,744	0
Additional 2% Savings	-7,073	0	0	-7,073
ABG Saving	-893	0	0	0
Additional Savings to Identify as part of 2013/14 Budget	0	-860	-8,713	-13,709
Sub Total	-26,385	-20,586	-24,457	-20,782
Other Savings				
Essential Car User	-210	-240	0	0
Car Mileage saving	-25	-80	0	0
TOTAL SAVINGS	-26,620	-20,906	-24,457	-20,782

ADDITIONS TO THE 2012/13 - 2015/16 MTFP CAPITAL PROGRAMME					
SER	NAME OF SCHEME	BACKGROUND	2012/13	2013/14	TOTAL
			£	£	£
ACE	Members Neighbourhood Budget	Continuation of Elected Members Neighbourhood Budget currently facilitated through the Area Action Partnerships. As established in the recently completed AAP review, projects funded through this resource have played a key role in the success of the Partnerships. The fund has resourced hundreds of frontline projects inline with priorities set by local communities and, at the time of the review, had levered in £8.6 million of additional resources.	1,260,000	1,260,000	2,520,000
		ACE Sub Total	1,260,000	1,260,000	2,520,000
AWH	Relocation of Crook library into former Civic Centre building with CAP	Crook Library is located in a stand-alone building that has been identified for sale and redevelopment as part of the regeneration of the town. Moving the Crook library into the Civic Centre presents a major opportunity to provide a modern, high quality library to serve Crook for many years into the future. It will enable the Council to improve the quality of service offered, with a more attractive and flexible layout, new furniture and improved IT. A shared reception desk between the library and customer access point will mean more opportunities for flexible working. The Council will also save money through reducing overhead costs associated with its buildings – as well as allowing the Council to dispose of the current library building (which will be surplus to requirements) and secure a capital receipt.	450,000	0	450,000
		AWH Sub Total	450,000	0	450,000

CYPS	DFE Capital Maintenance & Basic Need Grants	For the 2012/13 financial year the majority of the CYPS Capital Programme is supported by Department for Education grant. Aligned with grant available in 2011/12 a further £7.69m will be used to improve schools in the poorest "Condition" and work will continue on an extended secondary school building programme accomodating pupils from Spennymoor and Tudhoe, as well as major improvements to Elemore Hall special school. Preliminary work is also advancing on a new secondary school at Seaham, but the final funding strategy will be dependant on a DfE announcement about inclusion in a national PFI scheme bid. Grant allocations beyond 2012/13 have yet to be announced however high on the priority list will be a replacement for Trinity special school. Expenditure of £2.24m will be deployed on "Basic Need" ensuring that the rise in primary age pupils can be accomodated in local primary schools. The focus is expected to be on projects that will increase classroom capacity in Seaham, Chester- le- Street, Spennymoor, Bishop Auckland, & Durham City.	9,922,000	8,000,000	17,922,000
CYPS	Schools Repairs and Maintenance	A part of the Dedicated Schools Grant, each year, is earmarked for structural repair and maintenance projects in schools. This will typically include major works such as roof replacement, boiler plant renewal, electrical rewires and structural repairs. The budget for 2012/13 will be £3.6m and a programme of works is already being developed.	3,594,000	0	3,594,000
CYPS	Schools Devolved Capital	DFE Grant each year to schools for minor improvements and major ICT purchases is received as a School Devolved Capital allowance	1,553,000	0	1,553,000

CYPS	Financial support for accessibility projects across CYPS premises	Under the Special Education Needs and Disability Discrimination Acts the Council has a statutory duty to provide mainstream school places for children and young people with SEN and/or disabilities where and when parents want them. The £0.5m will finance Capital Works on school sites that will ensure Access for pupils and parents , requiring wheelchair access or who have other disabilities, thus helping to remove barriers to parental choice for local school places.	500,000	500,000	1,000,000
CYPS	Financial support for Residential Children's Homes	Children's Homes are a small and unique part of the CYPS property portfolio and have very different needs and requirements to the majority of our buildings across the estate. They are everyday "homes" for our 'looked after' children and as such we have a responsibility to ensure that they live in suitably comfortable accommodation that meets all the statutory requirements in the Children's Act 1989 and the Care Standards 2000 Act, as inspected by Ofsted. The £50,000 budget will be used to fund minor improvements to the 10 Childrens Homes in the County to ensure that the provision available is maintained to a good standard.	50,000	50,000	100,000
		CYPS Sub Total	15,619,000	8,550,000	24,169,000

NEI	Local Transport Plan (LTP) Annual Allocation - Maintenance Block	Annual LTP capital allocation for the structural maintenance of all elements of the adopted network (highways, street lighting and structures) to halt the deterioration of the networks condition and provide a network that is safe and fit for purpose.	10,679,000	10,132,000	20,811,000
NEI	Structural Patching 2011/15	<p>The severe winter weather experienced over the last 3 winters has resulted in an accelerated deterioration of the national highway network as identified in the recently published Quarmby report. This coupled with the budget constraints imposed by central government has resulted in a drastic increase in the amount of structural patching works required on the network to halt the deterioration and protect the value of the asset.</p> <p>This bid will supplement the already identified funding from the Department for Transport 'Section 31' funding of £2.3m. Failure to maintain the condition of the network could have an adverse effect on the number of accidents on the network with an associated increase in insurance claims and a decrease in the public satisfaction.</p>	1,500,000	1,500,000	3,000,000
NEI	Drainage works including SUDS	<p>The Flood and Water Management Act 2010 placed a statutory duty and considerable new responsibilities on the Authority commencing from April 2011. We have commenced the survey works to collate detailed drainage information and these surveys along with the Surface Water Management Plan (which is currently being formulated for approval) will inform the decision making process for network improvement schedules required to bring the drainage network up to a standard which is fit for purpose.</p>	300,000	200,000	500,000
NEI	Surface Improvement of Waskerley Way Coast to Coast route	A significant section of the Waskerley Way has been severely eroded over the past two winters following significant erosion by flooding in July 2009. It has now become hazardous for the 250,000 cyclists who use the route as part of the internationally-recognised Coast to Coast cycle route. The condition of the route has been the cause of several accidents, many complaints and criticism. The proposal is to provide a sealed-surface appropriate to the level of use and location.	245,000	0	245,000

NEI	River Erosion Remedial Works	The floods of July 2009 caused considerable damage to several main river banks across the County, principally the River Wear in Durham City and Chester-Le-Street but is likely to include other rivers and tributaries in the County. This erosion is a danger to both public and property in that it has affected areas of public footpath, which have had to be diverted, as well as threatening adjacent private properties. The longer this situation remains the more costly will be the repair works as well as the increasing threat to the public, property and the environment.	250,000	250,000	500,000
NEI	Mitigation to facility closures	Relocation of key services, facilities and activities following transfer of assets (Leisure Centres) <ul style="list-style-type: none"> • Relocation of multi sensory room • Upgrade and improvements to community facilities to help mitigate the impact of facility closures • Projects to ensure that the remaining stock can meet the needs of users from the communities affected. 	200,000	0	200,000
NEI	Local Area Measures Allowance	Local members allowance of £6,000 per member to cover costs of minor capital improvement schemes within members' wards.	756,000	756,000	1,512,000
NEI	Structural Maintenance of Footways	The severe winter weather experienced over the last 3 winters has resulted in an accelerated deterioration of the footway network within the County. In addition, following Local Government Reorganisation, a significant number of footways transferred to the new authority, and although these footways are not adopted (and are not at an adoptable standard) they are still maintainable at public expense. This scheme would bring these footways up to an adoptable standard and register them as such. Failure to maintain the condition of the network could have an adverse effect on the number of accidents on the network with an associated increase in insurance claims and a decrease in the public satisfaction.	600,000	600,000	1,200,000

NEI	B6300 Browney Lane (Burnigill Bank)	<p>This funding will enable the authority to improve a section of highway which has been the subject of numerous "temporary fixes" over the previous 15 years. The authority will be working in conjunction with Network Rail to will provide a long term solution to the subsidence problem.</p> <p>Risks: This section of carriageway carries a high percentage of Heavy Goods Vehicles (HGV) and if a sound engineering solution is not introduced it may require the introduction of weight restrictions which would divert HGV's onto other unacceptable roads within the highway network. The worst case scenario would be the potential for a serious accident as a result of not carrying out the necessary works.</p> <p>It is likely that the proposed junction improvements on the A167 Sunderland Bridge, Honest Lawyer junction, through the Economic Transport Corridor Group (currently exploring roundabout and traffic signals) will increase traffic flow on the B6300 and therefore exacerbate the problem. This junction is programmed for improvement in 2013/14.</p>	200,000	250,000	450,000
NEI	Replacement of Gully Covers following theft	<p>Theft of metal gully tops has reached epidemic proportions resulting in a very dangerous situation whereby a gully is open to any vehicle driving into. Approximately 1000 tops are stolen on an annual basis, mainly from rural areas but with some identified pockets of activity in urban estates with an estimated replacement cost of up to £1000 each. This scheme will allow the Council to prioritise and address the backlog at the same time as tackling the ongoing problem.</p>	500,000	400,000	900,000
NEI	Refurbishment of Outdoor Sport & Leisure Facilities	<p>Significant investment is required to make the stock of Outdoor Sports and Leisure Facilities fit for purpose and deliver the outcomes in line with Sports and Leisure Strategy. Essential improvement works will be undertaken to pavilions at the following locations, Witton Gilbert, Kelloe, Brandon, Bishop Auckland Town Recreation Ground, Glenholme, Peases West, Ouston, Pelton Fell and South Moor Park. A new play area will also be developed at Ushaw Moor as part of the mitigation actions relating to the reduction in sport & leisure opportunities for young people in the area as a result of the transfer of Deerness Leisure Centre to Deerness Valley Gymnastics Club.</p>	250,000	100,000	350,000

NEI	Environmental Improvements to streetscene and public open spaces etc.	This proposal involves making improvements to streetscene and public open spaces. Investment is required to improve and maintain a wide range of areas which are currently causing public complaint, health and safety risks and significant operational difficulties. Examples include;- a) Rebuilding of collapsing sections of Wharton Park boundary wall, b) safety measures and environmental work on roundabouts, c) improvements to public conveniences d) improvements to cemeteries and crematoria,; e) replacement of litter bins in high profile locations.	300,000	300,000	600,000
NEI	Bereavement Improvements	This investment will contribute to the Bereavement Services policy agreed by Cabinet September 2011 following public consultation and responds to issues such as cemeteries that are running out of space, improved health and safety and improvements in the facilities and access.	210,000	200,000	410,000
NEI Sub Total			15,990,000	14,688,000	30,678,000

RED	Replacement of Community Alarm Equipment	To replace existing alarm equipment in vulnerable residents homes. The existing equipment in some localities is over 7 years old and can no longer be maintained. This project is to ensure that a rolling replacement programme is in place to protect the integrity of the 24/7 service to vulnerable residents. The equipment is vital in helping older persons to remain in their own home and the equipment provides residents with a link to a 24/7 service which can provide assistance and support in emergency and non emergency situations. The equipment is also a platform for other life saving equipment and is linked to smoke alarms and telecare equipment such as fall detectors and wandering devices to protect residents in the early stages of dementia. Replacement of the equipment is a contractual requirement and is essential in delivering a safe and customer focussed service to the residents of the Council.	690,000	500,000	1,190,000
RED	Acquisitions, Demolitions and Group Repair Work to failing private sector housing stock across Coalfield areas and Key Towns across County Durham.	The former Durham Coalfield Housing Renewal Partnership completed two key research projects including the Durham Coalfield Community Study (June 2004) and the Durham Coalfield Settlement Study (June 2005). The studies identified coalfield areas at risk of significant housing market failure and area development frameworks were developed. Previous capital investment has been provided via the capital programme and external investment via the single housing investment programme via the regional housing board. This has assisted in terms of acquisition, demolition and group repair. Some schemes are part way through programme. Continuation will provide significant benefits to communities in terms of the acquisition and clearance of redundant pre 1919 housing stock and group repair through the investment in the fabric of properties which can be sustained and energy efficiency measures improved. Under the Housing Act 2004 the authority has a statutory responsibility to intervene in failing private sector housing conditions.	1,400,000	1,260,000	2,660,000

RED	Disabled Facilities	<p>Disabled Facilities Grant is a mandatory grant and is a critical part of a range of provision available to enable a resident to live independently in their own home by providing suitable adaptations to meet their specific needs. It is a statutory entitlement and is flexible in order to offer assistance with both minor and major adaptations. Funding is primarily sourced from the capital programme where the DCLG provide a Capital Grant (allocation for 12/13 yet to be confirmed). The additional £1m of funding will provide significant additional Disabled Facilities funding to supplement the Grant to support the most vulnerable client groups across County Durham. Current figures advise that most grants are awarded to the over 60 age group, the Joint Commissioning Strategy for Older People 2010-2013 identified that there is an ageing population profile within County Durham for those aged 65 and over. The Disabled Facilities grant is of significant importance as it plays a key role in increasing independence and enables clients to live at home longer.</p>	1,000,000	1,000,000	2,000,000
RED	Local Transport Plan	<p>It is a statutory requirement for all transport authorities to produce a Local Transport Plan every 5 years and to keep it under review. The third local transport plan came into effect from 1 April 2011 when LTP2 expired. LTP3 is in two parts, a Strategy and a Delivery Plan. The capital programme is set out within the Delivery Plan and has two parts, Integrated Transport and Maintenance. This scheme would cover the provision of funding to carry out delivery of the planned schemes and measures under the Integrated Transport part of the capital programme including Bus Infrastructure, Walking and Cycling, Junction Improvements, Traffic Management and Public Transport.</p>	3,183,000	3,183,000	6,366,000
RED	East Durham Rail Station	<p>The project aims to build a new rail station on the Durham Coast Rail Line to widen the travel horizons and opportunities of the residents of East Durham to employment and access to services as well as attracting both new business and leisure trade to the area, thus increasing the economic worth of the area. The initial allocation will be expended on design works and preliminary highways works.</p>	250,000	2,000,000	2,250,000

RED	Structural Capitalised Maintenance	This funding will be utilised to address the Council's maintenance backlog and will deliver improvements to the corporate property portfolio. Areas to be addressed include the fabric of Council buildings, statutory Disability Discrimination Act (DDA) works, Fire Safety works, health and safety issues and building efficiency measures which will contribute towards a reduction in running costs.	5,000,000	4,000,000	9,000,000
RED	Industrial Estates - Industrial Property Development Scheme	<p>A business space development scheme which will:</p> <ul style="list-style-type: none"> • Support the growth of Small and Medium sized enterprises through the provision of quality business accommodation , complimenting and aligned to the 'Place Shaping' agenda. • Creation of up to 100,000 square feet of business accommodation. • Re-stimulate private sector development of business accommodation • Establish Durham County Council as a credible partner in joint venture working partnerships in the development of business accommodation. • Reinforce County Durham as a top location for business, strengthen the county's economy and make a positive and measurable contribution in making County Durham 'Altogether Wealthier'. 	1,000,000	1,000,000	2,000,000
RED	Financial Assistance Policy (FAP)	The financial assistance policy provides a range of financial measures aimed at improving and maintaining healthy living conditions within existing private sector housing stock and seeks to help homeowners improve, repair and adapt their properties. The policy assists those who are elderly, disabled or on a low income and also targets the prevention of decline within neighbourhoods in need of support. The FAP provides a range of loan products to help those most in need to improve homes to a decent standard, also providing for DFG top-ups, energy efficiency contributions, relocation loans, assisting in bringing empty properties back into use and improving conditions within the private rented sector.	1,200,000	800,000	2,000,000
RED	Seaham - Final Phase of North Dock	Phase 3 of the restoration of Seaham North Dock. This final phase will ensure the completion of the works to the new marina facility. The Council has had excellent response from both Heritage Lottery Fund (HLF) and the Environment Agency (EA) about further investment at North Dock. The EA have £200k in their programme for this next year and a budget line of £1m for capital works thereafter. HLF have encouraged the Council to develop a 'national' bid and with the EA/DCC money it provides us a significant lever. Overall value estimated to be £6m.	100,000	50,000	150,000

RED	Economic / Transport Corridors	This funding will be targeted at key locations which have been identified as potentially hindering future economic growth. Tackling potential congestion at these locations will remove a potential constraint to future development whilst enhancing journey reliability and safety for existing users of the highway network. The funding will deliver a number of significant junction improvements with the first being that at the A693/A167, Northlands Roundabout forming a key access point between the southern end of Birtley, Stanley and Chester-le-Street and the A1(M) motorway. This scheme is valued at £1m and is intended to be delivered over 2 financial years.	500,000	500,000	1,000,000
RED	Gypsy, Roma and Traveller Site Refurbishment	An April 2008 report to Cabinet detailed the need to upgrade six sites and CLG grant funding was awarded which has enabled two of the sites to benefit from full refurbishment. Four further sites require refurbishment and are demonstrating significant repair failure which is evident by the continuous over spend of the general repairs and maintenance budget. The Council has been successful in accessing funding from the Homes and Communities Agency (HCA) of £3.785m to match against the Council's own funding.	853,000	853,000	1,706,000

RED	Town Centres / Settlements Programme	To continue to improve the vitality and sustainability of the County's priority town centres using recommendations detailed within the various Masterplans and Development Frameworks produced that will identify opportunities for development and enhancement. Priority development will take place in Bishop Auckland, Consett, Crook, Spennymoor, Newton Aycliffe, Stanley, Seaham, Peterlee and Durham City.	0	500,000	500,000
		RED Sub Total	15,176,000	15,646,000	30,822,000

RES	Replacement Desktop	Replacement of desktop PC and Laptop equipment based on a four yearly cycle which will improve support and increase ease of use.	1,300,000	1,000,000	2,300,000
RES	Broadband	Grant received from BDUK to invest in Briadband infrastructure across the County	5,830,000	1,100,000	6,930,000
RES	Broadband	County Council funding to match against the BDUK funding	0	1,100,000	1,100,000
RES	Tanfield Power Upgrade	To install an upgraded power supply at Tanfield to ensure an adequate power supply to meet the current and future business needs of the Council..	250,000	0	250,000
RES	Infrastructure Environment Monitoring	This project will enable ICT services to have visibility of the environmental challenges that our network and other equipment face while operating in over a hundred different cabinets and racks distributed around the county. This will allow ICT to respond more quickly to issues arising and reduce the amount of systems down time	216,000	0	216,000
RES	Learning Gateway Replacement	The Durham Learning Gateway (DLG) was launched to schools in February 2007 in response to the BECTA requirement for all learners to have a "personal learning space" and the requirements on schools to provide online, real-time access to various types of data stored in their management information systems to parents by September 2012.To continue to provide this access, we require a new software platform which in turn relies on increased hardware capabilities and capacity.The existing hardware was purchased in 2006 and was funded from the Harnessing Technology grant which was withdrawn from April 2011.	110,000	0	110,000

RES	Homeworking	The County Council wishes to improve its offerings for Home Workers, bringing together a number of benefits, improved work life balance, improved productivity by having staff closer to the customer, improving involvement in the community and reducing the amount of accommodation asset required	100,000	0	100,000
RES	Corporate Mail Fullfilment	Upgrade and replace existing mail fulfilment equipment based within the Design and Print unit. This will be used for all corporate mailing within the Authority. Its main function initially will be to process all bills, reminders and letters generated by the new Revenues and Benefits system which is being implemented. It will also be utilised for all other corporate mailings, surveys and elections. This will lead to improved accuracy in sent mail and a reduction in postal charges.	125,000	0	125,000
RES	Sharepoint Architecture	Creation of a new SharePoint 2010 environment, to replace the existing ageing environment, which underpins all of the Councils Internet and Intranet sites.	100,000	0	100,000
RES	GIS Architecture	Geographic Information underpins the vast majority of Local Authority tasks and services, with up to 80% of organisational data location related. Geographic Information System (GIS) technologies are powerful enablers for transformational change, pan-organisational working and enterprise-wide delivery of information and services. GIS is now recognised as a core corporate technology platform. This money will replace the existing ageing infrastructure with a new and more effective infrastructure.	60,000	0	60,000
RES	.NET Application Development Architecture	The new .NET Application Development Architecture will allow the Council to write software applications in a modern computer language, reducing support, increasing development speed and improving the way differing systems pass information between each other.	50,000	0	50,000
		RES Sub Total	8,141,000	3,200,000	11,341,000

1 Introduction

This policy outlines the key principles of Durham County Council's (DCC) pay policy for 2012/13 aimed at supporting the recruitment and remuneration of the workforce in a fair and transparent way. The policy complies with Government Guidance issued under the Localism Act 2011 and includes commentary upon:

- The approach towards the remuneration of Chief Officers
- The remuneration of the lowest paid employees
- The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

The Code of Recommended Practice for Local Authorities on Data Transparency, published in September 2011 by the Government also sets out key principles for local authorities in creating greater transparency through the publication of public data. As part of the code, the Government recommends that local authorities should publish details of senior employee salaries. This pay policy forms part of the Council's response to transparency of senior pay through the publication of a list of job titles and remuneration.

Durham County Council is mindful of its obligations under the Equality Act 2010 and is an equal opportunity employer. The overall aim of our Single Equality Scheme is to ensure that people are treated fairly and with respect. The scheme also contains a specific objective to be a diverse organisation which includes recruiting and retaining a diverse workforce and promoting equality and diversity through working practices. This pay policy forms part of our policies to promote equality in pay practices. By ensuring transparency of senior pay and the relationship with pay of other employees, it will help ensure a fair approach which meets our equality objectives.

In setting the pay policy arrangements for the workforce the Council seeks to pay competitive salaries within the constraints of a public sector organisation.

As a result of Local Government Review in the County, the significant opportunity existed to bring together the pay and conditions arrangements of the eight previous authorities into one cohesive pay policy for the new organisation. In response, Durham County Council's approach towards the workforce pay and conditions of employment were fundamentally reviewed and agreed in 2008/2009, in order to ensure that the new unitary council was able to operate as a modern, fit for purpose and streamlined organisation.

In doing so, the Council realised significant management savings as a result of bringing together the eight previous senior management teams into one for the new authority, saving over 3 million pounds on management costs.

2 Posts defined within the Act as Chief Officers

2.1 The policy in relation to Chief Officers relates to the posts of Chief Executive, Assistant Chief Executive, five Corporate Directors and the Head of Legal and Democratic Services (who undertakes the Monitoring Officer Role for the authority)..

2.2 Governance Arrangements

The Chief Officer Appointments Committee is defined within the Council's constitution as performing the functions under section 112 of the Local Government Act 1972 in relation to these officers. This includes the setting of the pay arrangements for these posts and in doing so the Committee takes into account:

- The prevailing market in which the organisation operates.
- The short and long term objectives of the Council.
- The Council's senior structure, financial situation and foreseeable future changes to these.
- The expectations of the community and stakeholders.
- The total remuneration package.
- The links with how the wider workforce is remunerated and national negotiating frameworks.
- The cost of the policy over the short, medium and long term.

The Committee also has access to appropriate external independent expert advice on the subject.

2.3 Key Principles

- The Chief Officer pay policy is designed to be easily understood and be transparent to the post holders and key stakeholders. The structure and level of the pay arrangements will enable the Council to attract motivate and retain key senior talent for the authority.
- The policy is based upon spot salaries with clear differentials between levels of work/job size, within a range that is affordable now, will remain so for the medium term, and will be subject to review to ensure it continues to remain fit for purpose. In the first instance it is intended that the authority will market test the rates of pay when vacancies arise, as part of consideration on whether or not roles continue to be required within the context of the Council's priorities and commitments at that time.
- A competency based performance management framework is established within the organisation linked to individual job descriptions, person specifications, with performance reviewed annually. This ensures that the individual standards of achievement are met and clearly linked to the achievement of the Council's objectives and priorities, and the authority's expectations are delivered by post holders within these roles.
- These posts do not attract performance related pay, bonuses or any other additions to basic salary. This approach enables the Council to assess and budget accurately in advance for the total senior pay bill over a number of years.
- The Council is currently the sixth largest single tier authority in the Country and in setting the pay policy for this group, a market position has been established that aims to attract and retain the best talent available at a senior level within a national recruitment context, to lead and motivate the Council's workforce that is rewarded under a nationally agreed negotiating framework.

- Roles at this level have all been subject to an externally ratified job evaluation scheme that is transparent and auditable to ensure equality proofing of pay levels.
- Other terms and conditions of employment for this group are as defined within the Joint Negotiating Committee for Chief Officers of Local Authorities Conditions of Service handbook, with discretion to set actual pay levels at a local level, but within a national negotiating framework. These posts are part of the nationally defined Local Government final salary pension scheme.

2.4 Pay Levels

Individual elements of the remuneration package are established as follows at the point of recruitment into the posts:

Role	Spot Salary	Additional Variable Pay
	£	£
Chief Executive	200,000	0
Assistant Chief Executive	120,000	0
Corporate Directors	140,000	0
Head of Legal and Democratic Services	110,000	0

In addition to Chief Officers there are a range of senior roles identified as Heads of Service that are evaluated using the same principles and scheme as the Chief Officers and these roles are remunerated at three levels based on job size, these being:

	£
Heads of Service	110,000
	95,000
	75,000

The Corporate Management Team Pay and Heads of Service pay levels were actually assessed in 2008 in preparation for the new authority by external assessors and the levels set have not been increased since that time.

The designated Returning Officer for the Council, who is the Head of Legal and Democratic Services, also carries out the role of Acting Returning Officer in Parliamentary and European elections and other national referenda or electoral processes. These additional roles usually carry an entitlement to payment from central (and not local government) at levels set by order in relation to each poll.

3 The Authority's Policy on the Remuneration of its Lowest Paid Workers

3.1 Definition of Lowest Paid Workers

In order to promote equity, former manual worker grades in the authority have been incorporated into the national framework, as outlined in the National Joint Council for Local Government Services "Agreements on Pay and Conditions of Service".

This ensures that the lowest paid workers and the wider workforce share equitable terms and conditions and access to pay and condition arrangements that are set within a national negotiating framework.

The definition of 'lowest paid worker' are those paid at the lowest rates commonly used in the region on the national spinal column points, with workers (outside of apprenticeship schemes) joining the organisation in the main on national spinal column point 11 (£14 733 including all allowances).

This approach ensures fairness, provides market rates in the region for jobs, graded by job size, but with a reference also to the national local government family.

4 The Policy Relationship between Chief Officers Pay, the Lowest Paid Workers, and the Wider Workforce

4.1 Current Position

At the inception of the new unitary council in 2009 the authority had defined:

- The strategy for senior pay within the authority and had recruited into these posts
- The plan for the approach towards harmonising the pay and conditions of the workforce longer term.
- Taking this approach, also now enables the authority to publish and support recommendations within Will Hutton's review 2011 'Review of Fair Pay in the Public Sector' around publishing the ratio of pay of the organisation's top earner to that of a median earner and tracking this over time, taking corrective action where necessary.
- In setting the relevant pay levels a range of background factors outlined at paragraph 2.2 were taken into consideration for senior pay alongside the significant scope and scale of the authority in the national context. For example, the scope and scale of the Chief Executive's post encompasses responsibilities commensurate with the largest authorities in the country including responsibility for:
 - The provision of wide ranging services to over 500 000 residents of County Durham
 - A gross budget of 1.2 billion for service delivery
 - Undertaking the role of the Head of Paid Service to over 19,000 employees
 - Lead Policy Advisor to the Council's 126 Elected Members.

The ratio between the pay of the Chief Executive in Durham County Council and the lowest paid workers is 13:1, against figures recently published by Government of an expectation to always be below 20:1 in local government.

In addition, during 2012/13 the employer will contribute 13.1% of pensionable pay to the pension fund for all employees in the Local Government Pension Scheme.

4.2 Long Term Planning

In line with the original long term plan, Durham County Council is in negotiation to implement a new pay and conditions framework for the wider workforce, with the exercise

planned for full implementation in the summer of 2012. This will form the key platform for fair pay for the workforce for future years.

This pay scheme will be based upon a nationally agreed job evaluation system and the national spinal column points of pay, and will see the authority remain within the existing national pay negotiating machinery. At this time the 'lowest paid' workers will be defined within the national context depending on pay discussions held in early 2012.

The new pay arrangements will allow for incremental progression in pay for the wider workforce based upon service in post, and the results of the evaluations and the scheme details will be published by the authority, (as already occurs with the Chief Officer Pay in the final accounts), to ensure transparency.

4.3 Pay Policy Objectives

This planned approach towards pay for the wider workforce, and the use of established and equality impact assessed job evaluation schemes in the exercise will ensure:

- A planned approach towards pay policy for the new organisation that enables the Council to establish a relationship between pay for senior officers, the low paid and the wider workforce to align to the national guidance.
- The provision of accountability, transparency and fairness in setting pay for Durham County Council.

4.4 Pay Policy Decisions for the Wider Workforce

The decision making powers for the implementation of the new pay arrangements will rest with the Full Council for the Authority ensuring that decisions in relation to workforce pay are taken by those who are directly accountable to local people.

5 The Approach towards Payment for those Officers Ceasing to Hold Office Under or be Employed by the Authority

The Council has an agreed policy in relation to officers whose employment is terminated via either voluntary or compulsory redundancy. This policy provides a clear, fair and consistent approach towards handling early retirements and redundancy for the wider workforce, including Chief Officers.

In setting policy, the Authority does at this time retain its discretion to utilise the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales Regulations) 2006.

6 Policy towards the Reward of Chief Officers Previously Employed by the Authority.

The Council's arrangements for payments on severance are outlined in the Early Retirement/Voluntary Redundancy policy approved by Full Council in December 2010.

Chief Officers leaving the authority under regulations allowing for early access to pension are leaving in circumstances where there is no longer a suitable role for them, and in such circumstances they leave the employment of the Council. Immediate re-engagement in

another role would negate redundancy by operation of the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999.

The Council would not expect such officers to be offered further remunerated employment with the Council or any controlled company without such post being subject to external competition.

The administering authority for the Local Government Pension Scheme does not currently have a policy of abating pensions for former employees who are in receipt of a pension, although this is an area that is kept under review.

The Council is mindful of its obligations under equality legislation and as such is limited in its ability to adopt a policy that it will not employ people of an age that has entitled them to pension access on leaving former employment in the public sector or to propose that such applicants be employed on less favourable terms than other applicants. It expects all applicants for any posts to compete and be appointed on merit.

Summary

In accordance with statutory guidance and the Council's Financial Procedure rules, this report presents the proposed Treasury Management Strategy for 2012/13, the Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision Policy.

A glossary of terms is provided at the end of the report.

Background

Durham County Council defines its treasury management activities as the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

It regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

It acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Any surplus cash balances are invested in low risk counterparties or instruments commensurate with the Council's low risk strategy to always provide adequate liquidity initially before considering investment return.

Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals:

1. Annual Treasury Management Strategy – this report covers:
 - Annual Treasury Strategy 2012/13
 - Annual Investment Strategy 2012/13
 - Prudential Indicators 2012-2015
 - Minimum Revenue Provision Policy 2012/13
2. Mid-Year Treasury Management Report – this updates members with the progress of the capital position, amending prudential indicators as necessary,

and whether the treasury strategy is meeting the strategy or whether any policies require revision.

3. Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Annual Treasury Management Strategy 2012/13

This report covers the following issues in respect of 2012/13:

- i. Current treasury position
- ii. Capital financing plans (including Prudential and Treasury Indicators)
- iii. Interest Rate Outlook
- iv. Borrowing strategy
- v. Policy on borrowing in advance of need
- vi. Investment Strategy
- vii. Icelandic Bank investments update
- viii. Minimum Revenue Provision Policy
- ix. Policy on use of external service providers

i. Current treasury position

The table below shows the Council's position as at 31 December 2011, with comparators for 31 March 2011 and a forecast position for 31 March 2012:

	31-Mar-11 (£m)	Average Rate (%)	31-Dec-11 (£m)	Average Rate (%)	31-Mar-12 (£m)	Average Rate (%)
Borrowing	317	5.33	365	5.13	375	5.11
Investments	145	0.79	135	1.32	120	1.30
Net Debt	172		245		275	

Borrowing is forecast to increase by around £60m in 2011/12, whilst investment levels will fall by approximately £25m. This illustrates the Council's policy of reducing investment levels whilst also taking the opportunity to access low cost debt to fund an increasing capital financing requirement over the medium term. By using this approach the counterparty risk of investments can be managed whilst also managing the interest rate risk attached to a large borrowing requirement.

ii. Capital financing plans

Housing Revenue Account (HRA) Reform

A key issue facing the Council is the impact of planned HRA reform with effect from 1 April 2012. This will essentially end the impact of the housing subsidy system and will see the HRA as a stand alone business, without any impact arising from housing reform. The legislation has yet to be enacted, but the Council will need to approve revised limits in expectation of the reform going ahead.

The Council currently pays into the HRA housing subsidy system, and in order to stop future payments from 1 April 2012 the Council is required to pay the Department for Communities and Local Government (CLG) a one-off payment of £55m. In treasury management terms, this payment is effectively HRA debt, and so the prudential indicators have been adjusted to reflect this change.

The actual payment will be made on the 28 March 2012 and so the indicators will take immediate effect from the approval of these limits by Council.

As at the 1 April 2012 existing County Council debt will be split into two pools; one for the HRA and one for the General Fund, with each taking a share that produces a broadly equitable position. All future borrowing will be carried out independent of each other.

General Fund Expenditure

The Council's capital expenditure plans are the key driver of treasury management activity. The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants and revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.

The following Prudential Indicators provide an overview and assist members in reviewing plans and performance.

Prudential Indicator 1 Capital Expenditure - this prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The table below summarises capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need ("borrowing"):

Capital Expenditure £m	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Non-HRA	120.225	167.929	197.436	71.829	36.911
HRA	37.862	43.154	44.854	43.071	49.774
HRA settlement		55.000			
Total	158.087	266.083	242.290	114.900	86.685
Financed by:					
Capital receipts	27.526	6.312	22.133	18.404	13.414
Capital grants	85.406	111.954	115.648	50.442	44.218
Revenue and reserves	17.920	13.231	8.348	7.541	5.949
Net financing need for the year	27.235	134.586	96.161	38.513	23.104

Other long term liabilities-the above financing need excludes other long term liabilities, such as Private Finance Initiative (PFI) and leasing arrangements which already include borrowing instruments.

Prudential Indicator 2 Capital Financing Requirement - the second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

£m	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Capital Financing Requirement					
CFR – non housing	332.412	377.727	449.447	464.395	470.295
CFR - housing	152.235	174.065	185.314	192.509	191.241
HRA Settlement	-	55.000	55.000	55.000	55.000
Total CFR	484.647	606.792	689.761	711.904	716.536
Movement in CFR		122.145	82.969	22.143	4.632

Movement in CFR represented by					
Net financing need for the year (above)		79.586	96.161	31.318	23.104
HRA Settlement		55.000			
Less MRP/VRP and other financing movements		-12.441	-13.192	-16.370	-18.472
Movement in CFR		122.145	82.969	22.143	4.632

Affordability Prudential Indicators

The previous indicators cover overall capital and control of borrowing, but within these further indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Prudential Indicator 3 Actual and estimates of the ratio of financing costs to net revenue stream – this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Non-HRA	5.33	6.66	7.00	8.48	8.92
HRA (inclusive of settlement)	18.88	19.08	39.12	38.11	38.48

The estimates of financing costs include current commitments and the proposals in this budget report.

Prudential Indicator 4 Estimates of the incremental impact of capital investment decisions on council tax

- this indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

Prudential Indicator 4 Estimates of the incremental impact of capital investment decisions on council tax - this indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Council tax - band D	1.76	1.40	0.00

Prudential Indicator 5 Estimates of the incremental impact of capital investment decisions on Housing Rent levels – similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Weekly housing rent levels	1.45	4.95	3.63	6.54	5.34

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total borrowing, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2012/13 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Corporate Director Resources confirms that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Prudential Indicator 6 Operational Boundary - this is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £m	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Borrowing	535.266	617.710	632.658	638.558
Add HRA settlement	55.000	55.000	55.000	55.000
Other long term liabilities	50.000	50.000	50.000	50.000
Total	640.266	722.710	737.658	743.558

Prudential Indicator 7 Authorised Limit for external borrowing - this further key prudential indicator represents a control on the maximum level of borrowing and is a statutory limit determined under section 3 (1) of the Local Government Act 2003.

This represents a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Authorised limit £m	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Borrowing	585.266	667.710	682.658	688.558
Add HRA settlement	55.000	55.000	55.000	55.000
Other long term liabilities	50.000	50.000	50.000	50.000
Total	690.266	772.710	787.658	793.558

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £m	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Total	N/A	247.509	247.509	247.509

Treasury Management Indicators

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. Consider local indicator covering both fixed and variable debt.

The Council is asked to approve the following treasury indicators and limits:

£m	2012/13	2013/14	2014/15
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	30%	30%	30%
Maturity Structure of fixed interest rate borrowing 2012/13			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	40%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years and above	0%	100%	

iii. Interest Rate Outlook

The Council has appointed a company called Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec 2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.50%, underpins investment returns and is not expected to start increasing until Quarter 3 of 2013 despite retail price index inflation at 5.2% currently being well above the Monetary Policy Committee inflation target of 2.0%.

Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market. The Comprehensive Spending Review, which seeks to reduce the UK's annual fiscal deficit, will also depress growth during the next few years.

Fixed interest borrowing rates are based on UK gilt yields. The outlook for borrowing rates is currently much more difficult to predict. The UK total national debt is forecast to continue rising until 2015/16; the consequent increase in gilt issuance is therefore expected to be reflected in an increase in gilt yields over this period. However, gilt yields are currently at historically low levels due to investor concerns over Eurozone sovereign debt and have been subject to exceptionally high levels of volatility as events in the Eurozone debt crisis have evolved.

This challenging and uncertain economic outlook has a several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

iv. Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing excluding the HRA reform settlement.

Against this background and the risks within the economic forecast, caution will continue to be adopted with the 2012/13 treasury operations. The Corporate Director Resources will ensure interest rates are monitored and adopt a pragmatic approach to changing circumstances.

The requirement for the HRA reform settlement to be made to CLG on 28 March 2012 will require a separate consideration of a borrowing strategy. The Council will need to have the cash settlement amount of £55m available on the 28th March 2012, so separate borrowing solely for this purpose is anticipated. The PWLB are providing loans at interest rates 0.85% lower than the usual PWLB interest rates solely for the settlement requirements. This provides a compelling reason to utilise this borrowing availability. The exact structure of debt to be drawn is currently being considered by officers to ensure it meets the requirements of the HRA business plan and the overall requirements of the Council.

v. Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

vi. Annual Investment Strategy

The Council has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

The prime objective of the Council's investment strategy is to ensure prudent investment of surplus funds. The Council's investment priorities are therefore the security of capital, liquidity of investments and, within those objectives, to secure optimum performance.

Investment instruments identified for use in the financial year are categorised as 'Specified' and 'Non-Specified' Investments as shown below:

Specified Investments

These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small.

These include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility)
- UK Treasury Bills or a Gilt with less than one year to maturity.
- Term deposits with UK banks and building societies
- A local authority, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.

Non-Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

- Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity (£40m limit).
- The Council's own banker if it fails to meet the basic credit criteria. In this instance balances and notice periods will be minimised as far as is possible (£25m limit).

Following the economic background discussed earlier in this report, the current investment climate has one over-riding risk of counterparty security. As a result of underlying concerns officers are implementing an operational investment strategy which tightens the controls already in place in the approved investment strategy.

A development in the revised Codes and the CLG Investment Guidance is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature.

These benchmarks are simple guides to maximum risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and

trend position and amend the operational strategy to manage risk as conditions change.

Security - the Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.08% historic risk of default when compared to the whole portfolio

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £2.5m
- Liquid short term deposits of at least £20m available with a week's notice.
- Weighted Average Life benchmark is expected to be 6 months with a maximum of 9 months.

Yield - Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day London Inter Bank Bid Rate (LIBID)

Investment Counterparty Selection

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.

After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- It maintains a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary.

The rating criteria use the 'lowest common denominator' method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by Sector, our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

Selection Criteria

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) are:

1. Banks 1 – the Council will only use banks which are UK banks and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A	A2	A
Viability/Financial Strength	bb-	C1	-
Support	3	-	-

2. Banks 2 - Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.
3. Banks 3 – Co-operative Bank - The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
4. Bank subsidiary and treasury operation. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
5. Building societies. The Council will use societies which meet the ratings for banks outlined above.
6. Money Market Funds
7. UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility)
8. Local authorities, parish councils etc

Use of additional information other than credit ratings

Additional requirements under the Code of Practice require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties.

This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties. The relative value of investments will be reviewed in relation to the counterparty size to ensure an appropriate ratio.

Time and Monetary Limits applying to Investments

The time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 category high quality	AA	£50m	1 year
Banks 1 category medium quality	A	£25m	3 months
Banks 2 category – part-nationalised	N/A	£50m	1 year
Banks 3 category – Council's banker	A-	£25m	3 months
DMADF/Treasury Bills	AAA	unlimited	6 months
Local Authorities	N/A	£10m each	1 year
Money Market Funds	AAA	£10m each (overall £50m)	liquid

vii. Icelandic Bank Investments Update

The County Council inherited £7m of deposits from the former Derwentside District Council invested across the Icelandic banks Glitnir (£4m), Landsbanki (£2m) and Kaupthing (£1m), which all effectively collapsed financially in October 2008.

The Icelandic courts have supported the view that the Council will be treated as a preferred creditor, thereby seeing a high proportion of the investment being returned. The actual repayment is currently expected to be partially in foreign currency assets. It is currently too early to provide a definitive policy on how this exchange rate risk will be managed, but the expectation will be that the risk will be managed proactively and assets converted to sterling at the earliest opportunity.

viii. MRP Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Based on CFR** – MRP will be based on the CFR (Option 2);

From 1 April 2008 for all unsupported borrowing (including PFI and Finance Leases) the MRP policy will be:

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (Option 3)

ix. Policy on use of external advisers

The Council uses Sector as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies.

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

Glossary of Terms

Authorised Limit

This is the upper limit on the level of gross external indebtedness, which must not be breached without council approval. It reflects the level of borrowing, which while not desired, could be afforded but may not be sustainable. Any breach must be reported to the executive decision-making body, indicating the reason for the breach and the corrective action undertaken or required to be taken.

Capital Financing Requirement (CFR)

The capital financing requirement (CFR) replaced the 'credit ceiling' measure of the Local Government and Housing Act 1989. It measures an authority's underlying need to borrow or finance by other long-term liabilities for a capital purpose.

It represents the amount of capital expenditure that has not yet been resourced absolutely, whether at the point of spend (by capital receipts, capital grants/contributions or from revenue income), or over the longer term (by prudent minimum revenue provision (MRP) or voluntary application of capital receipts for debt repayment etc). Alternatively it means, capital expenditure incurred but not yet paid for.

Credit Default Swaps (CDS)

A credit default swap (CDS) is an agreement that the seller of the CDS will compensate the buyer in the event of loan default. In the event of default the buyer of the CDS receives compensation (usually the face value of the loan), and the seller of the CDS takes possession of the defaulted loan.

CDS pricing can be used as a gauge of the riskiness of corporate and sovereign borrowers.

Credit ratings

A credit rating evaluates the credit worthiness of an issuer of debt, specifically, debt issued by a business enterprise such as a corporation or a government. It is an evaluation made by a credit rating agency of the debt issuer's likelihood of default.

Credit ratings are determined by credit ratings agencies. The credit rating represents their evaluation of qualitative and quantitative information for a company or government; including non-public information obtained by the credit rating agencies analysts.

Debt Management Account Deposit Facility (DMADF)

The Debt Management Office provides the DMADF as part of its cash management operations and in the context of a wider series of measures designed to support local authorities' cash management.

The DMADF currently offers fixed term deposits. All deposits taken will be placed in, and interest paid from, the Debt Management Account. All deposits will be also guaranteed by HM Government and therefore have the equivalent of a sovereign triple-A credit rating.

Financing Costs

An aggregation of interest charges, interest payable under finance leases and other long-term liabilities and MRP, net of interest and investment income.

Housing Revenue Account (HRA)

The Housing Revenue Account reflects a statutory obligation to account separately for local authority housing provision, as defined particularly in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure – maintenance, administration and rent rebates – and capital financing costs, and how these are met by rents, subsidy and other income.

London Inter Bank Bid Rate (LIBID)

The London Interbank Bid Rate (LIBID) is a bid rate; the rate bid by banks on deposits i.e. the rate at which a bank is willing to borrow from other banks.

Minimum Revenue Provision (MRP)

Statutory charge to the revenue account as an annual provision for the repayment of debt associated with expenditure incurred on capital assets.

Money Market Funds

Money market funds are mutual funds that invest in short-term money market instruments. These funds allow investors to participate in a more diverse and high-quality portfolio than if they were to invest individually.

Like other mutual funds, each investor in a money market fund is considered a shareholder of the investment pool, or a part owner of the fund. All investors in a money market fund have a claim on a pro-rata share of the fund's assets in line with the number of 'shares' or 'units' owned.

Net Revenue Stream

This is the element of a local authority's budget to be met from government grants and local taxpayers.

Non-specified Investments

These are any investments which do not meet the Specified Investment criteria.

Operational Boundary

This is the most likely, prudent view of the level of gross external indebtedness. It encompasses all borrowing, whether for capital or cash flow purposes.

Private Finance Initiative (PFI)

Private Finance Initiative (PFI) was introduced in the 1990s by the government to finance public sector projects. The main aims are to reduce public sector borrowing, introduce more innovative ways to provide public services and utilise private sector skills and experience to increase the efficiency of the public sector.

Prudential Indicators

In order to demonstrate that local authorities have fulfilled the objectives of the Prudential Code, it sets out a basket of indicators that must be prepared and used. The required indicators have to be set, as a minimum, on a three year time frame and are designed to support and record local decision-making, rather than be a means of comparing authorities.

The purpose is to set these historic and forward looking indicators in a circular process and look at the indicators collectively rather than individually, in order to determine the impact of forward plans for capital or revenue expenditure. For some

projects and large commitments to capital expenditure, a timeframe in excess of three years is advisable.

Public Works Loans Board (PWLB)

The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury.

PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Specified Investments

All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable.

Weighted Average Life

The average time that deposits are lent out for, weighted by principal amount.

Cabinet

8 February 2012



**Housing Revenue Account Medium Term
Financial Plan 2012/13 to 2016/17 and
2012/13 Budget**

Report of Corporate Management Team

Don McLure, Corporate Director Resources

**Ian Thompson, Corporate Director Regeneration and Economic
Development**

Councillor Alan Napier, Cabinet Portfolio Holder for Resources

Councillor Clive Robson, Portfolio Holder for Housing

Purpose of the Report

1. To seek approval of the Council's Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) for 2012/13 to 2016/17 and the 2012/13 budget. If approved, Cabinet will then make recommendations on the HRA Budget to the County Council meeting of 22 February 2012.

Executive Summary

2. The HRA provides the income and expenditure associated with maintenance of the Council's housing stock of just under 19,000 dwellings. The Council is required to set an annual HRA budget and set the level of tenants' rents and other charges.
3. The Council is the largest social landlord in County Durham owning around 40% of all social housing. Under the Government's new system of housing finance from April 2012, the Council is required to plan over the longer term and develop a 30 year HRA Business Plan to manage and maintain its housing assets. The proposed HRA budget for 2012/13, 30 year HRA Business Plan and five-year MTFP are considered in this report.
4. The headline implications for 2012/13 are as follows:
 - Dwelling rents for 2012/13 to increase in accordance with Government guidelines which result in an overall average increase of 6.25%;
 - Average rent per week to increase from £59.34 per week to £63.05 per week – an increase of £3.71 per week on average (on a 52 week basis);

- Increases in garage rents to be linked to the overall average increase in dwelling rents and the proposed charges per week for 2012/13 (excluding VAT) are £6.46, £6.63 and £7.01 in Durham City, Easington and Wear Valley respectively;
- Efficiency savings in housing management costs of £1.35m have been identified;
- A capital programme in 2012/13 of £44.854m.

Background

5. The HRA is a 'ring fenced' landlord account through which the Council manages and maintains almost 19,000 social housing dwellings. The main features of the HRA are:
 - it is primarily a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities;
 - the main items of income are from tenants in the form of rents from Council dwellings, garage rents, shop rentals and where applicable service charges;
 - the main items of expenditure included in the account are management and maintenance costs, loan charges and depreciation costs.
6. The HRA contributes significantly to the aims and objectives of the new Housing Strategy for Durham reflecting the *'Altogether Better Durham'* Vision of the Sustainable Community Strategy 2010-30 which the Council published in April 2010.
7. Our Housing Strategy *'Building Altogether Better Lives'* was agreed by the County Council in November 2010 and is designed to meet the challenging housing, economic, social and environmental needs of our communities. The three objectives of the Strategy – *Altogether Better Housing Markets*, *Altogether Better Housing Standards* and *Altogether Better at Housing People* - are used to frame the Council's Self Financing Business Plan.
8. The ensuing paragraphs provide details of the latest projections of the HRA and include:
 - A 30 Year HRA Business Plan and 5 Year MTFP;
 - Capital Programme;
 - 2012/13 Detailed HRA Budget;
 - Treasury Management Position on loans and investments;
 - HRA Reserves.

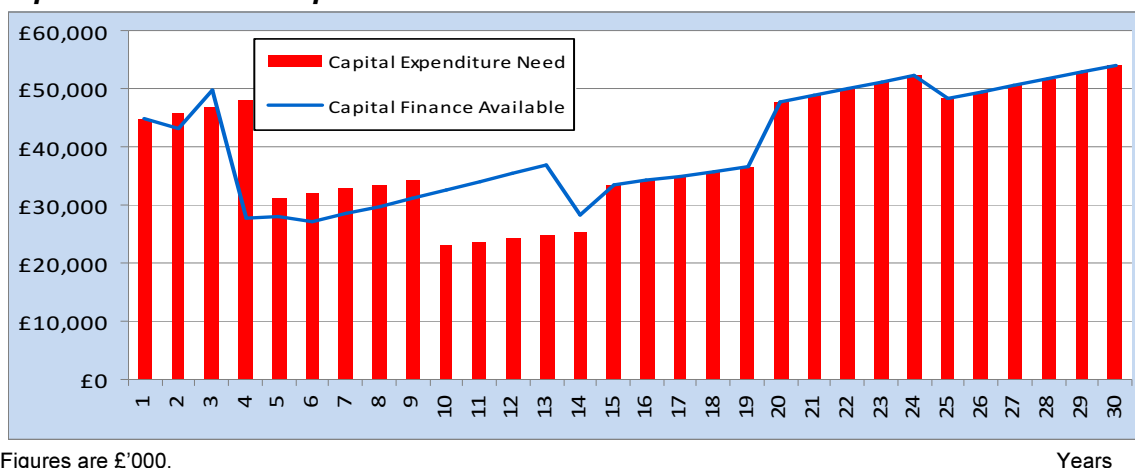
30 Year HRA Business Plan and 5 Year MTFP

9. Cabinet has previously considered two reports detailing our preparations for a new system of self financing for the HRA (27 October 2011 and 14 December 2011). A key feature of the system of self financing is the replacement of annual subsidy arrangements with a one-off debt settlement payable to the Government. This gives the Council the ability to strategically plan financially over the longer term allowing it to shape its housing business in line with local service and investment priorities.
10. The following broad assumptions have been used in the 30 Year HRA Business Plan. Appendix 2 provides more details on the assumptions used:
 - Rent increases following national rent policy with retail price index (RPI) plus 0.5% and rent convergence by 2015/16;
 - Debt settlement of £242m which requires an estimated payment to DCLG in March 2012 of £55m;
 - Interest rate on debt assumed as 5.25% initially then 6% for years 6 to 30;
 - Inflationary increase of 2.5% year on year for expenditure;
 - Voids levels at 1.5% on average;
 - Assumed bad debts provision for non payment at 1.5% of gross rent for years 1 to 4 due to the potential impact of Government Welfare Reforms (which is treble the current rate) and then 1% thereafter;
 - Efficiency savings of £3m delivered by 2013/14, of which £2.25m have already been earmarked (£1.35m 2012/13 and £0.90m 2013/14);
 - Known adjustments to stock such as planned demolitions, new build properties and estimates of annual right to buy sales of 36 properties;
 - Minimum level of HRA reserves of £7m.
11. The outputs of the modelling process over the full 30 year period are shown in Appendix 3 which shows the revenue account projected over the next 30 years. In summary, the results show:
 - A balanced revenue budget over the full 30 year period;
 - Housing debt substantially paid off by year 30 with £9m outstanding;
 - HRA reserves being maintained at least £7m;
 - Capital programme shortfalls in the first 9 years of the Plan.
12. Appendix 4 provides forecasts for the five year Medium Term Financial Plan period 2012/13 to 2016/17 which have been taken directly from the 30 year Business Plan. During this period, a rental stream of some £330m will be available to the Council to meet its management, repairs, investment and debt costs.

Capital Programme

13. The HRA Capital Programme contributes significantly to the Housing Strategy Objective of *'Altogether Better Housing Standards'* by improving the condition of the housing stock and providing better homes with modern facilities which are warmer and more energy efficient.
14. The condition of the Council's housing stock is maintained through its annual repairs and maintenance budget and improved and refurbished through its capital programme. The size of the capital programme depends on the balance between the need of the Council to improve its stock and the availability of funds to finance the improvements.
15. Stock investment requirements form a central part of the HRA Business Plan and these have been derived from information from a stock condition survey undertaken in 2010 to identify the spending needs of the housing stock over a 30 year period.
16. The headline outputs over the full 30 year period can be represented graphically as follows which shows the expenditure requirements compared with available resources:

Expenditure need compared with resources available



Figures are £'000.

Years

17. The key focus for the Council is the medium term horizon and the next five years in particular, as it continues to explore options for the future of its housing stock. The Council's projections show a balanced revenue budget with revenue support to the capital programme of £120m (comprising of major repairs reserve and revenue contributions). After taking into account other sources of funding, the total estimated resources are £193m as shown in the following table:

Investment Resources	Year 1 2012/13 £'000	Year 2 2013/14 £'000	Year 3 2014/15 £'000	Year 4 2015/16 £'000	Year 5 2016/17 £'000	Total £'000
Major Repairs Reserve	17,158	17,538	17,932	18,345	18,767	89,740
Revenue Contribution	2,922	5,934	5,142	7,690	8,700	30,388
Capital Receipts	525	404	414	424	435	2,202
Backlog Funding Grant	13,000	12,000	26,286	0	0	51,286
Borrowing	11,249	7,195	0	1,268	0	19,712
Total Resources	44,854	43,071	49,774	27,727	27,902	193,328
Investment Need	44,854	45,850	46,926	48,024	31,250	216,904
Shortfall / (surplus)	-	2,779	(2,848)	20,297	3,348	23,576

18. There is a shortfall of up to £24m over the five year period (and £30m over 10 years). It should also be noted that Decent Homes Backlog Funding Grant has not yet been confirmed for 2013/14 and 2014/15 of the HRA Business Plan although it has been assumed in the above figures. If backlog funding is not granted in these 2 years there is a forecasted shortfall of £62m in the first five years.
19. Further detailed work is required on developing an appropriate asset management plan and investment strategy to focus and prioritise our use of limited resources taking into account sustainability issues, ensuring comparable investment standards, and targeting investment standards on assets returning the best value for investment.
20. A detailed capital programme covering the three geographical areas is being developed for 2012/13 and a summary of the proposed investment of £44.854m is shown in Appendix 6. Once the asset management plan has been finalised during 2012/13, detailed programmes and capital allocations will be allocated across the remaining four years of the MTFP.

2012/13 Detailed HRA Budget

21. The following paragraphs provide more details on the 2012/13 budget which is shown in Appendix 5. Assumptions used are shown in Appendix 2 and the ensuing paragraphs focus on the significant items of expenditure and income only as follows:
- Dwelling Rent Income
 - Other Rental Income
 - Housing Management Costs
 - Interest Payments
 - Depreciation

HRA Income

Dwelling Rent Income

22. The main source of income for the HRA is rental income from dwellings paid to the Council by tenants. Local authority rents are decided by a formula set by Government based on capital values and regional earnings. The Government's strategic aim is for similar properties in the same area to have

similar rent charges no matter if they are owned by different social landlords. The aim is to deliver fairer rents and greater transparency and choice for tenants. This policy is generally known as 'rent convergence'.

23. Each year, Government sets a guideline increase or decrease for each authority based on the Retail Price Index (RPI) in the previous September and the extent to which rents need to move to meet convergence targets in the social housing sector. The Governments self financing determination assumes that local authorities follow this guideline. Where they do not, authorities are required to meet any funding gap without further government support. Where rents need to increase to hit targets, authorities must limit their weekly increases to RPI + 0.5% + £2 to minimise the impact on tenants. The baseline increase before rent restructuring equates to 6.1% and consists of the RPI to September 2010 of 5.6% and a real increase of 0.5%.
24. Applying the Government's guidelines results in an overall average increase of 6.25% for Durham which yields an average rent of £63.05 per week in 2012/13. The following table shows the impact on the average rent levels across the three management areas:

Average Rents

	Durham City		Easington		Wear Valley		Total	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Average Rent	£ 61.13	£ 65.19	£ 57.73	£ 61.18	£ 59.99	£ 63.73	£ 59.34	£ 63.05
Maximum Rent	76.03	81.69	73.90	78.12	72.66	78.16	76.03	81.69
Minimum Rent	*36.98	45.95	45.54	47.98	24.97	27.25	24.97	27.25

* This minimum rent relates to properties in Oversteeds in Durham City which are planned for demolition and are not included in the 2012/13 rent base.

Average Changes in Rent 2011-12 and 2012-13

	Durham City		Easington		Wear Valley		Total	
	%	£	%	£	%	£	%	£
Average Increase	6.64	4.06	5.98	3.45	6.23	3.74	6.25	3.71

The above figures exclude new build properties.

25. A significant proportion of Council tenants are in receipt of housing benefit which helps meet the cost of their rental payments due to the Council and this applies to around 70% (approximately 13,000) of our tenants, although the relative proportion in the Durham City area is slightly lower.

Other Rental Income

26. The HRA includes responsibility for managing and maintaining around 2,900 garages which generate income to the account. For 2012/13 it is proposed that increases in garage rents are linked to the average overall increase in dwelling rents of 6.25%.

27. Also included in the HRA are certain commercial properties such as shops. Rents from such properties are subject to periodic rent reviews and those properties that are subject for a rent review in 2012/13 will be considered in light of prevailing market rates. The total budgeted income for 2012/13 is £96,000.
28. In addition to their rent, tenants may also be required to pay service charges. Service charges usually relate to additional services provided to specific tenants. Different tenants may receive different types of service reflecting their housing circumstances. Local authorities have discretion to decide what services to charge for separately, and what services should be included within the rent.
29. It is recommended that changes to existing service charges proposed by the three service providers be approved subject to the agreement of the Head of Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance.

HRA Expenditure

Housing Management Costs

30. The housing stock is managed by three separate housing providers. Two Arms Length Management Companies (Dale and Valley Homes and East Durham Homes) manage the stock in former Wear Valley and Easington areas. These companies are wholly owned by the Council. An in-house provider, Durham City Homes, manages the stock in the Durham City area. These management arrangements reflect the position that the County Council inherited from the former district authorities prior to local government reorganisation (LGR).
31. Housing Management costs can broadly be broken down into 3 distinct areas:
 - Repairs and Maintenance: relates to the day to day repairs and maintenance of the housing stock including responsive and void repairs;
 - Supervision and Management (General): costs of policy and management, tenancy administration, rent collection and accounting;
 - Supervision and Management (Special): running costs of services that benefit specific groups of tenants including communal heating, lighting, lifts, caretaking, cleaning and ground maintenance.
32. Management costs continue to be examined for efficiencies and the MTFP assumes £3m in savings will be secured over 2012/13 and 2013/14. The following table identifies savings put forward by providers and shows that current differences in unit costs are being reduced.

Provider	Mgt Costs 2011/12	Identified Savings 12/13	Identified Savings 13/14	Revised Unit Cost per property (after all savings)
Durham City Homes	7,486,180	200,000	-	1,203
Dale and Valley Homes	5,911,000	400,000	150,000	1,271
East Durham Homes (1)	12,497,780	600,000	600,000	1,348
DCC – Central Support	2,266,139	150,000	150,000	106
Total	28,161,099	1,350,000	900,000	1,393

(1) includes £142,780 of costs charged direct to HRA and Mgt Fee to EDH of £12,355,000.

33. The variation in unit costs of management fees between the three providers is reducing and the Council as Landlord will make continuing efforts to ensure service standards are consistent across the three geographical areas whilst also aspiring to be a low cost, high performing function.
34. The implications for management fees in 2012/13 for our three housing management providers, after the above savings, are as follows:

Durham City Homes	£7,217,250 (a)
Dale and Valley Homes	£5,511,000
East Durham Homes	£11,755,000 (b)

(a) Durham City Homes reduced by £200,000 above plus a further reduction in central support charges of £68,930.

(b) Management fee to EDH is £12,355,000 less £600,000. Costs of £142,780 are charged direct to the HRA and not paid to EDH.

Interest Payments

35. This reflects the cost of borrowing to support the Housing Capital Programme. In 2012/13 starting debt has been estimated as £229m (which includes a £55m settlement payment to be made to DCLG on 28 March 2012) plus further net borrowing of £11m during the year taking the estimated closing debt at 31 March 2013 to £240m. The interest payments of £12m reflect an overall average rate of interest of 5.25%.

Depreciation

36. Depreciation costs effectively represent resources available to support the capital programme to maintain our housing asset. DCLG has allowed Council's to use the self financing Major Repairs Allowance as the basis for the depreciation charge in the HRA up to five years, whilst we move to a system of component based depreciation in line with accounting practice.

Treasury Management

37. The Council will in future be responsible for servicing and managing its own debt from the rental income it is now able to retain locally. The cost of servicing interest on this debt was previously borne by Central Government.

The Council will need to allocate existing and future borrowing costs between the housing revenue account and the general fund as the current statutory method of apportioning debt charges between the general fund and HRA will cease.

38. The Chartered Institute of Public Finance and Accountancy (CIPFA) has set out a methodology for splitting loans to meet the requirements of the new system. The principles that CIPFA suggest should be followed in attributing loans are as follows:
- The underlying principle for the splitting of loans, at transition, must be at no detriment to the General Fund (GF).
 - Local authorities are required to deliver a solution that is broadly equitable between the Housing Revenue Account (HRA) and General Fund.
 - Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving a greater degree of independence, certainty and control.
39. Officers have applied CIPFA guidance to splitting debt between the GF and HRA using the ‘two pool’ approach which is the most widely supported proposal among local authorities. This will ensure that HRA debt will be managed as a separate loan portfolio in future, although all debt whether HRA or GF still remains the debt of the authority. A loan portfolio of £174m has been allocated to the HRA at an average rate of 5.5% using the above principles.
40. The Government is applying a debt cap to the Council for the HRA which has been set at £247m. The following table identifies the movements in the Housing Borrowing Requirement for next year and shows that borrowing levels will be contained within the Government’s debt cap.

Movements in Housing Borrowing Requirement	£'000
Estimated Closing Housing CFR 31/3/12	174,411
Settlement Payment to CLG on 28 March 2012	54,654
Amended Closing HRA CFR	229,065
Net Borrowing to be undertaken in 2012/13	11,249
Closing HRA CFR 31/3/13	240,314
Housing Debt Cap	247,509

HRA Reserves

41. HRA reserves are forecast to reach around £7.688m by 31st March 2012 equivalent to around £395 per dwelling. Interest is receivable on HRA cash balances and £114,000 has been assumed for 2012/13.
42. The significant changes arising from the reform of Council housing finance including the transfer of some risks to the Council in future (such as interest payments on debt and fluctuations in interest rates) mean that an adequate level of reserves needs to be maintained. At the same time, the Council’s stock option appraisal process is ongoing and resources might be needed to deal with any costs associated with the preferred outcome. At this point in

time, it is therefore prudent to ensure balances are maintained at broadly the same level to ensure the Council's financial position is not adversely affected.

Recommendations

43. It is recommended that Cabinet agrees: -

- The 30 Year HRA Business Plan (Appendix 3) and five year HRA MTFP (Appendix 4);
- To set dwelling rents for 2012/13 in accordance with Government guidelines which result in an overall average increase of 6.25%;
- To increase garage rents in line with the overall increase in housing rents;
- That approval of service charges proposed by the three service providers be delegated to the Head of Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance;
- A HRA capital programme of £44.854m in 2012/13;
- To agree ALMO/INMO management fee levels as follows;
 - Durham City Homes £7,217,250
 - Dale and Valley Homes £5,511,000
 - East Durham Homes £11,755,000
- To split the Council's loans in two separate pools as suggested by CIPFA using the principles outlined in paragraph 36 of this report;
- To authorise the Corporate Director Resources to make appropriate arrangements to enable the Council to implement self financing including decisions on borrowing and making the settlement payment to DCLG on 28 March 2012.

Background Papers:

Report to Cabinet: Response to Government Proposals for Dismantling the HRA, 29 June 2010

Implementing Self Financing for Council Housing issued by DCLG on 1 February 2011

Self financing: Planning the transition issued by DCLG on 28 July 2011

Report to Cabinet: HRA Self Financing and Medium Term Financial Plan, 27 October 2011

Self financing determination, DCLG 21 November 2011

Report to Cabinet: HRA Self Financing and Medium Term Financial Plan, 14 December 2011

Contact: Azhar Rafiq - Finance Manager Tel: 0191 383 4028

17 January 2012
p/r/ar01-12

Appendix 1: Implications

Finance – The financial implications have been identified throughout the report. The report sets out a full 30 year HRA Business Plan developed in line with robust estimates of expenditure needs and resource availability. Firm budgets have been developed over the MTFP with rent levels and management fee levels for providers being agreed for 2012/13.

Staffing – There are no direct implications on staffing from the information contained within this Cabinet Report.

Risk – where possible prudent and conservative estimates have been used when preparing the HRA Business Plan. A number of risks previously borne by the Government will transfer to the Council in future, such as changes in interest rates, stock numbers, debt and inflation. Appropriate plans and strategies have been developed to accommodate this transfer.

Equality and Diversity / Public Sector Equality Duty – There are no direct implications from the information contained within this Cabinet report.

Accommodation – There are no direct implications from the information contained within this Cabinet report.

Crime and Disorder – There are no direct implications from the information contained within this Cabinet report.

Human Rights - There are no human rights implications from the information contained within this Cabinet report.

Consultation – Significant external consultation has been held during 2010 in the development of the Council's Housing Strategy for Durham. The Council's three housing management providers have robust consultation arrangements with our tenants and the spending plans reflect the outcome of feedback from tenants and customers. Significant consultation has been held during 2011 as part of the stock options appraisal process. Housing rents and annual rent increases are effectively determined by national policy considerations.

Procurement – Wherever possible Procurement savings are reflected in savings plans.

Disability Issues – No direct implications arising from the information contained in this Cabinet report.

Legal Implications – Under the provisions of the Local Government and Housing Act that Council is required to prepare a budget that will ensure that the HRA is not in deficit. The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the estimates and the level of reserves. There are legal constraints relating to what can and cannot be contained in the HRA. The Council must ensure the provisions contained in the Localism Act for self financing are implemented.

Appendix 2: HRA Business Plan Assumptions

Item	Assumptions																																																																																											
Stock Numbers	<ul style="list-style-type: none"> For rent purposes, the following overall stock numbers have been assumed over the MTFP period: <table border="1"> <thead> <tr> <th>Year</th> <th>Opening Stock</th> <th>RTB</th> <th>Demolitions</th> <th>Other</th> <th>New Build</th> <th>Closing Stock</th> <th>Average Stock</th> </tr> </thead> <tbody> <tr> <td>2011-12</td> <td>18,647</td> <td>-27</td> <td>-42</td> <td></td> <td>17</td> <td>18,595</td> <td>18,621</td> </tr> <tr> <td>2012-13</td> <td>18,595</td> <td>-48</td> <td>-12</td> <td>1</td> <td>50</td> <td>18,586</td> <td>18,591</td> </tr> <tr> <td>2013-14</td> <td>18,586</td> <td>-36</td> <td>-20</td> <td></td> <td></td> <td>18,530</td> <td>18,558</td> </tr> <tr> <td>2014-15</td> <td>18,530</td> <td>-36</td> <td></td> <td></td> <td></td> <td>18,494</td> <td>18,512</td> </tr> <tr> <td>2015-16</td> <td>18,494</td> <td>-36</td> <td></td> <td></td> <td></td> <td>18,458</td> <td>18,476</td> </tr> <tr> <td>2016-17</td> <td>18,458</td> <td>-36</td> <td></td> <td></td> <td></td> <td>18,422</td> <td>18,440</td> </tr> </tbody> </table> Right to Buy sales of 36 have been assumed each year throughout life of the business plan (yrs 6 to 30). The breakdown of the opening stock for rent purposes over the 3 management areas is as follows: <table border="1"> <thead> <tr> <th>Year</th> <th>Durham City</th> <th>Easington</th> <th>Wear Valley</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2011-12</td> <td>6,025</td> <td>8,399</td> <td>4,223</td> <td>18,647</td> </tr> <tr> <td>2012-13</td> <td>5,997</td> <td>8,380</td> <td>4,218</td> <td>18,595</td> </tr> <tr> <td>2013-14</td> <td>5,976</td> <td>8,346</td> <td>4,264</td> <td>18,586</td> </tr> <tr> <td>2014-15</td> <td>5,960</td> <td>8,330</td> <td>4,240</td> <td>18,530</td> </tr> <tr> <td>2015-16</td> <td>5,944</td> <td>8,314</td> <td>4,236</td> <td>18,494</td> </tr> <tr> <td>2016-17</td> <td>5,928</td> <td>8,298</td> <td>4,232</td> <td>18,458</td> </tr> </tbody> </table> 	Year	Opening Stock	RTB	Demolitions	Other	New Build	Closing Stock	Average Stock	2011-12	18,647	-27	-42		17	18,595	18,621	2012-13	18,595	-48	-12	1	50	18,586	18,591	2013-14	18,586	-36	-20			18,530	18,558	2014-15	18,530	-36				18,494	18,512	2015-16	18,494	-36				18,458	18,476	2016-17	18,458	-36				18,422	18,440	Year	Durham City	Easington	Wear Valley	Total	2011-12	6,025	8,399	4,223	18,647	2012-13	5,997	8,380	4,218	18,595	2013-14	5,976	8,346	4,264	18,586	2014-15	5,960	8,330	4,240	18,530	2015-16	5,944	8,314	4,236	18,494	2016-17	5,928	8,298	4,232	18,458
Year	Opening Stock	RTB	Demolitions	Other	New Build	Closing Stock	Average Stock																																																																																					
2011-12	18,647	-27	-42		17	18,595	18,621																																																																																					
2012-13	18,595	-48	-12	1	50	18,586	18,591																																																																																					
2013-14	18,586	-36	-20			18,530	18,558																																																																																					
2014-15	18,530	-36				18,494	18,512																																																																																					
2015-16	18,494	-36				18,458	18,476																																																																																					
2016-17	18,458	-36				18,422	18,440																																																																																					
Year	Durham City	Easington	Wear Valley	Total																																																																																								
2011-12	6,025	8,399	4,223	18,647																																																																																								
2012-13	5,997	8,380	4,218	18,595																																																																																								
2013-14	5,976	8,346	4,264	18,586																																																																																								
2014-15	5,960	8,330	4,240	18,530																																																																																								
2015-16	5,944	8,314	4,236	18,494																																																																																								
2016-17	5,928	8,298	4,232	18,458																																																																																								
Rent Increases	<ul style="list-style-type: none"> Rent increases assumed as follows: <ul style="list-style-type: none"> 2012-13: 5.6% inflation + 0.5% - increase of 6.1% + rent restructuring 2013-14 to 2015-16: 2.5% inflation + 0.5% - increase of 3.0% + rent restructuring 2016-17onwards: 2.5% inflation + 0.5% - increase of 3.0% 																																																																																											
Voids	<ul style="list-style-type: none"> Assumptions on voids across the three geographical areas have been assumed at an average of 1.5% and calculated as a percentage of gross rental income. 																																																																																											
Other Income - Garage Income	<ul style="list-style-type: none"> The County Council inherited a range of different garage charges across the three former districts and a harmonisation policy has been proposed which involves converging rents towards Dale and Valley levels over three years and also ensuring that VAT is charged to private tenants in the Easington area. Increases in garage rents have been directly linked to the increase in dwelling rents. The following number of garage units have been assumed to derive garage income over the MTFP period. There is a 5% year on year reduction in the number of occupied garages. <table border="1"> <thead> <tr> <th>Estimated occupied no. of garages</th> <th>Durham City</th> <th>Wear Valley</th> <th>Easington</th> </tr> </thead> <tbody> <tr> <td>2011 -12</td> <td>880</td> <td>458</td> <td>1,585</td> </tr> <tr> <td>2012 -13</td> <td>880</td> <td>419</td> <td>1,577</td> </tr> <tr> <td>2013 -14</td> <td>836</td> <td>398</td> <td>1,498</td> </tr> <tr> <td>2014 -15</td> <td>794</td> <td>378</td> <td>1,423</td> </tr> <tr> <td>2015 -16</td> <td>754</td> <td>359</td> <td>1,352</td> </tr> <tr> <td>2016 -17</td> <td>717</td> <td>341</td> <td>1,284</td> </tr> </tbody> </table> 	Estimated occupied no. of garages	Durham City	Wear Valley	Easington	2011 -12	880	458	1,585	2012 -13	880	419	1,577	2013 -14	836	398	1,498	2014 -15	794	378	1,423	2015 -16	754	359	1,352	2016 -17	717	341	1,284																																																															
Estimated occupied no. of garages	Durham City	Wear Valley	Easington																																																																																									
2011 -12	880	458	1,585																																																																																									
2012 -13	880	419	1,577																																																																																									
2013 -14	836	398	1,498																																																																																									
2014 -15	794	378	1,423																																																																																									
2015 -16	754	359	1,352																																																																																									
2016 -17	717	341	1,284																																																																																									
Other Income - Shops	<ul style="list-style-type: none"> There are a small number of shops accounted for in the HRA generating rental income which has been maintained at the base budget position of £96,000. 																																																																																											

Item	Assumptions
Housing Management	<ul style="list-style-type: none"> ● Housing Management costs can broadly be broken down into 2 distinct areas: <ul style="list-style-type: none"> ○ Management (General): costs of policy and management, tenancy administration, rent collection and accounting. ○ Management (Special): running costs of services that benefit specific groups of tenants including communal heating, lighting, lifts, caretaking, cleaning and ground maintenance. ● The stock is managed by 3 providers – 2 ALMOs (Dale and Valley Homes and East Durham Homes) and 1 in house (Durham City Homes) which reflects the position inherited from the former district authorities. ● Inflationary increases in costs have been assumed in the model although savings will be required to deal with the shortfall in resources in the first five years of the MTFP. ● Efficiency savings of £0.75m are also outstanding and these have been built in to the plan although the allocation of this amount across the various providers has not been determined. <p><i>Rent Rates Taxes and Other Charges</i></p> <ul style="list-style-type: none"> ● This includes all items that are liable in respect of HRA property. It includes council tax on empty properties, lease rental on properties, rates and water charges payable on non-dwellings. ● Some additional costs will be incurred for void properties that are earmarked for demolition and provision of £100,000 and £50,000 has been made in years 1 and 2 of the MTFP.
Bad Debts	<ul style="list-style-type: none"> ● The base budget assumed 0.43% of rental income. For the MTFP a more prudent assumption is proposed with a trebling of the current provision to 1.5% of gross rental income for years 1 to 4 and then 1% thereafter. This is to reflect potential impact of the Government's Welfare Reforms on rent income collecting.
Repairs	<ul style="list-style-type: none"> ● Relates to the day to day repairs and maintenance of the housing stock including responsive and void repairs. The management fees for the 3 providers contain provision for these costs.
Interest Paid	<ul style="list-style-type: none"> ● A starting debt of £229m has been assumed based on a settlement payment to DCLG of £55m, plus estimated closing debt of £174m for 2011/12. For the first 5 years an interest rate of 5.25% has been used, thereafter a rate of 6% for years 6-30.
Debt Management	<ul style="list-style-type: none"> ● This is to reflect the treasury management cost of dealing with the substantial loan portfolio of up to £247m.
Interest Received	<ul style="list-style-type: none"> ● Represents interest earned on all HRA balances and accounts.
Depreciation	<ul style="list-style-type: none"> ● For the purposes of the MTFP, the self financing Major Repairs Allowance has been used in line with guidelines from DCLG that allow this treatment for the first 5 years.
Borrowing	<ul style="list-style-type: none"> ● This reflects repayments of borrowing where surplus resources become available in any year.
RCCO	<ul style="list-style-type: none"> ● Revenue Resources remaining after meeting all management costs and interest payments are available to contribute towards the capital programme (revenue contributions to capital).
Balances	<ul style="list-style-type: none"> ● A minimum reserve balance of £7m has been used equating to around £370 per dwelling.

Appendix 3: Durham County Council 30 Year HRA Financial Business Plan

	Year	Rents (after Voids)	Other Income	Total Income	Manag' ment Expendi ture	Bad Debts	Repairs	Total Revenu e Expendi ture	Interest Paid	Deb t Mgt	Interest Receive d	Depreci ation	Net Operati ng Income	Borrowi ng	RCCO	Annual Cashflo w	Opening HRA Balance	Closing HRA Balance
1	2012.13	60,116	995	61,111	-15,919	-915	-11,869	-28,703	-12,321	-186	114	-17,158	2,857	-	-2,922	-65	7,688	7,623
2	2013.14	62,321	1,072	63,393	-14,575	-949	-12,166	-27,690	-12,805	-198	145	-17,538	5,307	-	-5,934	-627	7,623	6,996
3	2014.15	64,637	1,060	65,697	-14,939	-984	-12,470	-28,393	-12,961	-165	173	-17,932	6,419	-1,268	-5,142	9	6,996	7,005
4	2015.16	67,025	1,047	68,072	-15,312	-1,021	-12,782	-29,115	-12,961	-170	207	-18,345	7,688	-	-7,690	-2	7,005	7,003
5	2016.17	68,910	1,026	69,936	-15,696	-700	-13,101	-29,497	-12,994	-185	207	-18,767	8,700	-	-8,700	0	7,003	7,003
6	2017.18	70,838	1,052	71,890	-16,088	-719	-13,429	-30,236	-14,851	-198	207	-20,822	5,990	-	-5,990	0	7,003	7,003
7	2018.19	72,820	1,078	73,898	-16,490	-739	-13,765	-30,994	-14,851	-203	207	-21,301	6,756	-	-6,756	0	7,003	7,003
8	2019.20	74,857	1,105	75,962	-16,903	-760	-14,109	-31,772	-14,851	-208	207	-21,791	7,547	-	-7,547	0	7,003	7,003
9	2020.21	76,950	1,133	78,083	-17,326	-781	-14,462	-32,569	-14,851	-213	207	-22,292	8,365	-	-8,365	0	7,003	7,003
10	2021.22	79,102	1,161	80,263	-17,759	-803	-14,823	-33,385	-14,851	-219	207	-22,804	9,211	-	-9,211	0	7,003	7,003
11	2022.23	81,314	1,190	82,504	-18,202	-826	-15,194	-34,222	-14,851	-224	207	-23,328	10,086	-	-10,086	0	7,003	7,003
12	2023.24	83,587	1,220	84,807	-18,657	-849	-15,574	-35,080	-14,851	-230	207	-23,864	10,989	-	-10,989	0	7,003	7,003
13	2024.25	85,924	1,250	87,174	-19,124	-872	-15,963	-35,959	-14,851	-235	207	-24,412	11,924	-	-11,924	0	7,003	7,003
14	2025.26	88,325	1,282	89,607	-19,602	-897	-16,362	-36,861	-14,542	-241	207	-24,973	13,197	-10,284	-2,904	9	7,003	7,012
15	2026.27	90,793	1,314	92,107	-20,092	-922	-16,771	-37,785	-14,011	-247	207	-25,547	14,724	-7,429	-7,299	-4	7,012	7,008
16	2027.28	93,330	1,346	94,676	-20,594	-948	-17,190	-38,732	-13,524	-231	207	-26,133	16,263	-8,782	-7,479	2	7,008	7,010
17	2028.29	95,937	1,380	97,317	-21,109	-974	-17,620	-39,703	-12,953	-216	207	-26,733	17,919	-10,253	-7,665	1	7,010	7,011
18	2029.30	98,617	1,415	100,032	-21,637	-1,001	-18,061	-40,699	-12,290	-202	207	-27,347	19,701	-11,846	-7,854	1	7,011	7,012
19	2030.31	101,371	1,450	102,821	-22,178	-1,029	-18,512	-41,719	-11,528	-189	207	-27,974	21,618	-13,568	-8,049	1	7,012	7,013
20	2031.32	104,202	1,486	105,688	-22,732	-1,058	-18,975	-42,765	-10,971	-177	207	-28,616	23,366	-4,987	-18,387	-8	7,013	7,005
21	2032.33	107,111	1,523	108,634	-23,300	-1,087	-19,449	-43,836	-10,639	-171	207	-29,272	24,923	-6,102	-18,820	1	7,005	7,006
22	2033.34	110,101	1,561	111,662	-23,883	-1,118	-19,935	-44,936	-10,236	-165	207	-29,944	26,588	-7,325	-19,263	0	7,006	7,006
23	2034.35	113,174	1,600	114,774	-24,480	-1,149	-20,434	-46,063	-9,756	-159	207	-30,630	28,373	-8,656	-19,716	1	7,006	7,007
24	2035.36	116,332	1,640	117,972	-25,091	-1,181	-20,945	-47,217	-9,194	-153	207	-31,332	30,283	-10,102	-20,180	1	7,007	7,008
25	2036.37	119,578	1,682	121,260	-25,719	-1,214	-21,468	-48,041	8,380	-148	207	-32,051	32,487	-17,028	-15,453	6	7,008	7,014
26	2037.38	122,914	1,724	124,638	-26,362	-1,248	-22,005	-49,615	-7,293	-115	207	-32,785	35,037	-19,209	-15,826	2	7,014	7,016
27	2038.39	126,343	1,767	128,110	-27,021	-1,283	-22,555	-50,859	-6,070	-89	207	-33,536	37,763	-21,552	-16,209	2	7,016	7,018
28	2039.40	129,866	1,811	131,677	-27,697	-1,318	-23,119	-52,134	-4,701	-69	207	-34,305	40,675	-24,073	-16,600	2	7,018	7,020
29	2040.41	133,488	1,856	135,344	-28,389	-1,355	-23,697	-53,441	-3,175	-53	207	-35,090	43,792	-26,787	-17,001	4	7,020	7,024
30	2041.40	137,210	1,902	139,112	-29,098	-1,393	-24,289	-54,780	-1,480	-41	208	-35,894	47,125	-29,708	-17,412	5	7,024	7,029

Appendix 4: Five Year HRA Medium Term Financial Plan

Year £'000	2012.13 Year 1	2013.14 Year 2	2014.15 Year 3	2015.16 Year 4	2016.17 Year 5	Total 5 years
INCOME:						
Rental Income	61,031	63,270	65,621	68,046	69,959	327,927
Void Losses	-915	-949	-984	-1,021	-1,049	-4,918
Non-Dwelling Income	995	1,072	1,060	1,047	1,026	5,200
Total Income	61,111	63,393	65,697	68,072	69,936	328,209
EXPENDITURE:						
General Management	-13,777	-12,447	-12,758	-13,077	-13,404	-65,463
Special Management	-555	-553	-566	-580	-595	-2,849
Other Management	-1,587	-1,575	-1,615	-1,655	-1,697	-8,129
Bad Debt Provision	-915	-949	-984	-1,021	-700	-4,569
Responsive & Cyclical Repairs	-11,869	-12,166	-12,470	-12,782	-13,101	-62,388
Total Revenue Expenditure	-28,703	-27,690	-28,393	-29,115	-29,497	-143,398
Interest Paid	-12,321	-12,805	-12,961	-12,961	-12,994	-64,042
Debt Management	-186	-198	-165	-170	-185	-904
Interest Received	114	145	173	207	207	846
Depreciation	-17,158	-17,538	-17,932	-18,345	-18,767	-89,740
Net Operating Income	2,857	5,307	6,419	7,688	8,700	30,971
APPROPRIATIONS:						
Borrowing Repayment	0	0	-1,268	0	0	-1,268
Revenue Contribution to Capital	-2,922	-5,934	-5,142	-7,690	-8,700	-30,388
Total Appropriations	-2,922	-5,934	-6,410	-7,690	-8,700	-31,656
ANNUAL CASHFLOW	-65	-627	9	-2	0	-685
Opening Balance	7,688	7,623	6,996	7,005	7,003	n/a
Closing Balance	7,623	6,996	7,005	7,003	7,003	n/a

Appendix 5: HRA 2012/13 – Analysis of Budget by Area

	2012/13 Easington	2012/13 Wear Valley	2012/13 Durham City	2012/13 General	2012/13 Total
	£000	£000	£000	£000	£000
Income					
Dwelling Rents: – Rents	(26,578)	(14,124)	(20,329)	-	(61,031)
– Voids	399	212	305	-	916
	(26,179)	(13,912)	(20,024)	-	(60,115)
Non Dwelling Rents: – Garages	(482)	(144)	(273)	-	(899)
– Shops/Other	(70)	(10)	(16)	-	(96)
Charges for Services and Facilities – General	-	-	(20)	-	(20)
Charges for Services and Facilities – Special	-	-	(36)	-	(36)
Total Income	(26,731)	(14,066)	(20,369)	-	(61,166)
Expenditure					
ALMO Management Fee (1)	11,755	5,511	-	-	17,266
Repairs and Maintenance	15	-	4,084	-	4,099
Supervision and Management - General	148	-	2,757	1,420	4,325
Supervision and Management - Special	133	-	432	-	565
Rent, Rates, Taxes and Other Charges	-	-	-	100	100
Depreciation and Impairment of Fixed Assets	-	-	-	17,158	17,158
Bad Debt Provision and Debts Written Off	399	212	305	-	916
Debt Management Costs	-	-	-	186	186
Total Expenditure	12,450	5,723	7,578	18,868	44,615
Net Cost of HRA Services per I&E Account	(14,281)	(8,343)	(12,791)	18,868	(16,551)
Share of Corporate and Democratic Core	-	-	-	1,085	1,085
Share of Other Costs Not Allocated to Services	239	52	111	-	402
Net Cost of HRA Services	(14,042)	(8,291)	(12,680)	19,953	(15,064)
Interest Payable and Similar Charges	-	-	-	12,321	12,321
Direct Revenue Financing	-	-	-	2,922	2,922
Interest and Investment Income	-	-	-	(114)	(114)
(Surplus)/Deficit for Year	(14,042)	(8,291)	(12,680)	35,082	(65)
	£000	£000	£000	£000	£000
HRA Reserves	-	-	-	7,623	7,623

- (1) The management fee covers repairs and maintenance and supervision and management expenditure.

Appendix 6: Draft HRA Capital Programme 2012/13

Improvement	2012.13 Durham City		2012.13 Easington		2012.13 Wear Valley		2012.13 Demolitions		2012.13 Total	
	£'000	No. of Dwellings Improved	£'000	No. of Dwellings Improved	£'000	No. of Dwellings Improved	£'000	No. of Dwellings Improved	£'000	No. of Dwellings Improved
Windows and Doors	1,308	527	30	9	-	-	-	-	1,338	536
Kitchens	1,321	464	3,242	1,351	1,321	458	-	-	5,884	2,276
Bathrooms	788	464	2,421	1,345	894	391	-	-	4,103	2,200
Heating/Boilers	2,390	676	6,559	1,733	890	330	-	-	9,839	2,739
Electrical/Wiring	690	328	2,934	1,048	1,180	514	-	-	4,804	1,890
Roofing/Chimneys	-	-	2,561	369	100	30	-	-	2,661	399
External/ Walls/ Fascias	-	-	4,395	586	100	22	-	-	4,495	608
Environmental	176	-	-	-	25	-	-	-	201	-
Asbestos	-	-	300	-	150	-	-	-	450	-
Disabled Adaptations	420	-	750	990	400	125	-	-	1,570	1,115
Related Assets	-	-	50	-	-	-	-	-	50	-
Exceptional Works:										
- Communal hall conversions	100	-	-	-	-	-	-	-	100	-
- Non- Traditional properties	-	-	1,000	-	-	-	-	-	1,000	-
- Floor Failures/Dampness	-	-	500	-	-	-	-	-	500	-
- Structural Repairs	-	-	130	-	-	-	-	-	130	-
Other Works:										
- Thermal Insulation Upgrades	-	-	193	-	30	166	-	-	223	166
- Green Deal Retro fits	-	-	-	-	20	5	-	-	20	5
- Periodical Electrical Testing	-	-	-	-	75	903	-	-	75	903
- Empty homes reinstatement	340	-	1,200	85	-	-	-	-	1,540	85
- Decoration allowances	100	-	325	-	-	-	-	-	425	-
- Furniture storage	50	-	50	-	-	-	-	-	100	-
- One-off replacement /ad hoc gas replacement	276	-	300	70	-	-	-	-	576	70
- Other	-	-	510	-	-	-	-	-	510	-
Housing Regeneration – acquisition/demolition	-	-	-	-	-	-	1,754	-	1,754	-
Capital Programme Management	541	-	1,550	-	415	-	-	-	2,506	-
Total	8,500		29,000		5,600		1,754		44,854	

Note: some dwellings will receive more than one improvement (e.g. a new kitchen and a new bathroom) so the actual number of dwellings improved will be less than the figures stated above. These are indicative figures based on proposals by three management providers that will be subject to Council's capital approval protocol process.

This page is intentionally left blank

Cabinet

8 February 2012



Council Plan and Service Plans 2012 - 2016

Report of Corporate Management Team

Lorraine O'Donnell, Assistant Chief Executive

Simon Henig, Leader of the Council

Purpose of the Report

1. To provide a draft of the Council Plan for 2012-16 attached for consideration and comment before being submitted for approval by Council on 22nd February 2012.

Background

2. The Council Plan is the overarching high level plan for the County Council. It has been amended this year to cover a four year timeframe in line with the Medium Term Financial Plan and it is updated annually. It links closely with our financial planning framework and in broad terms sets out how we will consider our corporate priorities for change and the key actions we will take in support of delivering the longer term goals in the Sustainable Community Strategy (2010-2030) and the Council's own change agenda. The Council Plan for the forthcoming period has been revised alongside the review of our Medium-Term Financial Plan.
3. The Council Plan is underpinned by a series of Service Plans at a service grouping level. Service Plans provide more detailed information on the actions we are taking to deliver the Council's priorities, plus actions required for other service specific priorities. They have been prepared to a standard format and provide more detailed information on service context, details of strategic links, key actions, additional resources required and reference to relevant risk assessments.

Council Plan 2012 – 2016

4. The Council Plan follows our vision of an **Altogether Better Durham** which is shared by the Council and its partners which was agreed in 2009.
5. Both the Sustainable Community Strategy and Council Plan are structured around the five priority themes for Durham which are:

- **Altogether wealthier** – focused on creating a vibrant economy and putting regeneration and economic development at the heart of what we do;
 - **Altogether better for children and young people** – enabling children and young people to develop and achieve their aspirations and to maximise their potential in line with Every Child Matters;
 - **Altogether healthier** – improving health and wellbeing;
 - **Altogether greener** – ensuring an attractive and ‘liveable’ local environment and contributing to tackling global environmental challenges;
 - **Altogether safer** – creating a safer and more cohesive community.
6. An additional theme of an **Altogether Better Council** been developed for the Council Plan to capture corporate improvements that the Council has identified that it wants to make in order to enable achievement against the five priority themes.
 7. Despite the unprecedented reductions in financial support from the Government, the focus of the Council’s and partners’ ambitions remains the same. This vision and the objectives developed for each of the 5 Altogether priority themes within the Sustainable Community Strategy still articulate what the Council and partners want to achieve.
 8. However, suggested amendments to some of the Council’s specific contributions beneath the 5 Altogether priority themes plus our own priority of an Altogether Better Council are contained within this report.
 9. The Council Plan details the objectives and outcomes that we aspire to achieve. These priorities have been developed following an analysis of all available consultation data. Our identified priorities represent the needs and aspirations of our residents and customers. The Medium Term Financial Plan presented to Cabinet on 27th October sets out how revenue and capital resources have been aligned to the priority themes within the Council Plan and how consultation data has been used to shape these priorities and resourcing decisions.
 10. The Council Plan also details the strategic actions that we will be engaged in during the next 4 years in support of these priorities. These strategic actions are underpinned by a framework of specific actions within our Service Plans and will be monitored through our quarterly reporting arrangements.

Service Plans

11. Each service grouping has developed their own Service Plan to cover the forthcoming four years. These Plans have been prepared to an agreed format which have been considered collectively to reduce overlap. These plans set out the common priorities for each service grouping. Action plans for each service

area contained within the Plans are designed to achieve these service priorities which in turn, contribute to corporate priority themes of the Council.

Changes to the Current Council Plan

12. Major changes to the Council Plan are detailed in the tables below and in Appendix 2.

Priority Theme	Objective	Changes
Altogether Wealthier	New Objective – A growth driven spatial planning framework for County Durham	A new objective has been added under the Altogether Wealthier theme to capture all of the actions relating to the production of the Local Plan for County Durham.
Altogether Better for Children and Young People	All	The objectives and outcomes framework for this priority theme have been completely rewritten to reflect a new approach based on the emerging new Children and Young People's Plan. The aim of this new framework is to refocus our planning around those factors which cause impact on the lives of all children, young people and families in County Durham.
Altogether Healthier	Improve life expectancy	Two new outcomes have been added under this objective. Reducing excess winter deaths across the county is a priority for the Health and Wellbeing Partnership, and its revised Delivery Plan contains actions related to this. It was felt appropriate for an overarching strategic action to be included in the Council Plan, which would also reflect the leading role of the council in winter planning, reducing fuel poverty, etc. The outcome to 'reduce harm caused by drugs / substances' under the Altogether Safer theme focuses on helping people overcome dependency on drugs and the link to offending, employment and housing. It was felt that an outcome was needed in the Council Plan regarding the impact of drugs on people's health, and the
Altogether		

Priority Theme	Objective	Changes
Healthier (continued)		work being carried out with partners to tackle this issue. This also reflects the outcome in the Sustainable Community Strategy.
	Improve mental health and wellbeing of the population	An additional outcome of reducing suicides has been added to reflect the strategic priority in NHS County Durham and Darlington's Integrated Strategic and Operational Plan, as well as the outcome in the Sustainable Community Strategy.
Altogether Safer	Protect vulnerable people from harm	A new outcome of building community and organisational resilience for emergency preparedness reflecting our duties under the Civil Contingencies Act has been added here. Previously, emergency planning actions fell under a number of different areas within the Plan such as counter-terrorism and climate change.
Altogether Greener	Reduce waste	Some minor amendments to wording have been made here to reflect the hierarchy of objectives and outcomes.
Altogether Better Council	An affordable financial strategy which addresses Government reductions	The outcome of delivering continuous improvement in income collection has been changed to maintaining income collection levels. This is felt to be sufficient in the current economic climate.
	Building a more streamlined corporate infrastructure	The wording of the outcome around good governance has been amended to make it less wordy.
	Manage and support our people through organisational change	The outcome of producing an Organisational Development Plan was felt to be more of an action. This has been changed to reflect the leadership role of the authority which will capture a number of actions being carried out in this area.
Altogether Better Council (continued)		Wellbeing of the workforce has been added to one of the outcomes to

Priority Theme	Objective	Changes
		<p>reflect some of the actions being carried out in this area e.g. health and safety improvements.</p> <p>The outcome around pay and conditions has been amended to reflect the purpose of carrying out this project i.e. fairness and equality.</p>
	Working to satisfy customer needs and expectations	<p>A new outcome has been added to reflect the priority around ensuring benefits are paid to the right customers at the right time.</p> <p>Two previous outcomes around customer culture and a quality customer service have been combined. In reality, many of the actions designed to achieve these previously two separate outcomes were the same.</p>
	Improving efficiency and value for money	Developing a performance management framework for Durham now encompasses two previous outcomes around cost and performance as the aim is to ensure that our performance management framework incorporates value for money as one of its components.

Further Work

13. Work is underway to review the corporate basket of indicators and develop new targets for the forthcoming years which we use to monitor our success in achieving the priorities set out in the Council Plan. This will be completed by the year end.

Risk Management

- 14 Any new risks associated with actions contained within Service Plans are identified as part of the service planning process. Actions contained within the Council Plan are risk managed through the inclusion of the relevant risks within the Plan. These risks are reported on through the Council's risk management processes to the Council's Audit Committee and to Cabinet via performance management reports.

Recommendations:

- 15 Cabinet is asked to
- Agree the content of the draft Council Plan and recommend it for approval by full Council on February 22nd, subject to any final minor amendments by the Assistant Chief Executive.
 - Agree to directors having delegated authority in consultation with the relevant portfolio holders to provide final sign-off on their own Service Plan prior to Cabinet.
 - Note that Service Plans are now complete and copies are available on the Council's intranet (see below). For the Cabinet meeting, Service Plans will be made available in the Members' Library. Following the Council Plan being approved by Council, both the Council Plan and Service Plans will be placed on the internet.

Contact: Tom Gorman

Tel: 0191 372 7694

Background Documents

Council Plan 2012 -16 (attached)

Service Plans (click on [hyperlink](#) here to access Service Plans)

Adults, Wellbeing and Health Service Plan 2021-16

Assistant Chief Executive's Service Plan 2012 -16

Children and Young People's Service Plan 202 -16

Neighbourhood Services Service Plan 202 -16

Regeneration and Economic Development Service Plan 2012 -16

Resources Service Plan 2012 -16

Appendix 1: Implications

Finance

The Council Plan sets out the corporate priorities of the Council for the next 3 years. The Medium Term Financial Plan aligns revenue and capital investment to priorities within the Council Plan.

Staffing

The Council's strategies are be aligned to achievement of the corporate priorities contained within the Council Plan.

Risk

Consideration of risk is a key element in the corporate and service planning framework with both the Council Plan and Service Plans containing sections on risk.

Equality and diversity

Individual equality impact assessments have been prepared for the Council Plan and for each savings proposal within the Plan. The cumulative impact of all savings proposals in total has also been presented to Council and will be updated as savings proposals are further developed. In addition a full impact assessment has been undertaken for the draft Council Plan. The actions in the Council Plan include specific issues relating to equality and aim to improve the equality of life for those with protected characteristics. The Plan has been influenced by consultation and monitoring to include equality issues. There is no evidence of negative impact for particular groups.

Accommodation

The Council's Corporate Asset Management Plan is aligned to the corporate priorities contained within the Council Plan.

Crime and disorder

The Altogether Safer section of the Council Plan sets out the Council's contributions to tackling crime and disorder.

Human rights

None

Consultation

Council and partnership priorities have been developed following an analysis of available consultation data including an extensive consultation programme carried out as part of the development of the interim Sustainable Community Strategy and this has been reaffirmed by subsequent consultation on the budget and through the Residents' Survey. Results have been taken into account in developing our resourcing decisions.

Procurement

None

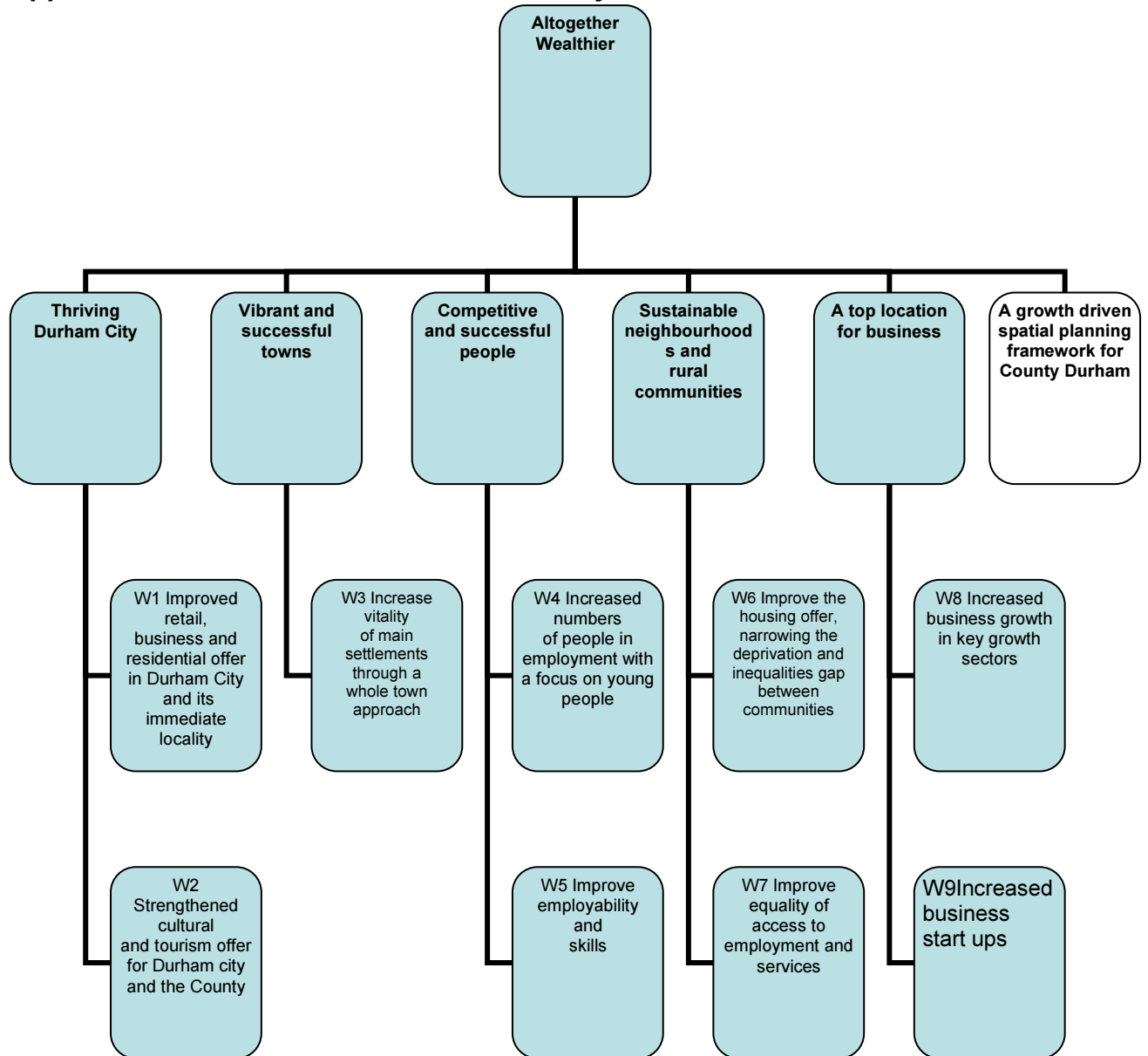
Disability

None

Legal Implications

None

Appendix 2 Council Plan 2012 – 16: Draft Objectives and Outcomes Framework



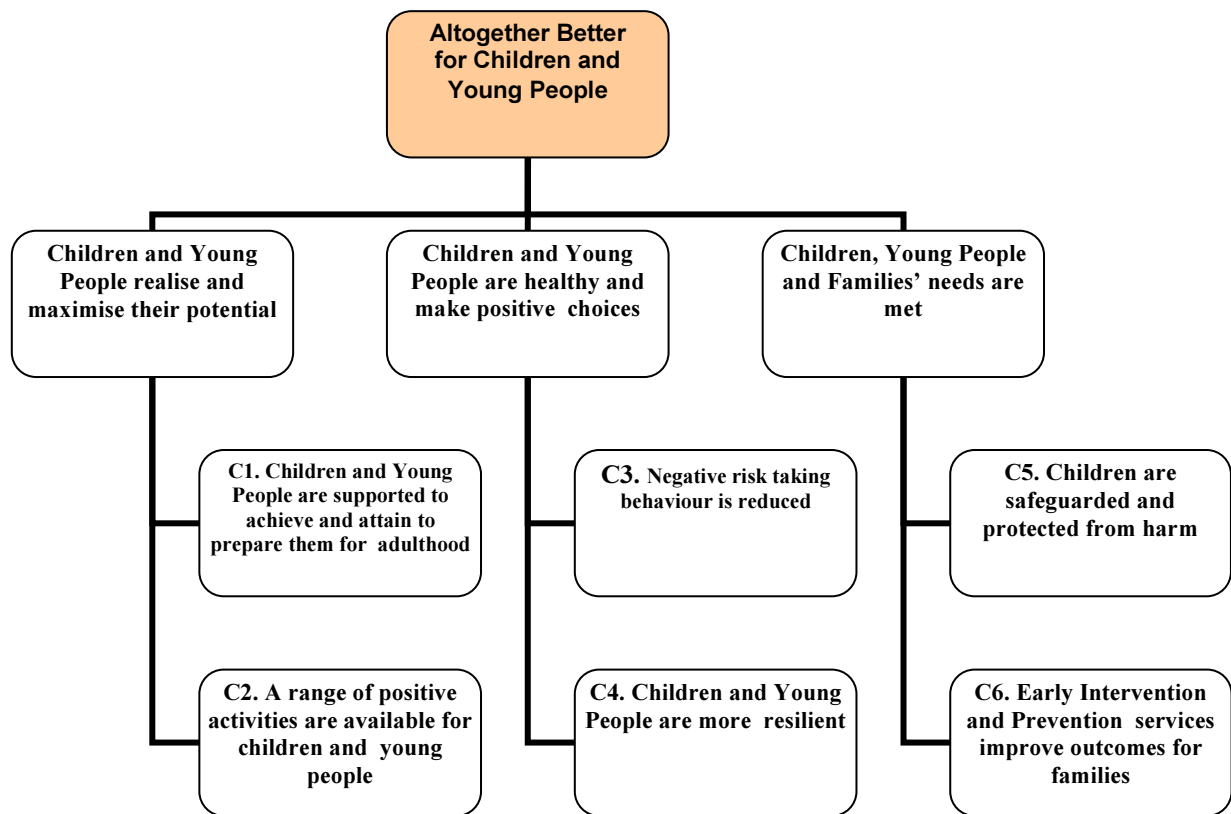
Key

No change



New objective/outcome





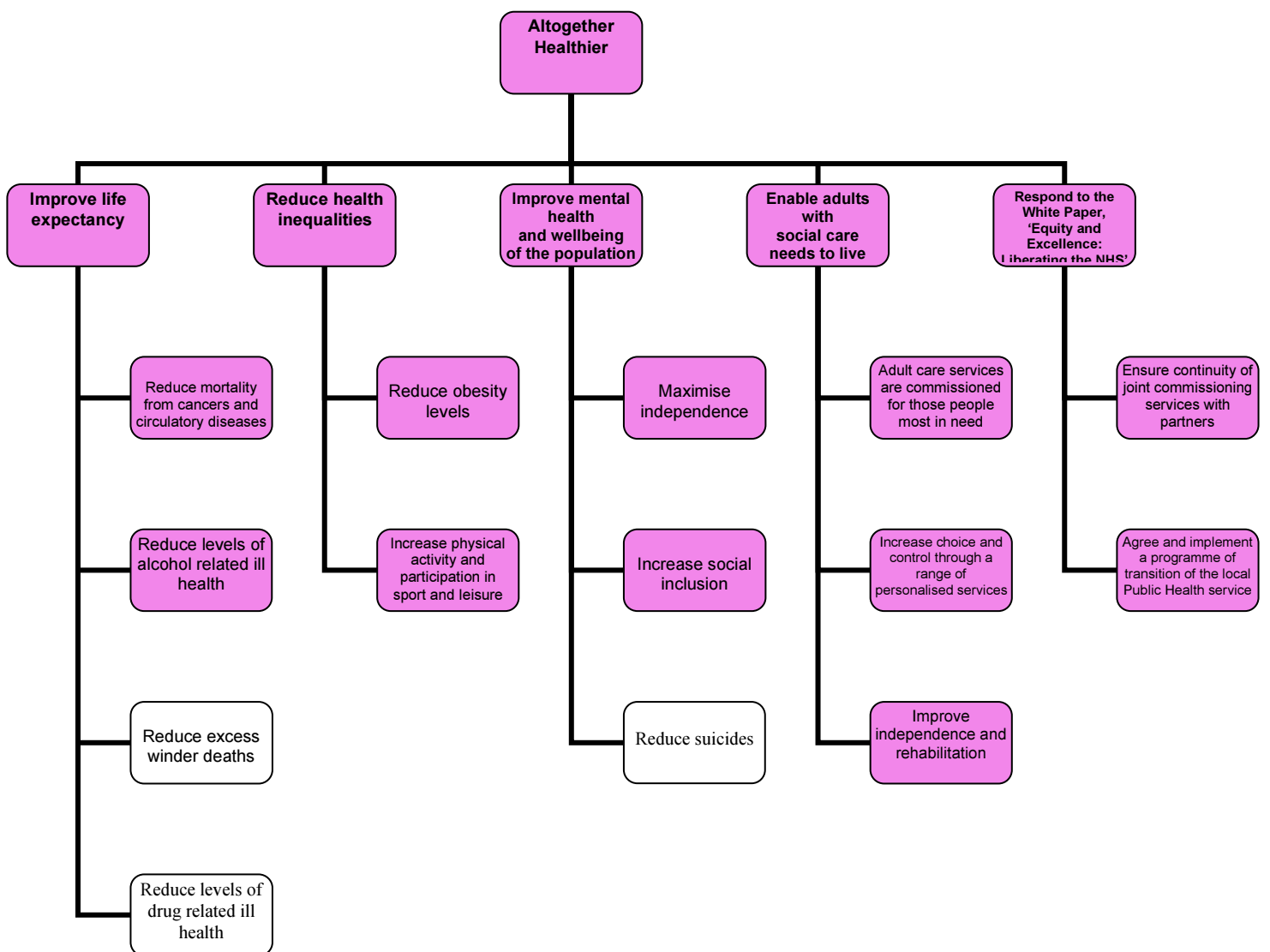
Key

No change



New objective/outcome





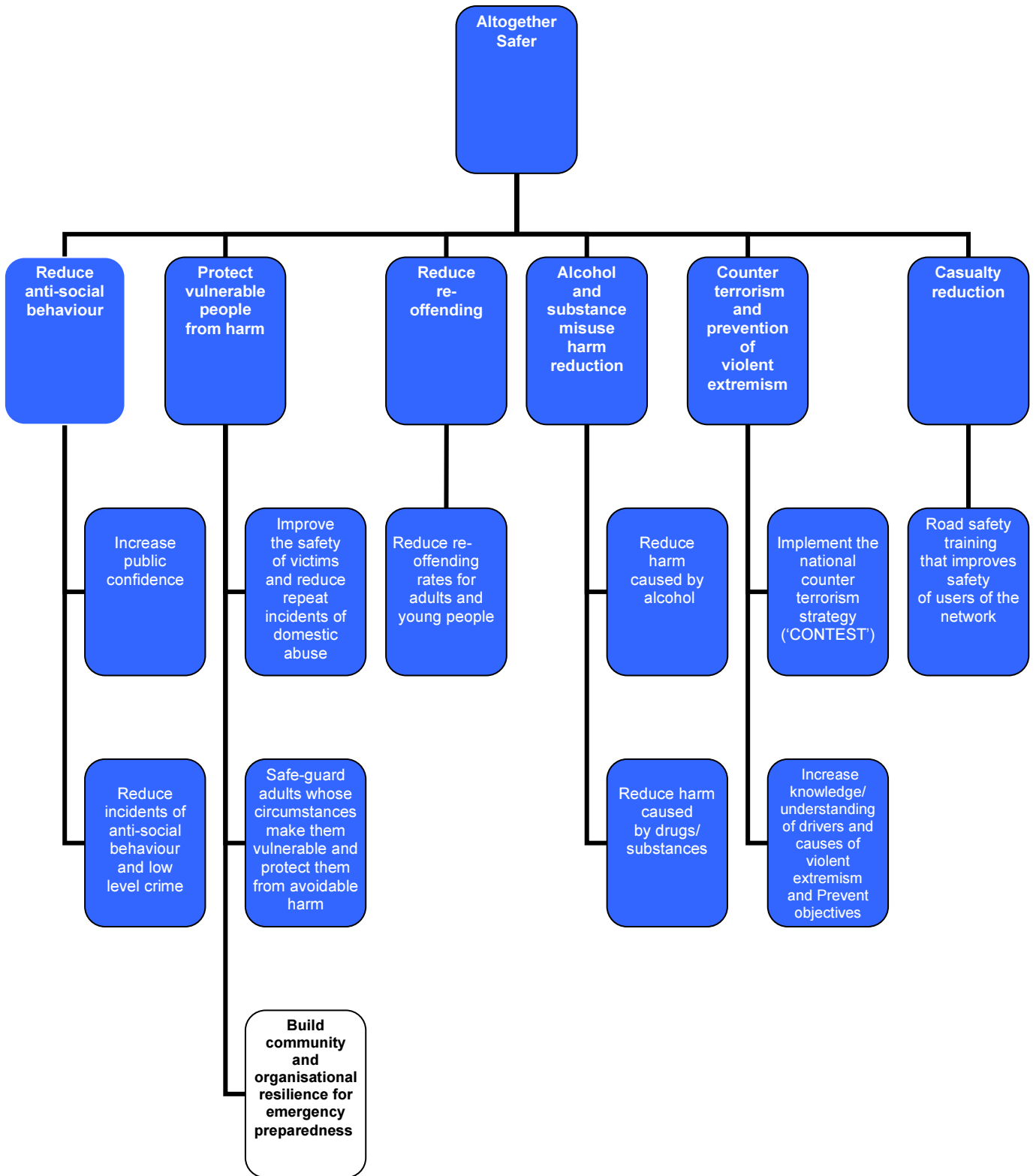
Key

No change



New objective/outcome





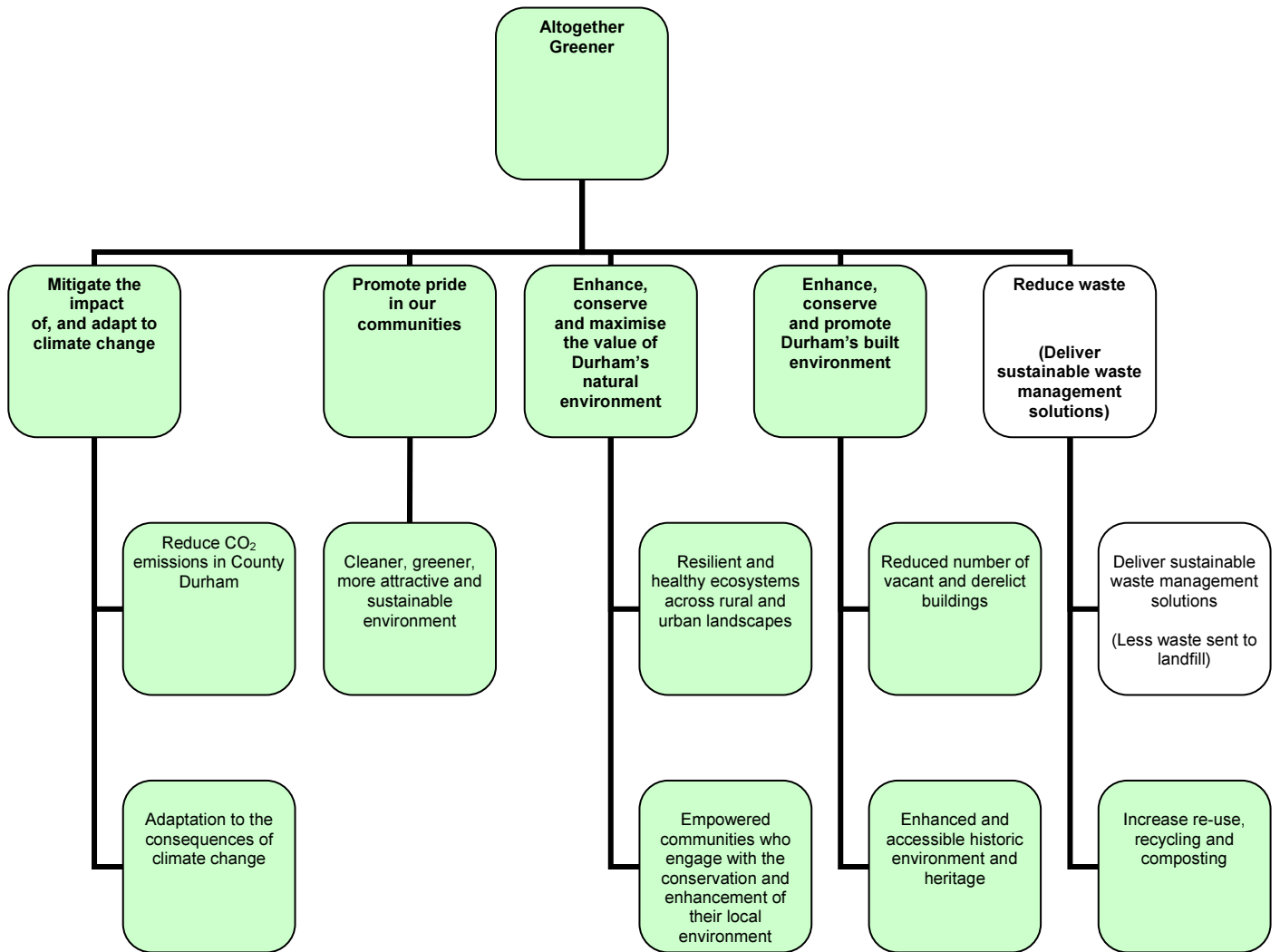
Key

No change



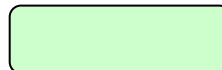
New objective/outcome



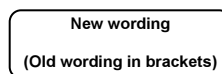


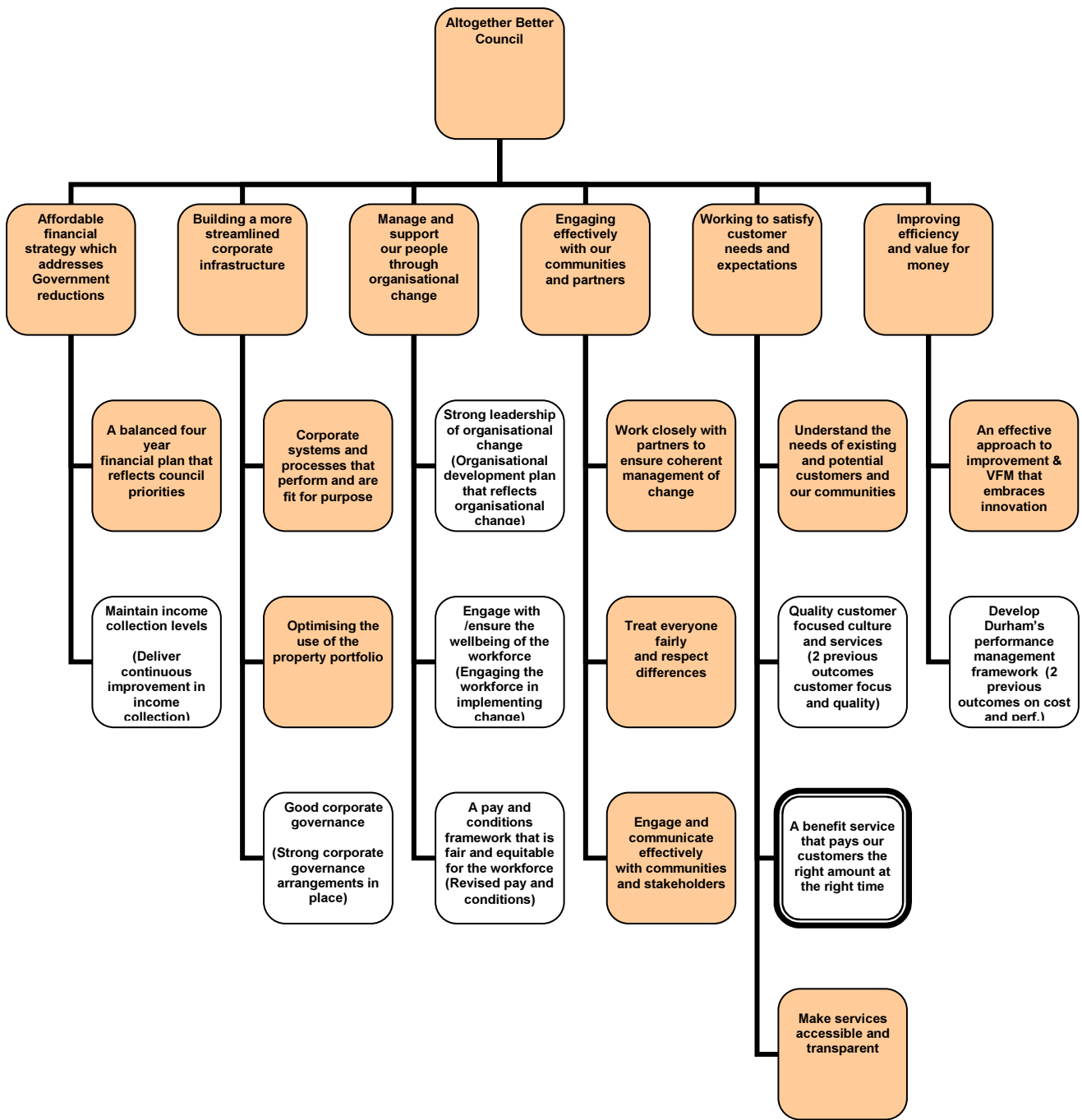
Key

No change



Amended objective/outcome



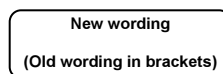


Key

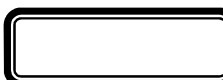
No change



Amended objective/outcome



New objective/outcome



This page is intentionally left blank

Durham County Council

Council Plan 2012-16

Foreword

Welcome to the Council Plan which sets out what Durham County Council aims to achieve for people over the next four years. Our continuing vision is to build an Altogether Better Durham, which is better for local people and provides better places to live and work. We share this vision with other public, private and voluntary sector partners in the county. This Council Plan sets out the Council's approach to delivering its part in this vision.

A key focus of our approach is consulting and engaging effectively with local communities. This is to make sure that the Council is strongly focused on local people's needs. This focus is demonstrated in our ongoing commitment to 14 Area Action Partnerships across the county which are taking action to meet local priorities.

You will be aware that the government announced a significant reduction in local government funding in October 2010. It has been a major challenge for the Council to plan for the savings that we have had to make whilst trying to minimise the impact of our reductions on the communities that we serve. The scale of the reduction is unprecedented in recent times, and it is also heavily front loaded. The Council has to make reductions of £123.5 million over the 4 year period from 2011 with £66.4 million of savings being delivered in the first year. This Plan therefore sets out how we intend to maintain and in some cases deliver improvements to our services whilst making the required savings targets.

In 2010, we consulted widely with the public on where to make savings and where to protect services. As a result of the feedback received, we protected spending on winter maintenance, highways maintenance and repairs. We have invested in protecting children and have protected eligibility criteria on social care for adults and older people. This has meant that other areas including management and communications have had to face larger reductions. We have consulted those groups who are potentially affected by each of our savings proposals. We have listened to what people have to say and in many cases we have revised our proposals to accommodate their wishes. For instance, working with community groups and sports clubs, we have helped to retain five of the six leisure centres that were originally earmarked for closure.

Despite inevitable service reductions in some lower priority areas, we will continue deliver service improvements where possible. The Council recognises the need to invest in key infrastructure projects to support our priorities through its capital programme and is also pursuing opportunities for further service efficiencies, particularly following local government reorganisation.

Simon Henig, Leader of the Council

CONTENTS

Section	Page No.
1. The Council and the Community	3
2. The Council's Vision and Values	6
3. Planning assumptions	7
• National priorities	7
• Local priorities	11
• Resources	12
• Risks and opportunities	12
• Consultation	14
• Performance and Efficiency	17
• Equality and Diversity	19
4. Altogether Wealthier	20
5. Altogether Better for Children and Young People	34
6. Altogether Healthier	43
7. Altogether Safer	56
8. Altogether Greener	66
9. Altogether Better Council	79

The Council and the Community

County Durham

County Durham is a place of distinctive character with a strong sense of its own identity. It has a proud and unique history having been settled since ancient times by the Romans, Angles, Saxons and Normans. Durham city developed as a centre of Christian worship in the 11th century with the completion of the cathedral which is now a world heritage site. The Bishops of Durham were granted both spiritual and secular powers by William I effectively giving them the status of kings of the North East, a situation which lasted up until the Reformation. Later, County Durham became a centre for the industrial revolution providing the country and developing empire with coal, steel and ships. The area also saw the development of the World's first passenger steam railway in 1825.

Today, Durham is a county of economic, cultural and environmental contrasts. It stretches from the remote rural North Pennine area of outstanding natural beauty in the West to the more densely populated East Durham heritage coastline. The county covers an area of 223,260 hectares with 219,000 households and 12 major centres of population.

Following Local Government Reorganisation in 2009, Durham County Council, with around 510,800 residents, is now the largest council in the North East region¹ and the sixth largest all purpose council by population in England.

The economic history of the county has generated a spatially fragmented geography of around 250 settlements including rural villages, small and medium towns and a historic city with World Heritage status.

In common with the rest of the UK, the county's population is ageing with the average age of 40.9 years in 2009 rising to 44.2 years in 2026. Increases in life expectancy and the transition of the 'baby boom' generation from economic activity into retirement means that our older people cohort (aged 65 +) is predicted to rise by 45.6 per cent by 2026². Even greater increases are expected in the population of people aged 85 and over which is predicted to rise by 108.5% (over 11,520 people). An increase in the birth rate both nationally and locally will stem the decline in the number of people aged under 25, which is expected to remain fairly constant over the next two decades at its current level of approximately 30 per cent of the population.

Black and minority ethnic communities make up 1.03 per cent of the population³ and the Gypsy, Roma and Traveller community report a population of around 3,000⁴.

The 2010 Index of Deprivation show that County Durham is ranked as the 62nd most deprived out of 326 authorities nationally. There is a high proportion (45.4%) of the County Durham population living in the 30% most deprived areas. Within these communities, weekly wages and rates of car ownership are low; the health of the population is relatively poor; life expectancy is below the average for the country and there are high levels of disability and long term illness.

¹ Registrar general mid 2010 population estimates.

² County Durham Joint Strategic Needs Assessment 2011/12

³ Census 2001, ONS as updated November 2004.

⁴ Local estimate based upon white British people representing 98.7 per cent per cent of the county's population.

In September 2010, 12,492 people were claiming Job Seekers Allowance, which equates to 3.8 per cent of the working age population. This is lower than the regional average of 4.7 per cent but higher than the Great Britain average, which is 3.6 per cent. In February 2010, 33,120 people were claiming Employment and Support Allowance and incapacity benefits, which equates to 10.1 per cent of the working age population. This is higher than both the regional average of 8.9 per cent and also the Great Britain average of 6.7 per cent.

Durham County Council

Durham County Council was established along with other county councils in England and Wales in 1888. The latest reorganisation of local government in Durham in 2009 saw the abolition of the seven district and borough councils in the county and the creation of Durham County Council as a single all purpose authority providing the full range of local government services to the public.

The council is made up of 126 Members representing 63 electoral divisions with the Labour Party having a controlling majority. The political makeup of the council is as follows:

Labour	69 Councillors
Liberal Democrat	26 Councillors
Independent	21 Councillors
Conservative	10 Councillors

The council operates a Leader and Cabinet style model of political governance and the Cabinet is made up of ten councillors with the following portfolios:

Councillor	Portfolio
Councillor Simon Henig	Leader of the Council
Councillor Alan Napier	Resources (and Deputy Leader)
Councillor Morris Nicholls	Adult Services
Councillor Claire Vasey	Children and Young People's Services
Councillor Lucy Hovvels	Safer and Healthier Communities
Councillor Neil Foster	Economic Regeneration
Councillor Clive Robson	Housing
Councillor Bob Young	Strategic Environment
Councillor Brian Stephens	Neighbourhoods and Local Partnerships
Councillor Maria Plews	Leisure, Libraries and Lifelong Learning

The council's Overview and Scrutiny function is made up of six Scrutiny Committees with an Overview and Scrutiny Management Board providing an oversight of the work of these Committees which is made up of 26 councillors and 10 other representatives.

Our council is broadly comparable with a major company in size. We provide a huge range of services that include: teaching our young people and caring for our older people; lending the latest best sellers and protecting 900 year old documents; fixing road bridges and creating bridges in our communities; helping children to swim and helping adults to work; planting trees in nature reserves and recycling paper from our homes. In fact, any local service you can think of, we probably have a hand in it somewhere. We have a budget of £1.4 billion⁵, we employ 22,000 people and our services are delivered to a customer base of over half a million people. To help us manage this undertaking, we employ a Chief Executive, Assistant Chief Executive and five directors who make up the Corporate Management Team of the council. Each of the six directors heads up a large service grouping as follows:

Chief Executive	George Garlick	Head of Paid Service
Assistant Chief Executive	Lorraine O'Donnell	Corporate policy, communications, corporate planning and performance, partnerships and community engagement, overview and scrutiny, civil contingencies
Corporate Director, Resources	Don McLure	Finance, procurement, legal and democratic services, human resources and organisational development, information and communications technology
Corporate Director, Adults, Wellbeing and Health	Rachael Shimmin	Adult social care, welfare rights, adult learning, libraries, theatres and museums, archives, community safety, health improvement, gypsies and travellers

⁵ £1,409,114 gross expenditure budget for 2011/12

Corporate Director, Children and Young People's Services	David Williams	Child protection, fostering and adoption, looked after children, education development services, support to school governors, school admissions, school transport, attendance and exclusions, youth offending service, early intervention and partnership services and a range of support services
Corporate Director, Neighbourhood Services	Terry Collins	Highways, street lighting, refuse collection and disposal, parks and grounds maintenance, bereavement services, maintenance of council housing and public buildings, sport and leisure, environmental health and consumer protection, neighbourhood wardens
Corporate Director, Regeneration and Economic Development	Ian Thompson	Physical and economic regeneration, asset management, spatial policy and planning, support for business, tourism, strategic housing, landlord and tenant services, transport

The Council's Vision

Since becoming a unitary authority the council has refocused its vision and priorities together with partners and in consultation with local people and Area Action Partnerships. The new vision that was developed by the council reflected the views and aspirations of the community and opportunities for improvement. This vision focussed around an altogether better Durham and comprises two components being to have an altogether better place which is altogether better for people.

This vision provides a framework which guides all of our detailed plans and programmes which will turn our vision into a reality. This is achieved through organising our improvement actions into a structure comprised of five priority themes:

Altogether Wealthier – focusing on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans;

Altogether Better for Children and Young People – ensure children and young people are kept safe from harm and that they can 'believe, achieve and succeed';

Altogether Healthier – improving health and wellbeing;

Altogether Safer – Creating a safer and more cohesive county;

Altogether Greener – ensuring an attractive and 'liveable' local environment and contributing to tackling global environmental challenges.

This vision is shared with our partners and set out in the county's Sustainable Community Strategy. It is reassuring to note that during the current economic climate with all public sector agencies facing large reductions in government funding, the council and its partners have reaffirmed their commitment to the above vision and the objectives that have previously been developed for each of the above priority themes.

The Council Plan sets out our corporate priorities for improvement and the key actions that the council will take in support of the delivery of the long-term goals in the Sustainable Community Strategy. It also identifies the improvements that the council wants to make in how it manages itself. These actions are captured in a sixth priority theme of an **Altogether Better Council**.

Each of the above priority themes is underpinned by detailed objectives and outcomes and a high level action plan for delivery set out in sections 4 to 9 of this Council Plan.

The Council's Values

The council has 5 values which support our vision and underpin our corporate priorities. These values demonstrate how staff contribute to the success of the organisation and what is required for us to be successful and deliver high class services to our residents. The Values are as follows:

- **Customer Focus**
Putting our customers at the heart of everything we do, treating internal and external customers the same.
- **Respect**
Delivering on promises and being open and honest. Treating everyone fairly. Reducing bureaucracy and simplifying how we do things.
- **Sharing**
Working together to improve how we provide services to customers and work with our partners. Helping each other through change.
- **Learning**
Encouraging questions and listening to our customers. Being innovative, learning to be different and improving.
- **Ambition**
Wanting to be the best and working together to achieve this. Making improvements through being efficient and delivering value for money.

Planning Assumptions

Our Plans have been developed after careful consideration of a number of "drivers for change" which set the context which we plan for.

These are:

National priorities

These include changes to national policy that require the council to make changes to the way in which it does things. These may include legislative and regulatory changes. The government has formulated its legislative programme following its election in May 2010. This has been characterised by significant changes in national

policies including the abolition of many of the agencies that we worked closely with. The government has in some instances, reduced the burdens and the degree of regulation and prescription placed on local authorities.

Welfare Reform - The Government's plans to reform the welfare system to help people move into and progress in work while supporting the most vulnerable in society. The Welfare Reform Bill has been introduced to make a wide range of reforms to make the benefits and tax credits system fairer and simpler. The aim of the Bill is to:

- Creating the right incentives to get more people into work by ensuring that work pays.
- Protecting the most vulnerable people in society.
- Deliver fairness to those claiming benefit and to the tax payer.

The Bill will have a significant effect on the Council's customers and on a number of services that the Council delivers such as welfare rights and housing benefits administration.

Localisation of Business Rates - Business rates are currently collected by local authorities and then paid to the Government who redistribute this income to councils according to a national formula. The Government has plans to localise business rates. The aims of this plan are to give local authorities more control of the resources they raise and also more certainty in financial planning for the long term. This is a fundamental change to the local government finance system and has the potential to impact negatively on County Durham as we are a net recipient from the current pooling system in that we receive more through the redistribution of business rates than we collect locally.

Reform of the National Health Service - The Health and Social Care Bill introduces some fundamental reforms to the NHS including:

- Clinically led commissioning which will see an abolition of Primary Care Trusts with clinicians directly commissioning health services for their populations.
- Giving greater freedoms to NHS foundation trusts.
- Giving a greater voice to patients through the establishment of new Healthwatch patient organisations.
- Transferring public health to local authorities and establishing Public Health England to drive improvements in public health nationally.

This legislation will significantly impact on the Council as a provider and commissioner of social care services and through its health and wellbeing role.

Localism Act - The Localism Act received assent in November 2011. This legislation gives greater powers to both local authorities and the general public regarding decision making and accountability. Key measures included in the Act are:

- General power of competence – Sometimes local authorities are prevented from doing things differently because they are not sure that the law allows them to. This power will allow local authorities to act more innovatively in service delivery and it will also give the private sector more confidence that

any contractual arrangements that they have with the council cannot be challenged as being ultra vires or beyond its powers.

- Community rights - Voluntary and community groups, parish councils and local authority staff will have the right to challenge to take over the running of local public services under a community right to challenge. Under the community right to bid, important local amenities and buildings - such as old town halls, community halls or the last village shop or pub can be nominated for listing by the local authority as assets of community value. If listed assets come up for sale, communities will have extra time to prepare a bid to take them over, making it easier to keep important assets in public use. Taxpayers in the county will also have the right to approve or veto any excessive council tax rises if they are proposed by the council.
- Neighbourhood planning – The Act creates provisions for parish/town councils or neighbourhood forums to prepare neighbourhood plans that can be adopted by the council and become a consideration in any future planning decisions.
- Housing – New powers will allow the council to offer homeless people tenancies in private sector accommodation instead of being obliged to offer social housing. It also gives the council the power to offer new social housing tenants shorter, fixed-term (minimum two year) tenancies. The council will also be able to decide who goes on the housing waiting list with central government setting out who it feels has the greatest housing needs. Rental income can also be retained to spend on housing investment locally.

NHS reform - The government's proposals for reform of the National Health Service include the abolition of Strategic Health Authorities and Primary Care Trusts and the transfer of commissioning of health services to local consortia of GPs. The public health function will be transferred to local authorities. The council has set up a Shadow Health and Wellbeing Board which has brought together those who buy services across the NHS, public health, social care and children's services, elected representatives and representatives from HealthWatch to plan the right services for Durham.

Transparency and openness - The Government is encouraging all local authorities to be more open and transparent in the way they operate by making more data available to the public. They have published a code of recommended practice which contains minimum standards regarding information on payments to suppliers, councillor allowances and expenses, salaries, organisation charts, grants to voluntary and community organisations, policies, performance, external audit and inspection, contracts and tendering, public land and assets, election results, minutes from meetings and key decisions.

Local Enterprise Partnerships – Local Enterprise Partnerships between local authorities and business have been set up by the Government to play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. They have also been created as a key vehicle in delivering Government objectives for economic growth and decentralisation, whilst also providing a means for local authorities to work together with business in order to accelerate economic recovery. Local Enterprise Partnerships are based on meaningful economic areas. County Durham falls into the North Eastern Local Enterprise Partnership which also includes Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.

Inspection and regulatory regime The Government has reduced the burden of inspection on local authorities. The Comprehensive Area Assessment regime has been dismantled and service inspections by the Audit Commission has ceased. The Audit Commission itself is to be disbanded. Central inspection will be focused on the most vulnerable to help maintain high standards in children's services and adult social care. Intervention will focus on cases of serious risk or failure. The audit of the Council's accounts is currently provided by the Audit Commission. The Government has opened the market to the private sector and a tendering exercise is currently underway to commission firms to procure the audit work in the public sector currently undertaken by the Audit Commission.

Public sector equality duty – The Equality Act 2010 places a new duty on public sector bodies. The Council being a public sector body as defined in the Act has a general duty to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations across all characteristics protected by the Equality Act 2010. These include existing characteristics of race, disability and gender as well as some new characteristics including age, sexual orientation and religion or belief. There are also a series of specific duties which local authorities must comply with including the publication of information that they use in helping them meet the general duty.

Academies – Academies are publicly funded independent schools. They are given greater freedom than local authority controlled schools. They can set their own pay and conditions for staff, have freedoms around the delivery of the curriculum and have the ability to change the length of terms and the school day. Academies receive the same level of per-pupil funding as they would receive from the local authority as a maintained school plus additions to cover the services that are no longer required for them by the local authority. Academies can still buy in services from the Council but have greater freedom over how they use their budgets to best benefit their students. The governing body of maintained schools can pass a resolution to convert to an academy and must then follow an application process laid down by the Department for Education. There are currently ten academies within County Durham:

- The Academy at Shotton Hall
- The Hermitage Academy, Chester-le-Street
- King James I Academy, Bishop Auckland
- Staindrop School
- Teesdale School and Sixth Form Centre, Barnard Castle
- Park View School, Chester-le-Street
- The North Durham Academy, Stanley
- Framwellgate School Durham
- St John's School and Sixth Form College, A Catholic Academy, Bishop Auckland
- Consett Academy

Adult social care outcomes framework – The Government has developed a new framework for the delivery of adult social care. The framework signals a move away from the top-down performance management and centrally driven process targets towards a system focused on quality and the issues that matter most to those with care and support needs. It describes a set of outcomes for people who use social care services, their carers and families. The framework lays the foundation for future reforms in adult social care.

Police Reform - Forthcoming legislation aims to replace police authorities with directly elected Police and Crime Commissioners with the aim of improving police accountability. These changes have the potential to affect the relationship that the local authority has with the police.

Local priorities

The council identifies local priorities for County Durham through a series of local assessments. The Joint Strategic Needs Assessment (JSNA) carried out annually by the council in partnership with NHS County Durham provides an overview of the current and future health and wellbeing needs of the people of County Durham. This assessment shows that the health of residents has improved significantly over recent years with people living longer. However, health of the population remains poor in comparison with the national picture and health inequalities remain persistent and pervasive. Early deaths from heart disease, stroke and cancer are worse than England averages. Smoking is the biggest contributor to shorter life expectancy accounting for 66% of early or premature deaths. Levels of obesity and admissions to hospital for alcohol-related harm are increasing in the county. Local priorities for tackling health inequalities include reducing smoking, tackling obesity, reducing alcohol misuse, reducing teenage conceptions, promoting positive mental health and reducing early deaths from heart disease and cancer. Future needs centre around an increasing ageing population and the implications for health and social care.

The Safe Durham Partnership Strategic Assessment carried out by the council, Durham Constabulary and County Durham and Darlington Fire and Rescue Service has highlighted seven priorities for the Safe Durham Partnership to work on including anti-social behaviour, tackling alcohol and substance misuse and protecting vulnerable people from harm as key priorities for the council and its partners on the Safe Durham Partnership.

Other key assessments include the Strategic Housing Market Assessment (SHMA), and the Child Poverty Needs Assessment. The SHMA was completed in 2008 but is currently being updated to reflect the different economic climate we are now in. The updated assessment will be used to inform policy and strategy development for both housing and planning services.

The Child Poverty Needs Assessment was completed in December 2010 and was used to develop the council's first Joint Child Poverty Strategy. This is a major issue for County Durham with almost 1 in 4 children and young people are living in poverty across County Durham, with it being more than 60% in some neighbourhoods. The Strategy highlights a number of related themes within the county including the levels of deprivation, inadequate housing, life expectancy rates, teenage pregnancies, low educational attainment and worklessness.

The County Durham Regeneration Statement outlines how the underlying ambition of creating sustainable places where people want to live, work, invest and visit can

be achieved. The 5 core objectives outlined in the Statement, frame the 'Altogether Wealthier' section of this plan. The County Durham Economic Partnership has agreed 5 key measures to monitor change including: the employment rate; business registrations; household disposable income per head of population; the gross value added and the level of deprivation in local communities

Resources

By far the biggest driver for change which is affecting our plans, certainly in the medium to long-term is the reduction in government support in the form of grant funding. The government has stated that its most urgent task is tackling the structural deficit within the course of the current Parliament with the main burden of deficit reduction being borne by reduced spending rather than increased taxation. The two-year Finance Settlement received on 13 December 2010 confirmed the size of future grant reductions and the government's heavy front loading of reductions in 2011/12 and 2012/13. In total, the council is forecasting the loss of £92.5m of government Grant over the 4 year period of the council's Medium-Term Financial Plan (MTFP) with £60.3m in 2011/12. After taking into account estimated budget pressures faced, the council is required to achieve £67.1m of savings in 2011/12 and £125m of savings over the whole of the MTFP. This is the equivalent of almost 30% of the council's 2010/11 Net Revenue Expenditure Budget.

The council has adopted a risk based approach to the achievement of savings that seeks to minimise the effects on frontline services. This is detailed in the Performance and Efficiency section of this Plan.

In order to protect front line services insofar as is possible, the council has agreed an approach to managing these reductions by achieving more than half the required savings through reductions to management costs, support services, realising service efficiencies and increases to fees and charges. It is expected that a reduction of 1,600 full-time equivalent posts will be necessary over the 4 year period from 2010/11 to balance the books.

These savings requirements are requiring all council services to fundamentally challenge each line of their budget and explore more innovative approaches to service delivery. Much of this review activity will dominate our work over the course of the Council Plan. A full list of savings and review work agreed by the council is at Appendix 2.

Risks and Opportunities

An essential part of corporate and service planning is the consideration of risks and actions that the council can take to minimise or eliminate their occurrence or their impact on service delivery. Risk management is integrated within the council's annual planning cycle and risks are kept under regular scrutiny with a formal review of all service and corporate risks being carried out on a quarterly basis by the council's Corporate Risk Management Group. The council's Audit Committee is also responsible for monitoring the development and operation of risk management and the overall corporate governance of the Authority.

Risks are assessed at two levels: gross impact and likelihood based on an assessment of the risk without any controls in place; and net impact and likelihood based on the assessment of the current risk after taking into account the existing controls and mitigating actions in place. The top 10 risks from the authority's corporate risk register are listed below

Corporate Risks – Net Impact and Likelihood

Impact					
Critical			<i>Risks 1 and 2</i>		
Major				<i>Risks 3, 4, 5, 6 & 7</i>	
Moderate					<i>Risk 8, 9 & 10</i>
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Ref	Corporate Theme	Risk	Direction of Travel	Anticipated date when risk will be at an acceptable level
1	Altogether Better Council	Slippage in delivery of the MTFP will require further savings, which may result in further service reductions/ job losses.		This will be a significant risk for at least the next 4 years and will be managed through integrated and robust programme management.
2	Altogether Greener	Failure to identify and effectively regulate Contaminated Land.		Once the first phase of inspections (i.e. the top 10 sites) has been completed during 2011/12, this will provide a clearer position on the resource and funding needed to inspect the remaining 130 sites.
3	Altogether Better Council	The Council may be liable to legal challenge if a single status agreement is not implemented in full.		The project to bring this risk to an acceptable level will be completed by April 2012.
4	Altogether Wealthier	The loss of Area Based Grant funding results in the CDP failing to narrow inequality and deprivation gaps.		An action plan for County Durham Partnership is in place. This will remain a significant risk for at least the next 4 years.
5	Altogether Better Council	Insufficient number of adequately skilled staff to maintain the expected level of services.		Plans will be in place outlining the policies that will be required to ensure succession planning. This is a long term goal, and will be considered after the unitisation of Human Resources has been completed.
6	Altogether Better Council	Potential claw-back from MMI (former insurers) under the Scheme of Arrangement (SOA).	Likelihood increased	Dependent on the Supreme Court ruling due early 2012.

Ref	Corporate Theme	Risk	Direction of Travel	Anticipated date when risk will be at an acceptable level
7	Altogether Better Council	If the fundamental recommendations in the Annual Governance Report (AGR) are not addressed this will result in continued problematic closure of accounts.	New risk	This will be addressed in line with the target dates of the action plan.
8	Altogether Better Council	Potential restitution of land charge search fees back to 2005.		Dependent upon the outcome of the negotiations/litigation currently being defended by lawyers instructed in group litigation
9	Altogether Better Council	Industrial Action arising from the period of significant change will adversely impact service delivery.	Likelihood increased	
10	Altogether Better Council	Increased demand for Housing Solution Service beyond current staffing capacity due to changes in Government Welfare legislation.	New risk	

Consultation

Our plans are informed by results from consultation and the council has strived to obtain opinion and feedback from customers and the public to assist us in making sure that we provide the services that people need. A major face-to-face doorstep survey of residents was carried out in 2010. This is one of the largest surveys of its kind ever to have been undertaken in County Durham. Data from this survey has provided a valuable insight into the perceptions of residents. The sample size is sufficiently large to provide segmented data down to Area Action Partnership (AAP) level and is capable of being analysed across different demographic characteristics such as age. Results demonstrate that residents' top 5 priorities for improvement are activities for teenagers, levels of anti-social behaviour, improving job prospects, reducing levels of crime and cleaner streets.

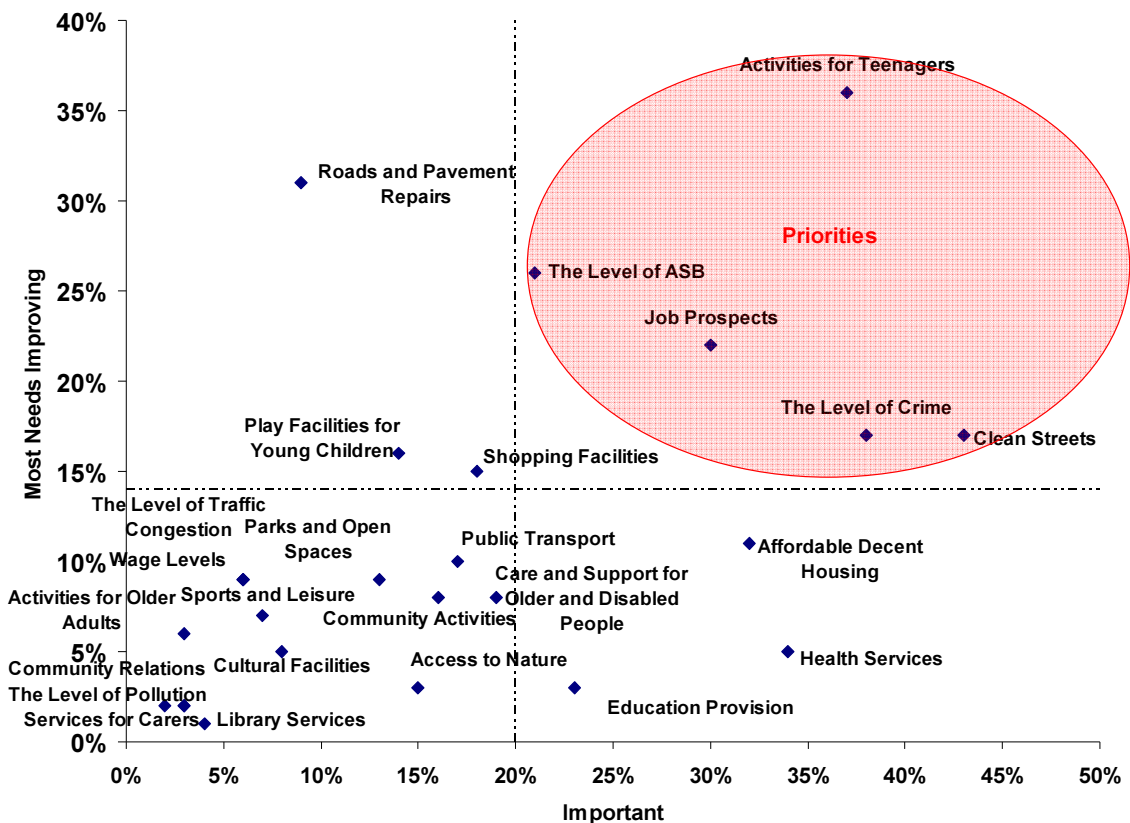


Figure 1 - Residents' Survey 2010: Priorities

Detailed consultation was also carried out on the MTFP during November and December 2010 using Area Action Partnerships (639 participants), an online survey (534 participants) and a postal survey (233 participants). The aim of this consultation was to determine areas where respondents felt there should be larger or smaller budget reductions over the term of the MTFP. Residents were asked to consider a comprehensive list of council service areas where we exercise an element of control over future resourcing decisions (i.e. excluding Direct Grants to schools and Benefits Payments). For the 35 service areas listed, respondents were asked to indicate whether the council should apply a standard reduction of say, 25% over the next 4 years or whether the level of reduction should be smaller or larger. Residents were asked for a balanced response so that if they suggested a larger reduction for one area then they should also identify a service of a similar size where a smaller reduction should be put forward. Analysis of the results show a clear indication that residents would prefer the following services to be protected:

- (a) Winter maintenance
- (b) Repairs to roads and pavements
- (c) Adult care services
- (d) Child protection/adoption/fostering
- (e) Refuse
- (f) Community safety and tackling crime and disorder

- (g) Youth offending
- (h) Youth centres and youth workers
- (i) Supporting people

Similarly, there was a clear indication that residents would be prepared to ‘pay’ for the protection to these services by agreeing to reduce the following services:

- (a) Resources
- (b) Policy, improvement and scrutiny
- (c) Planning
- (d) Communications
- (e) Members’ locality budgets
- (f) Arts, cultural services and museums
- (g) Area Action Partnerships – Area budgets
- (h) Home to school/college transport
- (i) Road safety
- (j) Adult education
- (k) Connexions

The Budget Consultation provided clarity on which services the public would prefer smaller and larger reductions to be made and this has been used to model savings targets.

Analysis of consultation results data from the residents’ survey and the MTFP consultation overleaf demonstrates the continued relevance of the council and County Durham Partnership’s priority themes as a framework for our plans.

Priority Theme	Key Consultation Findings
Altogether Wealthier	Job prospects identified as one of the five priority issues in the Residents’ Survey
Altogether Better for Children and Young People	Activities for teenagers identified as the top priority in the Residents’ Survey
Altogether Healthier	Adult Care Services identified as one of the top three service areas for protection in the Budget Consultation
Altogether Safer	Levels of anti-social behaviour and levels of crime were two of the five priorities identified in the Residents’ Survey
Altogether Greener	Winter maintenance and repairs to roads and pavements identified as two of the top three service areas for protection in the Budget Consultation
Altogether Better Council	Back office/support services consistently recognised in the Budget Consultation as areas to be considered for larger reductions

Consultation with Area Action Partnerships in the autumn of 2011 re-confirmed these priorities.

Performance and Efficiency

Performance is managed corporately through Cabinet who consider quarterly performance management reports. Comparison with other local authorities, inspection findings, deterioration in performance or failure to meet targets all act as drivers to prompt managers to develop plans to address current performance issues. Two examples of where poor performance in comparison with other councils is driving proposals for change are payment of invoices to suppliers within 30 days and the average time taken to process all new claims and change events in housing and council tax benefits. These issues are being addressed through plans to move to single systems (or unitisation) for both financial management and revenues and benefits alongside other improvement measures.

The Authority also received a number of external inspections of its services in 2011/12. Each inspection report contains a number of recommendations for improvement and the council responds to this by producing an action plan which details how and when we will take up these recommendations. These action plans are integrated into our service planning arrangements.

A key external inspection was the annual performance assessment of local authorities responsible for the provision of adult social care conducted by the Care Quality Commission. Judgements are made against seven outcomes from the Department of Health's White Paper, *Our Health, Our Care, Our Say*. 2009/10 is the final time that the Care Quality Commission will publish these judgements. The Government has published a new vision for adult social care and is currently consulting on a new outcomes framework for the sector. It is pleasing to note that in the final year of the current inspection regime, the council received its best ever rating of an excellent assessment, having been judged to be performing well in previous years.

Ofsted carry out an annual assessment of children's services. This annual assessment is derived from the performance profile of the quality of services and outcomes for children and young people in the county. It includes findings from across Ofsted's inspection and regulation of services and settings for which Durham County Council has strategic or operational responsibilities either alone or in partnership with others, together with performance data from the relevant indicators. In 2011, children's services in Durham County Council were judged to be performing well. This is an improvement from the 2010 score where Ofsted judged Durham County Council to be performing adequately.

Table 3 - Annual children's services assessment, December 2010 (Ofsted)

4	Performs excellently	An organisation that significantly exceeds minimum requirements
3	Performs well	An organisation that exceeds minimum requirements
2	Performs adequately	An organisation that meets only minimum requirements
1	Performs poorly	An organisation that does not meet minimum requirements
Durham County Council children's services assessment 2011		Performs well (3)

An action plan is in place to address areas for development.

The council was inspected by OfSTED and CQC under new arrangements for Safeguarding and Looked After Children Services in November 2011. The inspection assessed the effectiveness of the County Durham Children's Trust and local children's organisations to determine whether their policies and practices comply with statutory requirements and guidance. A key feature of this inspection was an assessment of how well agencies and professionals work together to identify, safeguard and promote the welfare of potentially vulnerable children and young people in the county. Overall OfSTED rated County Durham's Children's Services as 'outstanding'. They judged the overall effectiveness of our safeguarding services to be outstanding; our capacity to improve these services is also described as outstanding. The overall effectiveness of our services for looked after children is described as good; and our capacity to improve our looked after children's services is judged as outstanding. This means that Durham County Council is only the second local authority area in the country to be graded as outstanding overall for safeguarding and no other local authority area in the country has received an outstanding overall for children's services. Out of the 92 reports published to date only one other area has achieved grades as high as County Durham.

The Authority has also had a number of successes including:

- Overall satisfaction with the council is at 78% which is an increase of 37% from pre-local government reorganisation and 5% higher than the national benchmark group.
- There has been a 25% increase in residents who feel that the council provides good value and a 15% increase in residents who feel that they can influence decisions affecting their local area.
- It is the ninth year in succession that GCSE examination results have shown an improvement. Durham is also higher than the national average.
- The council's Waste Team won the Association of Public Service Excellence Best Service Team award
- Durham Heritage Coast Partnership won the UK Landscape Award 2010 and represented the UK in the European Landscape Awards in March 2011
- Killhope Lead Mining Museum won the North East Tourist Awards small attraction of the year
- Durham City Tourist Information Centre won the Gold North East Tourist Information Centre of the Year Award and Stanhope Tourist information centre won the Silver award.
- Adults, Wellbeing and Health won the Great British Care Award for Care Innovator/Support and Recovery
- The Youth Offending Service has won a Children and Young People Now award for their work with pre-reprimand disposals (prevents young people entering the criminal justice system) and has been shortlisted in the LGC Awards
- 10 Green Flag awards have been given to parks and open spaces around the county by the Keep Britain Tidy group
- The Corporate Communications Team's Open Doors initiative has won the best internal communications campaign from the Public Services Communications awards
- The Council was successfully reassessed as an Investor in People.

- The It's Up 2 U participatory budget project for Stanley Area Action Partnership has been highlighted by the National Participatory Budget Unit as 'the best in England'.
- National Home Improvement Council award for the use of photovoltaics on a retrofit scheme as part of the Craghead Regeneration Project
- Chartered Institute of Public Relations award finalist for a new approach to council newspapers.
- Durham County Council has been shortlisted for seven prestigious Local Government Chronicle awards including the overall 'Council of the Year' award.

The council will monitor progress towards the achievement of its priorities through quarterly reporting to Cabinet and its Scrutiny Committees of key measures contained within a corporate basket of performance indicators detailed in Appendix 1.

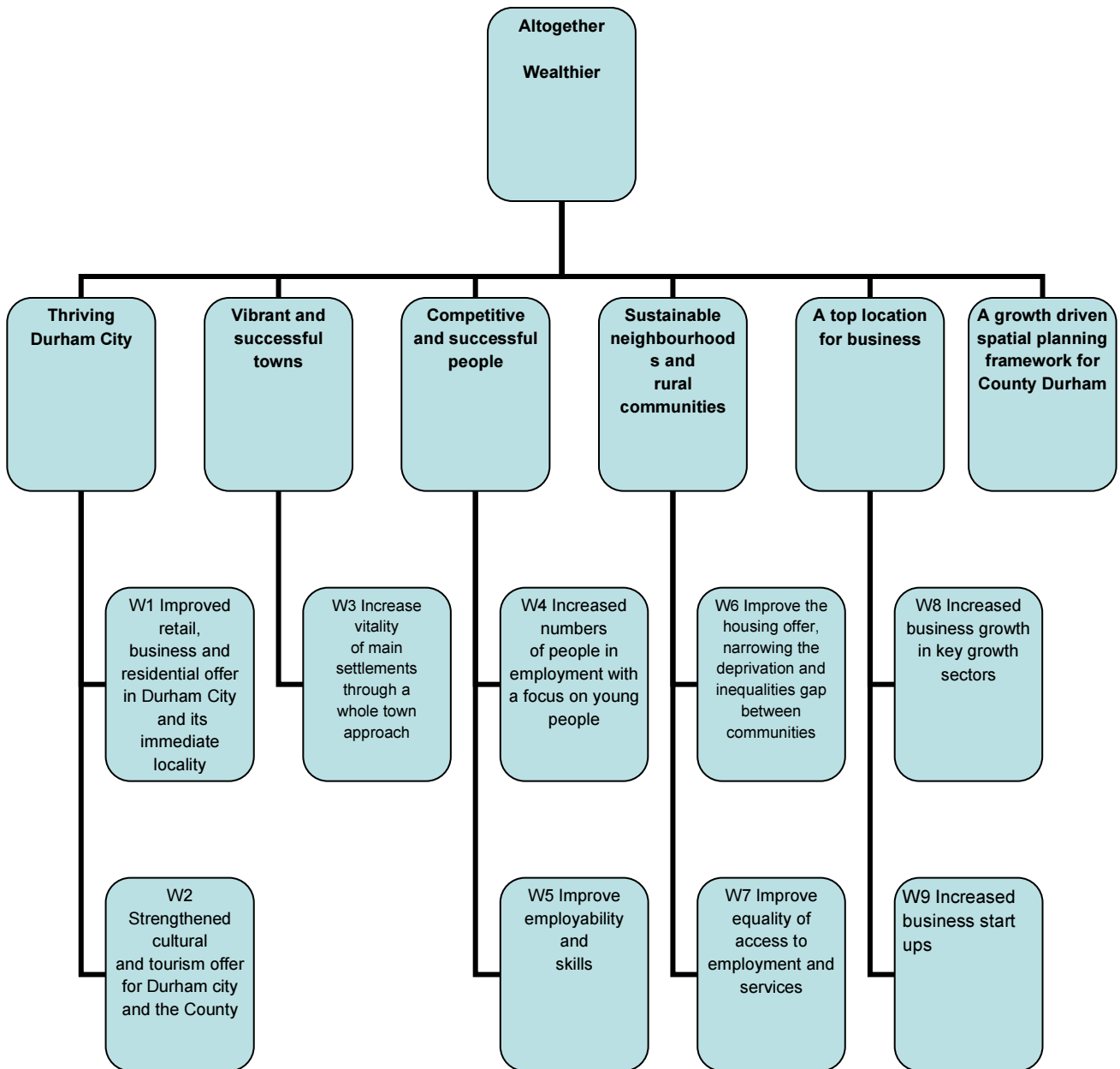
Equality and Diversity

Equality is at the heart of our planning processes. The council's main policy document on equalities is the Single Equality Scheme which was approved by Cabinet in 2010. This replaced separate equality schemes for race, disability and gender and was extended to cover religion and belief, sexual orientation and age in line with the Equality Act 2010.

All proposals for achieving savings within the Medium Term Financial Plan have undergone a rigorous equality impact assessment process and other changes to services and policy developments are subject to impact assessment too.

Equality actions are included in both Council and Service Plans which are performance managed and reported on as part of the overall corporate process.

Altogether Wealthier



Within the council’s Altogether Wealthier priority theme, we are focusing our efforts on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans. In comparison with the region and nationally, County Durham’s economy is underperforming. To help address this issue, we have identified 6 objectives set out above and in our Regeneration Statement, which we aim to achieve. Over the next four years, we will strive to deliver a step change in the local economy within a time of financial constraints and significant policy shifts nationally.

The principal driver of an economic renaissance within the county is the employment rate; for improving this will increase levels of disposable income, increase the number of businesses, and should as a result begin to reduce the chronic levels of relative deprivation that the county has experienced now for several decades. As a

county we need to aim to achieve a net increase of 28,300 jobs over the next 20 years, through inward investment, company growth and business creation.

Improved educational attainment and skills for the population of County Durham will also contribute to economic prosperity and improve people's quality of life. Participation in cultural events and activities is also vital to promote vitality and attract tourism, although it is acknowledged that this is a challenge for the council in the current economic climate.

1. Thriving Durham City

At the heart of the North East, Durham City is a hub of economic and cultural activity and stands out as a key economic driver to the county and region. The city has enormous untapped potential and will deliver a significant share of a step change in the growth of the region and the largest contribution from the county as a whole. The city needs a critical mass of employment, population and visitors to build on the assets already inherent to become a city of regional, national and international significance.

We aim to make the most of Durham and what the city has to offer in terms of economic potential which must be fully exploited to support the growth of County Durham's economy. By maximising the development opportunities of the city we will help to stimulate retail, business and housing growth, which will lead to job generation and increased confidence. Durham city offers the potential to boost tourism performance across the entire county which will improve this key sector's performance when compared with other sub-regions in the North East and comparable areas elsewhere in England.

Going well

- Durham International Festival was held in July 2011.
- The National Railway Museum at Shildon was named the Best Free Venue in the UK in the 2010 Rough Guide to Accessible Britain Awards.
- Killhope Museum was awarded a Gold Award at the North East England Tourism Awards.
- Completion of the market place redevelopment scheme providing space for events.
- Durham Cathedral is one of the region's top ten attractions, receiving more than 600,000 visitors per annum.
- Approximately 150,000 people attended the Lumiere Festival over four days in November 2011.
- The three Park and Ride sites in Durham City continue to show year on year increases in use.
- The extension to the Belmont Park and Ride site has been completed.
- The World Heritage Centre visitor site was completed ahead of schedule.

Cause for concern

- The economic climate is making it difficult for the private sector to invest in schemes in the city.
- High Street retailers have been hit by the recession with some firms ceasing trading. This has affected the number of top 23 retailers nationally within Durham City Centre, currently 15 of the top 23.

Did you know?

- 56,138 people attended the BRASS festival events in 2011.
- For the 2011 Lumiere festival in Durham, special artwork was created locally and by artists in Torun (Poland) and Tallinn (Estonia) and will feature in Olympics.
- Durham has been voted the top city in England and the second best city to visit in the UK in a national poll of Guardian and Observer readers.
- The Durham Book Festival provided over 60 events in October 2011 including best-selling authors, poetry readings and writers in conversation about science, food, the military and politics.
- Durham County Council is responsible for maintaining 6,000 council homes in and around Durham city.
- There are in excess of 1000 houses in multiple occupation within the Durham City Area.

Look out for:

- The Olympic Torch will arrive in County Durham on 16th June 2012 and stay overnight in Durham city – there will be special events throughout the route to celebrate the historic occasion.
- The Durham Book Festival in 2012.
- Plans for Aykley Heads.
- Driver information project helping drivers to plan journeys across the city.
- Development on the Freeman's Reach site (former ice rink site).
- New lighting will be installed to illuminate Durham Castle and Durham Cathedral during 2012 and 2013 respectively.

High level Action Plan

Action	Responsibility	Timescale
Undertake transport modelling work for the Northern and Western Relief Roads and develop a delivery and funding plan	Head of Transport and Contract Services	December 2012
Prepare for and deliver key regeneration and housing projects in the city to stimulate investment and maximise job opportunities:	Head of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Aykley Heads: <ul style="list-style-type: none"> - Planning application for phase one (Police HQ) in Sept 2012 		Sept 2012
<ul style="list-style-type: none"> • Freemans Reach, former ice rink: <ul style="list-style-type: none"> - Planning submission July 2012 - Development of Hydro Energy Centre 		July 2012
<ul style="list-style-type: none"> • Millennium Square, Gala Theatre city centre: Implement Investment Package 		June 2013

<ul style="list-style-type: none"> • North Road, Durham City: Following development brief to test market EOIs; Report back to Cabinet • Determine a solution for flood mitigation measures that are required for various development sites in Durham City: <ul style="list-style-type: none"> - Design of scheme - Planning permission granted 		<p>Sept 2012</p> <p>April 2014</p> <p>April 2015</p>
<p>Increase the number of tourists in Durham City by supporting existing attractions, accommodation providers and new tourism businesses:</p> <ul style="list-style-type: none"> • Development and delivery of new signature events such as the Lindesfarne Gospels • Facilitation and support to the delivery of a family based tourist attraction in the City of Durham 	<p>Head of Economic Development & Housing</p>	<p>March 2016</p> <p>June – Sept 2013</p>
<p>Contribute to the implementation of the Cultural Strategy and support the development of the County Durham Cultural Partnership by:</p> <ul style="list-style-type: none"> • Using high profile projects such as BRASS: Durham International Festival and the Durham Book Festival to increase engagement in and satisfaction with cultural activities • Continuing to increase opportunities for volunteering within heritage and cultural settings to enable people to gain transferable skills to increase employability 	<p>Head of Adult Commissioning</p>	<p>March 2013</p> <p>March 2013 (Baseline to be set 2011/12)</p>
<p>Deliver key Durham City transport initiatives to improve accessibility within and through the City:</p> <ul style="list-style-type: none"> • Driver Information project - Extension of the project including further web system development, additional traffic monitoring cameras and real time road side information signs implemented 	<p>Head of Transport and Contract Services</p>	<p>March 2016</p> <p>March 2014</p>

- Continue to implement the Transit 15 bus corridor improvement programme within Durham City

Up to 2013

2. Vibrant and successful towns

Vibrant towns are good for business: they create jobs, attract investment and generate income - they are engines for economic growth. At their best, they create a discernable local buzz and define the wider area, attracting people from near and far. County Durham has a dispersed settlement pattern with a large number of distinct towns, not all of which are meeting the needs of local communities. We need to increase the vitality and vibrancy of main settlements through the adoption of a 'whole town approach' for each main settlement and phased delivery of improvement. This 'whole town' approach will be specific to each settlement and will deliver tailored solutions for each place depending on its needs and service potential for its locality. We aim to create places that are attractive, well managed, well designed with a range of amenities and facilities for that given community.

A review of the library network will be undertaken to create a sustainable network of town and community libraries.

Going well

- The DurhamGate development is progressing well.
- The Heritage Lottery Fund has granted £1.9m funding for the Heart of Teesdale Landscape Partnership.
- Regeneration Frameworks have been completed for Consett and Ferryhill/Chilton.
- There has been an increase in the proportion of properties in Council Tax Band D or above.

Cause for concern

- Planning applications continue to reduce due to the ongoing economic climate.
- Since 2008 and due to the recent recession, the number of vacant retail units in town centres has increased.

Did you know?

- Major work has been undertaken by the council and partners to support investment in Barnard Castle leading to the redevelopment of the Witham centre and a wider range of works across the town centre.

Look out for:

- Regeneration frameworks for each town centre which will show what the council and partners are planning to do to invest in the redevelopment of town centres and surrounding areas. These are being prepared and each will be published once complete.
- Further proposals for the railway station in East Durham.
- New customer access points in town centres such as the ones at Seaham.

High level Action Plan

Action	Responsibility	Timescale
Maintain the county's historic/listed highway bridges in line with the programme for 2012/13 <i>Note: Schemes to be confirmed when programme developed</i>	Head of Technical Services	March 2013
Complete a review of markets managed by or on behalf of the Durham County Council and develop a strategic approach to enhance and support the sustainability of markets across the county	Head of Environment, Health & Consumer Protection & Head of Economic Development	October 2012
Develop a harmonised Street Trading Policy to create a street trading environment which complements premises-based trading, is sensitive to the needs of residents, provides diversity and consumer choice and seeks to enhance the character, ambience and safety of local environments	Head of Environment, Health & Consumer Protection	December 2012
Deliver phased implementations of the key town Regeneration Frameworks including:	Head of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> Resolve the position with Festival walk, Spennymoor, Head of Economic Development and Housing, April 2012 		April 2012
<ul style="list-style-type: none"> St Johns Square, Seaham; Completion of Public Realm works 		June 2012
<ul style="list-style-type: none"> Physical improvements enhancing links to Clifford Road and the Academy 		October 2012
<ul style="list-style-type: none"> Deliver the redevelopment of Witham Wall, Barnard Castle 		March 2013
<ul style="list-style-type: none"> Support major retail development at Queen Street, Crook 		December 2013
		December 2014

<ul style="list-style-type: none"> • Shop front improvement scheme in Consett • Agree the design and plan for a railway station in East Durham on the Durham Coast Railway 	Head of Transport and Contract services	December 2012 for completion December 2015
Implement capital improvement schemes from the Local Transport Plan to improve accessibility between our main towns	Head of Transport and Contract Services	December 2015

3. Competitive and successful people

The skills, abilities and attitudes of the current and future County Durham workforce are critical to the future economic success of the county and will underpin a more competitive and productive economy. County Durham has below national average employment levels, above regional and national average economically inactive residents claiming benefits and below regional and national average higher skills attainment. We need to encourage people to improve their skills, increasing individual success and improving life chances. With limited resources we will work with partners, national employability support providers and employers to provide support for County Durham residents.

Going well

- 92% of people enrolled on adult learning courses leading to a qualification were successful in the academic year 2010/11.

Cause for concern

- 15% of working age adults have no qualifications, which is above both the regional and national averages.
- 30% of the working age population in County Durham is qualified below Level 2 (equivalent to GCSE) which is worse than the UK average of 26%.
- Youth unemployment is getting worse; there are currently more than 5,000 residents aged 18-24 claiming JSA.
- Overall numbers of JSA claimants are on the increase, possibly as a result of reduced finding.
- County Durham has a higher proportion of the population claiming out of work benefits such as Employment Support Allowance and Incapacity Benefit than the regional average.
- Changes to the benefit system might have a significant impact on residents in the County.

Did you know?

- The County Durham Adult Learning and Skills Service covers a wide range of courses which can help people to gain a recognised qualification, help adults to learn new skills or simply encourage people to take part in local community learning activities.

- Last year, the council helped to prevent 836 individuals from becoming homeless.
- The 2011/12 Future Business Magnates competition was launched in November 2011 with 24 of the County's secondary schools participating.
- Derwentside Training has been commissioned within the Government's Work Programme to assist people gain the skills they need to find work.
- We are finding 150 apprenticeships in 2012/13.
- One in three of all job seekers allowance claimants in the County are aged 18-24

Look out for:

- Level 2 and 3 qualifications will be provided for 19-25 year olds who currently do not have this level of qualification, through a pre-Apprenticeship and Apprenticeship programme.
- Training support for the unemployed will be delivered through a programme focused on employability skills, which will include referrals through JobCentre Plus.
- Literacy and numeracy training will be delivered through a dedicated skills for life programme which will also link into Apprenticeship programmes across the county.
- Future Business Magnates competition in 2012
- A future competition developed by local businesses and schools in County Durham

High level Action Plan

Action	Responsibility	Timescale
Respond to the findings of Adult Learning's Ofsted inspection in 2012	Head of Social Inclusion	March 2013 (depending on inspection timetable)
Work with employers to maximise training, job placement, graduate schemes and apprenticeships	Heads of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Develop a Business, Enterprise and Skills Strategy for County Durham 		September 2012
<ul style="list-style-type: none"> • Through a European funded project support 1265 residents and programme 316 into work 		December 2014
Support young people aged 18-24 into employment, education or training	Heads of Economic Development & Housing	March 2016
<ul style="list-style-type: none"> • Develop an Apprenticeship Strategy and Action Plan 		April 2012
<ul style="list-style-type: none"> • Deliver an apprenticeship scheme to assist 150 residents start an apprenticeship in local businesses 		March 2014

4. Sustainable neighbourhoods and rural communities

Deprivation and inequalities persist between communities in County Durham and between County Durham, the region and the nation. Industrial restructuring and job losses in manufacturing had disproportionately affected some communities and groups within the county. The county's dispersed settlement pattern, low car ownership, low job density and rurality can compound deprivation and inequalities. This can have damaging effects upon an individual's life chances in a number of ways:

- A shortage of local jobs can limit employment opportunities
- Poor transport connectivity can limit access to work and services
- Deprived areas often have fewer or poorer quality public and private services
- Poor housing quality can result in low demand which in turn leads to high turnover and/or vacant or derelict housing.

Going well

- Public transport connectivity improvements as part of the Transit 15 programme are progressing well
- The number of private sector properties improved as a consequence of local authority intervention has increased
- Housing Stock Options appraisal for Durham City Homes is progressing as per the project plan
- Decrease in the number of homeless presentations

Cause for concern

- Affordable house numbers continue to be low across all areas in the county.
- The numbers of housing units completed remains low across all areas in the county.
- The percentage of non-decent council homes has shown improvement in the last year, but there are still approximately 33% of properties classed as non-decent
- Bus operators are finding it increasingly difficult to run some bus services in the county.
- Proposals included in the Welfare Reform Bill will have major implications for County Durham.
- As a result of the Welfare Reform Bill it is anticipated that the level of homelessness will increase.

Did you know?

- The government's official measure of deprivation published in 2010 showed that the county had become slightly less deprived overall since it was last published in 2007.
- The council works with partners to support residents to get on the property ladder through affordable housing schemes for new homes and schemes to offer mortgage support. We also negotiate with developers to try and make sure there

is a provision of affordable homes wherever possible or required.

- The council runs a national scheme in the county to help residents become more energy efficient through better home insulation.
- 45% of the County's population live in the 30% most deprived areas in the County.
- The Housing Renewals team have helped 2183 owner occupied homes to be made energy efficient through better insulation.

Look out for:

- The development of neighbourhood plans to support the County Durham Plan.
- The Publication of the County Durham plan with housing allocations across the county.
- Acquisition and demolition schemes at Wheatley Hill and Thornley by Dec 2012.
- Group repair and Environmental Improvement Scheme at Craghead throughout 2012.
- Acquisition and demolition at West Chilton in 2013.
- An acquisition and demolition scheme at Esh Winning in 2014.
- A new library strategy for County Durham.

High level Action Plan

Action	Responsibility	Timescale
Through the Community Action Team (CAT) deliver a programme of targeted interventions around environment, health and consumer protection	Head of Environment, Health & Consumer Protection	September 2014
Complete planned public transport improvements on the 7 key corridors to improve punctuality, reliability and attractiveness of bus travel	Head of Transport and Contract Services	December 2012
Maximise the level of investment from the HCA and other agencies to enable the delivery of the four year (2011-2015) programme of funding for affordable housing in Durham	Heads of Economic Development & Housing	March 2014
Implement the preferred option for the future management and investment of the council's housing stock	Heads of Economic Development & Housing	April 2013

Implement the Private Sector Housing Strategy and deliver the associated capital programme for Private Sector Housing Renewal	Heads of Economic Development & Housing	March 2014
Implement the Homelessness Strategy to prevent residents becoming homeless and to support those who need assistance	Heads of Economic Development & Housing	March 2016
Implement the Library Strategy in line with agreed actions and priorities to ensure a sustainable service for the future	Head of Social Inclusion	31 March 2014

5. A top location for business

County Durham is home to a wide range of businesses from micro rural businesses to large multinationals, from small scale engineering to large scale manufacturing and from business services to internationally leading research companies. The county offers businesses a range of support and development opportunities and these must be sustained and developed to serve the diversity that exists. Durham residents are well placed to take advantage and contribute to the Tees Valley and Tyne and Wear City Regions but this also has to be balanced with local business and employment opportunities.

Going well

- Hitachi's announcement that they intend to open a factory at Heighington lane (Newton Aycliffe) is a major boost to the local economy.
- A 3 year refurbishment programme of council business sites is underway.
- The Consett Business Park development is underway.
- Broadband Delivery UK announced a grant of £7.79m for highspeed broadband for homes and businesses in the county.

Cause for concern

- Business start-ups through public support are falling significantly as funded programmes have come to an end and the recession is making it hard to start a business.
- Reduction in government grant making it difficult to support new businesses such as had been undertaken through the Be Enterprising Programme.

Did you know?

- The council owns 370 business units across the county which totals just over 700,000 square foot of lettable floor space.
- Our largest two business centres are Derwentside Business centre (61,000 square foot) and Tanfield Lea (almost 28,000 square foot).

Look out for:

- The Durham Net Fibre Installation Programme which will improve infrastructure for delivering broadband to local business and public amenities
- Preparation by Hitachi at the Heighington Lane site for new employment opportunities .

High level Action Plan

Action	Responsibility	Timescale
Building on the Olympic legacy, work with partners to develop a Durham Institute of Sport to support world class performance, coaching and officiating	Head of Sport & Leisure Services	March 2013
Support delivery of a corporate events programme that raises the profile of County Durham as a destination	Head of Sport & Leisure Services	March 2016
Facilitate and expand broadband connections for our residents and businesses to encourage home working in rural communities	Head of ICT/Head of Economic Development and Housing	March 2013
Manage the Council's business and employment sites/property to stimulate investment and enable other sites to be appropriately developed and promoted	Head of Economic Development and Housing	March 2016
Promote NETPark as a flagship location for the university and private sector investment and collaboration	Head of Economic Development and Housing	March 2016
Actively promote the County as a destination to live, work and invest	Head of Economic Development and Housing	March 2016

6. A growth driven spatial planning framework for County Durham

Durham County Council is responsible for the production of a Local Plan for the Local Authority area. Work started on a new plan before Local Government Reorganisation (2009) and has involved the detailed consideration and analysis of extensive evidence bases and consultation with communities and groups with specific interests. The proposed plan (known as 'The County Durham Plan') is due to be considered at an Examination in Public in 2013 once all consultation has been completed and suitable amendments have been made.

Going well

- Successful consultation has continued during 2011/12 on different elements of the County Durham Plan including Green Belt land, Housing Allocations and a 'Policy Directions' summary of how the plan has changed and what the key themes are to date.

Cause for concern

- The government recently (Summer 2011) released a draft national Planning Policy Framework which sets out proposed changes to the Planning system in the UK, this may have an effect on the timescales for the completion and agreement of the County Durham Plan and may cause the plan to be delayed slightly if the format or scope of the plan need to be changed.

Did you know?

- The County Durham Plan is the most important strategic document the council produces after the Sustainable Community Strategy. The plan affects everyone from those who currently live in the county, those who travel here to work and even those who haven't even been born yet! It sets the direction for how the council can determine how many houses are required, what quality and standards we expect from new development or changes to the built and natural environment, and where businesses can expand or locate amongst many other aspects of life in County Durham

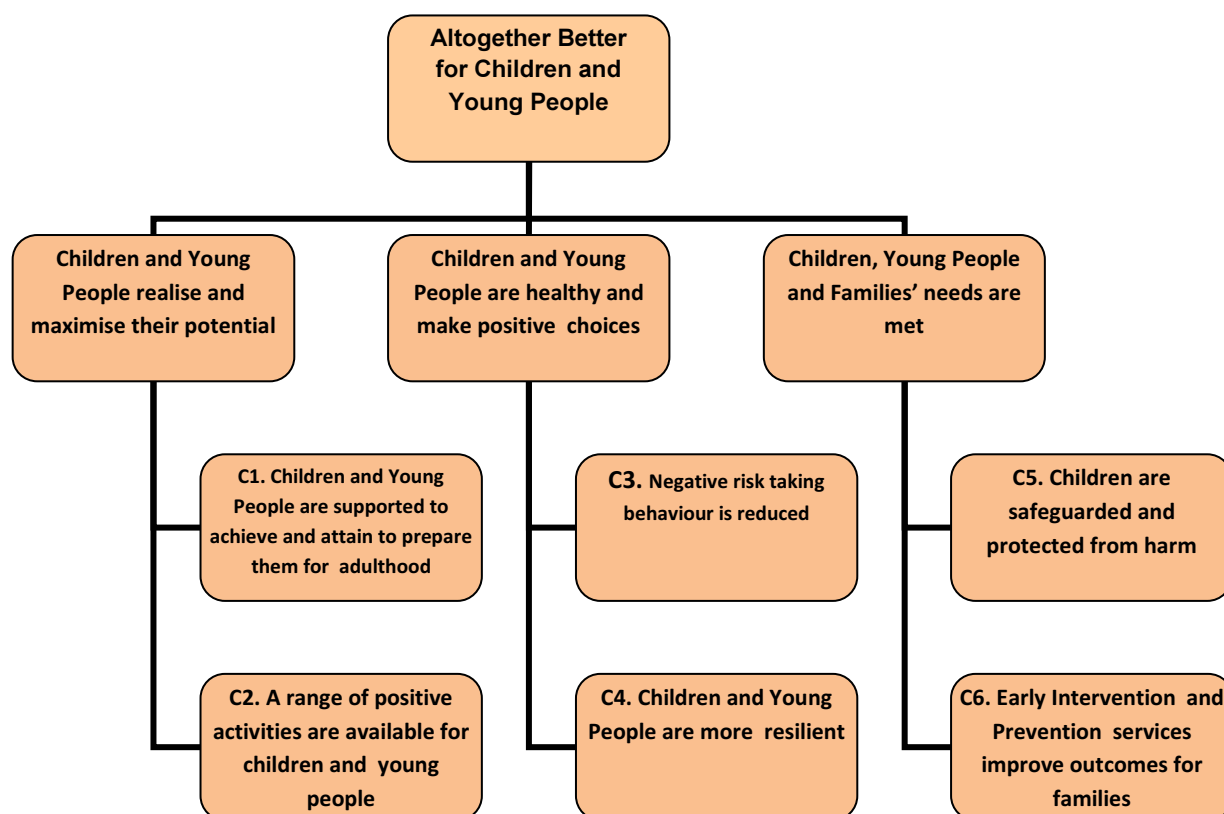
Look out for:

- Housing allocations across the county for the next twenty years
- Proposals for the green belt in Durham City
- The examination in public where a government inspector will decide whether we can adopt our County Durham Plan
- Developments with Neighbourhood plans where communities can have a further say in the implementation of the County Durham Plan.

High level Action Plan

Action	Responsibility	Timescale
Successful consultation and completion of the County Durham Plan	Head of Planning & Assets	July 2014

Altogether Better for Children and Young People



The Altogether Better for Children and Young People theme focuses on the Council's work in tackling a range of issues impacting on the lives of all children, young people and families in County Durham. Following a complete refresh of the Children, Young People and Families Plan (CYP&FP), which is the strategic multi-agency plan, the focus is now on the 'causes' (meaning the reason) rather than the 'effects' (meaning the result/outcome).

The CYP&FP now has 3 areas upon which we will focus: 'children and young people realise and maximise their potential'; 'children and young people are healthy and make positive choices'; and 'children and young people and families needs are met'. Beneath these are specific issues we will tackle over the coming years as we believe that achieving success across these areas will have the most impact on what we want to achieve for children and young people in County Durham.

We recognise that the things which impact upon the lives of children, young people and families are complex and demand a partnership approach and we have developed the One Point, integrated service with partners to take forward our strategy.

We will listen to and work with children young people and families to formulate our plans and we will ensure our ambitions for children, young people and their families are realised over the next 4 years.

1. Children and Young People realise and maximise their potential

We want to ensure that children and young people in County Durham are supported and encouraged to be the best that they can be no matter what their dreams are.

We want to ensure that children and young people are able to thrive in the environment in which they live and learn in order to achieve their very best. We will offer support if this environment is not helping them to reach their potential. We believe in supporting achievement, raising aspirations and instilling a belief that children and young people can achieve. This will lead to greater choices throughout childhood, teenage years and on into adulthood and future employment.

We need to ensure this commitment is sustained for all children and young people, including the most vulnerable to ensure they are appropriately supported in relation to their own needs.

We also want children and young people to enjoy their lives and have a greater quality of life by taking part in activities that they enjoy and that interest them. Having a range of activities available for young people and their families can positively impact on a number of priorities such as maintaining a healthy weight, improving educational attainment, improving emotional wellbeing, reducing anti social behaviour and improving self confidence.

Our key priorities for 2012-16:

- ✓ Children and young people are supported to achieve and attain to prepare them for adulthood.
- ✓ A range of positive activities are available for children and young people.

Going well

- GCSE attainment has improved for the 10th year in a row with 87.9% of pupils achieving 5 or more A*-C GCSEs and 59.9% achieving 5 A*-C's including English and Maths which is higher than our statistical neighbours (56.3%) and nationally (58.3%).
- In 2010/11 academic year, 13.6% of looked after children achieved 5 A*-C GCSEs including English and Maths against the target of 12%. This was an improvement on the previous year.
- The attainment gaps have narrowed in 2010/11 for: the lowest achieving 20%, the Early Years Foundation Stage Profile and the rest; Gypsy, Roma & Traveller pupils at KS 2 and KS 4; Free School Meals at KS 2 and KS 4; and pupils with Special Education Needs at KS 2.
- The secondary school persistent absence rate continues to decrease year on year.
- 'The September Offer' seeks to ensure that all year 11 and 12 students have an appropriate offer of education or training. Targeted work has been progressing over the summer to secure an appropriate place in education or training for those without an offer.

Cause for concern

- The proportion of young mothers and care leavers in education, employment and training has decreased.
- The attainment gap widened at KS 4: for pupils with Special Educational Needs; between boys and girls; and for children in the 20% most deprived areas and the rest.
- The number of permanent exclusions increased from 107 in the 2009/10 Academic Year to 109 in 2010/11.
- The impact of the current economic climate on future opportunities for children, young people and their families such as lifestyle choices and employment opportunities.

Did you know?

- We provide education for up to 100,030 children and young people aged 0-17 living in County Durham in 287 schools: 228 Primary, 36 Secondary, 12 Nursery, 10 Special and 1 Pupil Referral Unit (PRU).
- In addition to the Teenagers to Work programme we have an extended programme offering young people 1 day per week work placements alongside their college placement to gain employability schemes.
- The European Social Fund 'Youth Participation' project has supported 1150 young people to date. Learners have achieved Level 1 and 2 qualifications in literacy, numeracy and employability skills; successfully moved to, or been retained in further learning; found employment or apprenticeships.
- We have 205 public open spaces and play parks across the county, 120 community centres, 39 libraries and 8 swimming baths (plus 14 in schools), over 1,050 sports clubs registered with County Durham Sport and over 1,400 football teams registered with the Durham Football Association.

Look out for:

- A range of out of hours programmes to provide additional qualifications at KS4.
- Confident Schools, Confident Parents programme in schools, designed to improve relationships and provision for children with special educational needs.
- The get out there website (www.getoutthere.info) which is an activity directory for young people in the County Durham area.
- Development of two academies in County Durham (North Durham Academy and Consett Academy).
- The 'Places To Go, Things To Do' Commissioning Strategy which identifies the barriers to children, young people and families accessing activities but also identifies solutions to engagement.

High Level Action Plan

Action	Responsibility	Timescale
Deliver effective support and provision for improving the educational attainment of looked after children by: <ul style="list-style-type: none">• developing the effectiveness and use of the Personal Education Plan (PEP);• delivering a range of programmes to promote self-	Head of Countywide Services	July 2013

<ul style="list-style-type: none"> esteem and confidence; and Providing access to a range of out of hours programmes providing qualifications at KS4. Strengthening the use of data analysis to monitor progress of individual children as well as attainment 		
<p>Work in partnership with schools to implement the BSF process and ensure that schools are completed within planned timescales by:</p> <ul style="list-style-type: none"> undertaking regular meetings involving Local Education Partnership (LEP) representatives, BSF team members and EDS Specialist Inspectors; and Monitoring the progress of each project against planned and published timescales as a standing item at the BSF board. 	Head of Achievement Services	July 2013
Deliver the 14-19 strategy	Head of Achievement Services	September 2012 / 2013 / 2014 / 2015
Develop a Commissioning Strategy for 'Places To Go, Things To Do'	Head of Early Intervention and Partnership Services	June 2012
Develop a Fixed Play Policy and an inclusive Play Strategy for the county that optimises opportunity and access to play facilities.	Head of Sport & Leisure Services	September 2013

2. Children and Young People are healthy and make positive choices

Children and young people will look after themselves and others by making positive decisions about their behaviour.

Risk taking is a normal and healthy part of growing up, however, sometimes taking risks involves engaging in behaviour that leads to poorer or negative outcomes.

In County Durham, we know that negative risk taking behaviour can impact on higher teenage conceptions, higher alcohol and drugs use, youth crime and high obesity levels. This places young people at risk of physical or emotional harm and/or poorer outcomes.

We will continue to provide children and young people with relevant and appropriate information and advice to help them make more informed choices around alcohol, drugs, relationships and sex.

We will also provide support and promote healthy living from an early age, aiming to reduce childhood obesity and ensure that more children maintain a healthy weight. We will provide opportunities and choice for young people to participate in a range of sport, leisure and physical activities.

We also want children and young people to have resilience; children and young people who are able to cope more effectively with difficult situations and bounce back from tough times. Good emotional health and wellbeing is crucial in the development of healthy, resilient children and young people and being resilient often leads to more positive decision making in a person's life, no matter what their age.

Our key priorities for 2012-16:

- ✓ Negative risk taking behaviour is reduced.
- ✓ Children and young people are more resilient.

Going well

- The under 18 conception rate has displayed a sustained downward trend over the period 2006-2009. (Based on 2009 data).
- Obesity levels within the county at reception level have continued to decrease with performance exceeding the set target.
- Positive performance was achieved for the number of First Time Entrants (FTE's) to the Youth Justice System, with a provisional total of 150 recorded during April to September, which is well within the target of 360 FTE's during 2011/12.
- The Youth Offending Service was recently commended for their work in diverting young people from the criminal justice system.

Cause for concern

- Year 6 obesity rates are above the national average.
- Although teenage conception rates are falling they are still a cause for concern in County Durham.
- The ratio of final warnings and convictions of looked after children in comparison to the general population have increased.
- 13% of our 5-16 year old children and young people have a mental health, emotional wellbeing disorder; this is higher than the national average and impacts on educational attainment, absences from school, school exclusions, friendships, physical health and offending behaviours.

Did you know?

- All primary schools have achieved National Healthy Schools Status.
- The Confident Schools, Confident Parents Programme is designed to improve relationships and provision for children with special educational needs. It has been delivered in the majority of schools and is rated highly by both parents and schools. Dissemination of the programme will continue.
- The implementation of the homeless protocol has reduced the number of young people residing in bed and breakfast accommodation and improved access to a wider choice of post-16 provision.
- Stable families, consistent positive parenting, having friends, access to play, doing well in school, developing self control, emotional intelligence, self esteem and confidence are all key to ensuring children and young people experience good emotional well being and creates the basis for securing improved outcomes throughout their lives.
- The multi-agency Pre-Reprimand Disposal (PRD) has contributed towards successfully reducing the number of first time entrants (FTEs) to the Youth Justice System. County Durham Youth Offending Service achieved a reduction of 72%.

Look out for:

- Social norms projects in schools over the next 2 years to affect behaviour change in the following areas: alcohol use, sexual health/teenage pregnancy and smoking.
- Better communication and publication of sexual health services to young people and their parents and/or carers.
- Emotional and Mental Health Workshops in Secondary schools will explore how emotions and mental health can impact on the lives of young people and will highlight the importance of remaining emotionally well.
- Breaks for young carers and their families to take time off from their caring responsibilities and receive recognition of their worth
- Increasing opportunities for victims to take part in work with young people who offend

High Level Action Plan

Action	Responsibility	Timescale
Deliver the healthy child programme and child and family health improvement programmes which contribute to the delivery of the Foundation Trust preventative strategy.	Head of Early Intervention and Partnership Services	December 2012
Gather customer feedback to ensure that the One Point service is valued and accessible to service users and partners, improve service delivery and responsiveness.	Head of Early Intervention and Partnership Services	April 2013

- sharing ASSET information to influence provision of universal and targeted services;
- improving the quality of exit strategies to reduce re-offending;
- implementing and improving CDYOS Offending Behaviour Programmes and evaluating effectiveness; and
- Increasing the use of restorative approaches.

3. Children and Young People and Families' needs are met

We want to ensure that children and young people are kept safe from harm and vulnerable families receive the support that they need at the earliest possible opportunity. Children will be protected from neglect and grow up in a safe environment.

Together with our partners, we will ensure that all children and young people are kept safe from harm and vulnerable families are supported appropriately. Safeguarding and promoting the welfare of children is about protecting children from maltreatment; preventing impairment of children's health or development; and ensuring children are growing up in circumstances consistent with the provision of safe and effective care. We will continue to improve the recognition of neglect and interventions to reduce impact and continue to develop 'hidden harm' networks to support families with parents who misuse alcohol and drugs.

We want to ensure that children, young people and their families are given the necessary social and emotional support at the earliest possible opportunity in order to reach their full potential. Preventing families from becoming vulnerable and enabling them to maximise their life chances is vitally important. The complex issues faced by families who are in need of help often can not be addressed by a single agency but demands a coordinated response, especially those families who have children with additional needs. We will deliver an integrated approach in order to support families to promote positive outcomes.

Our key priorities for 2012-16:

- ✓ Children and young people are safeguarded and protected from harm.
- ✓ Early intervention and prevention services improve outcomes for families.

Going well

- County Durham's Children's Services were rated as 'outstanding' by Ofsted, January 2012.
- The percentage of Children In Need referrals occurring within 12 months of previous referral has decreased from 24.70% in 10/11 to 20.8% in 11/12.
- Despite increased demands for safeguarding services, the percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time has reduced.
- Our services have consistently been rated as 'good' for the quality of safeguarding arrangements.
- All children's homes have been judged as 'good' or 'outstanding' by OfSTED
- Findings from the evaluation of the 2 year Pathfinder Project shows that there has been an 80% reduction in family violence within those families engaged in the project.

Cause for concern

- Increasing number of complex cases requiring a coordinated intervention from a number of services and agencies.
- Young people who drink alcohol are more likely to be behind at school, play truant, become a victim or perpetrator of violence/anti-social behaviour and increase their sexual risk taking (Safe Durham Partnership Strategic Assessment, 2010).
- The Tellus survey (2009/10) shows that in County Durham 13.7% of those surveyed had used drugs or volatile substances and/or been drunk at least twice in the last four weeks.
- Domestic abuse features in half of all child protection conferences undertaken and continues to be the most common factor in all localities.

Did you know?

- Children's services have now been transformed through the creation of One Point integrated services which brings together social care and health services together under single line management.
- During April – September 2011, we delivered a total of 91,677 hours of short breaks and 1135 overnight stays for children who are disabled.
- Approximately 1% of children nationally and in County Durham require support or intervention from our Safeguarding and Specialist Services.
- The number of children on the Children's Network increased to 1028, with 43 new registrations between January 2011 and March 2011.

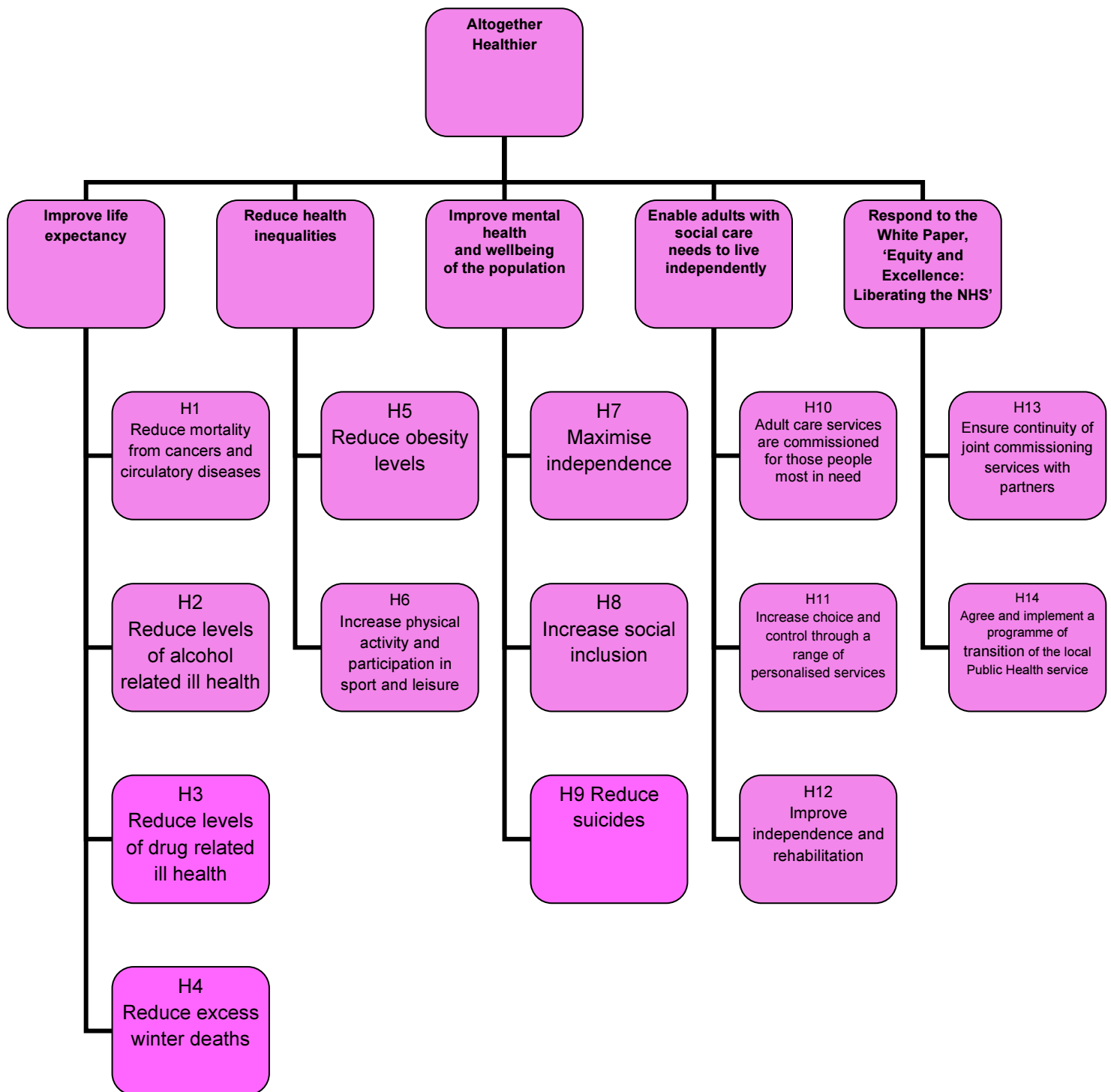
Look out for:

- One Point Hubs operating in your area, pop in and have a look round.
- Development of Area Plans for the One Point Service to communicate intentions and direction of the service.
- Engagement of children, young people and parents in the continued development of the One Point Service.
- Partnership working with the provider market to identify joint funding and commissioning opportunities to support service delivery in line with priorities.
- The Family Pathfinder service has been shortlisted for the Children's Services category in the Local Government Chronicle awards – watch out to see if they win!

High Level Action Plan

Action	Responsibility	Timescale
Gather customer feedback to ensure that the One Point service is valued and accessible to service users and partners, improve service delivery and responsiveness.	Head of Early Intervention and Partnership Services	April 2013
Implement the care planning action plan to ensure that all legislative requirements are fully complied with.	Head of Early Intervention and Partnership Services	March 2013
Review and revise of 'front of house' services in line with revised assessment processes in line with the Munro recommendations.	Head of Safeguarding and Specialist Services	December 2012
Work with partners to deliver a range of interventions to tackle the supply of age restricted products to children and young people, including a programme of enforcement to prevent underage sales of knives, fireworks, paints and solvents, gambling and gaming products	Head of Environmental Health and Consumer protection	March 2013
Complete a programme of intelligence led enforcement initiatives and other interventions to reduce the supply of illicit, counterfeit and age restricted products.	Head of Environmental Health and Consumer protection	March 2013

Altogether Healthier



The vision for health and social care services outlined in the 'Liberating the NHS' White Paper (2010) and the 'Health and Social Care Bill' (2011) signifies a shift in the way health and social care services are to be delivered. The government's health and social care reforms are centred on patients and the public being at the heart of everything we do and that we must focus on prevention, personalisation and partnership working to improve the health and wellbeing of the population.

In this Council Plan we consider the future of public health in County Durham and the council's new role in working together with Clinical Commissioning Groups (which include GPs, nurses and health professionals) and the third sector (voluntary and community organisations) to make services accountable in a different way to patients and communities.

A Shadow Health and Wellbeing Board have been established in County Durham and this includes representation from the council, NHS and Clinical Commissioning Groups. As the work of the Shadow Board continues, we will ensure that arrangements are in place for the fully established, statutory Health and Wellbeing Board to be included in Durham County Council's Constitution (dependent on the passing of the Health and Social Care Bill in 2012).

Shared priorities and effective partnership-working across the statutory, voluntary and community sectors, combined with efforts to engage with local people, are crucial to tackling health inequalities and we plan to assume our new responsibilities for public health in County Durham from 1st April 2013.

Working closely with Clinical Commissioning Groups, Durham County Council will continue to provide a Joint Strategic Needs Assessment for County Durham, which includes robust information relating to the health and wellbeing of the local population. A Joint Health and Wellbeing Strategy will also be developed, from which commissioning plans will be subsequently produced.

Health in County Durham has improved over recent years and people are now living longer. However, health inequalities continue to exist within the county as well as between Durham and the rest of England. Local priorities for tackling health inequalities include reducing smoking, tackling obesity, reducing alcohol misuse, and promoting positive mental health.

Durham County Council has a statutory duty to assess the needs of people (and their carers) that require a social care assessment. The assessment process uses eligibility criteria to determine the level of need of individuals and the level of service required. Durham County Council gives priority to people with the greatest care needs and provides services to those assessed as having critical or substantial needs.

The personalisation of social care services continues to be extended as more people are offered the choice and control to arrange their own care services through direct payments or personal budgets.

Joint Commissioning Strategies will continue to ensure integrated service responses, better use of resources, and monitoring of outcomes for service users and patients. Together with NHS partners, the council will commission services which provide care closer to home, ensuring that people are supported to maintain their independence in their own home for as long as possible.

In January 2012, a new Blue Badge Improvement Service (disabled persons parking) was introduced nationally to tackle badge fraud and misuse and make the

scheme fairer and more sustainable in the long term. As part of the new scheme, Durham County Council will continue to issue badges to those who are eligible for concessionary parking.

1. Improve life expectancy

Smoking is the biggest single contributor to the shorter life expectancy experienced in County Durham. Cancer and cardiovascular disease (CVD) account for 66% of early or premature deaths.

CVD is reducing in County Durham however it is still a major health problem across the county. Rates of CVD are higher for County Durham than the national average and deaths from CVD are significantly higher in County Durham than nationally for both men and women.

Alcohol is a significant contributor to ill-health across all age groups and all areas of the county. A multi-agency Alcohol Harm Reduction Strategy has been developed, to reduce levels of alcohol-related ill-health in the county.

Going well

- We have increased use of powers across the county to tackle sales of alcohol and tobacco to people under the age of 18.
- The 80% target for cervical cancer screening rates for County Durham for 2011/12 was achieved by June 2011, when 81% was recorded.
- The Stop Smoking Service achieved 1,310 quitters between April – June 2011, which exceeded the target of 1,186.

Cause for concern

- Coronary heart disease, chronic obstructive pulmonary disorder, stroke and heart failure continue to be a cause for concern in County Durham.

Did you know?

- The County Durham Tobacco Control Alliance was highly commended in two categories at the 2010 'No Smoking Day' Organiser of the Year awards.
- More than 40 domestic premises were suspected of supplying illicit tobacco in 2011.
- There are 5 Health Networks in County Durham (Dales, Derwentside, Durham & Chester-le-Street, East Durham and Sedgefield) which tackle issues locally such as smoking, cardiovascular disease and physical activity.

Look out for:

- A revised multi-agency Alcohol Harm Reduction Strategy for County Durham in March 2013.
- A revised Joint Strategic Needs Assessment for County Durham by August 2012, which will include updated information on the health and wellbeing of the local population.
- A Joint Health and Wellbeing Strategy for County Durham by October 2012, which will inform future commissioning plans for services in the county.

High level Action Plan

Action	Responsibility	Timescale
Work with NHS County Durham and Darlington colleagues to implement all tobacco cessation actions contained in the Health and Wellbeing Partnership Delivery Plan	Head of Social Inclusion	31 March 2013
Work with NHS County Durham and Darlington colleagues to complete all of the actions in the Health and Wellbeing Partnership Delivery Plan in respect of cancer-related issues, including awareness-raising and screening	Head of Social Inclusion	31 March 2013
Develop a DCC Healthy Hearts programme in partnership with NHS County Durham to reduce cardiovascular disease prevalence and mortality rates	Head of Social Inclusion	31 March 2013
Provide training and support to frontline staff and community champions, to enable them to offer help and advice to local people on health improvement and signpost them into services where appropriate, such as NHS health checks and stop smoking services	Head of Social Inclusion	31 March 2013
Develop and agree a revised multi-agency Alcohol Harm Reduction Strategy for County Durham	Head of Social Inclusion	31 March 2013
Reduce levels of drug-related ill health by working with services in the treatment centres to ensure that all service users receive a general health care assessment	Head of Social Inclusion	31 March 2013
Work in partnership to develop a coordinated County Durham Excess Winter Deaths Plan	Head of Social Inclusion	31 March 2013

2. Reduce health inequalities

Although health in County Durham has improved over recent years and people now live longer lives, the rate of progress has not been equal across the county and health inequalities are still evident.

These health inequalities exist as a result of complex interactions caused by a number of factors, which can be broadly described as:

- Inequalities in opportunity – poverty, family, education, employment and the environment (these are known as the wider determinants of health)
- Inequalities in lifestyle choices – smoking, physical activity, food, drugs, alcohol and sexual activity
- Inequalities in access to services - for those who are already ill or have known risk factors for disease (this is known as health inequity)

Obesity is a major risk factor in the development of a number of severe medical conditions. Being obese makes people more likely to suffer from Type II diabetes, diseases of the cardiovascular system (e.g. heart disease, stroke, angina, deep vein thrombosis, and high blood pressure), certain types of cancer, arthritis of the back and other health problems.

Childhood obesity is linked to diet and nutrition, physical activity, parenting and emotional health and wellbeing. The proportion of County Durham children in Year 6 classified as obese is above the national average.

As with a healthy diet, participation in physical activity is known to benefit overall health and is particularly linked to improved cardiovascular health, reduced levels of obesity and improved mental health. The council will be taking various steps to improve overall level of participation in physical activity, driven by the delivery of its Sport and Leisure Strategy.

Going well

- 'Healthy Hearts' events funded by the Health and Wellbeing Partnership are providing health checks in community venues for conditions such as diabetes and cardiovascular disease.
- The Warm Front fuel poverty scheme has resulted in over 3,000 households receiving free central heating and insulation.
- Partnership arrangements with 4 community organisations are being developed to operate leisure facilities.

Cause for concern

- The proportion of children in Year 6 classified as obese is around twice that of children in Reception and is above the national average.
- Overweight young people have a 50% chance of being overweight adults and, unless childhood obesity is addressed, this is likely to increase demand on the NHS and Adult Services due to the health problems associated with adult obesity.

Did you know?

- The promotion and introduction of HealthZones in County Durham libraries resulted in a 13% increase in the number of health-related books borrowed in 2010/11 and the trend is continuing, with a projected increase of 2% for 2011/12.
- Visits by the Wellness on Wheels (WOW) mobile fitness trailer has resulted in 9 permanent community facilities called 'legacy gyms' being provided across the county.

Look out for:

- A new 'Telehealth' service to provide equipment to people with diabetes to enable them to monitor their vital signs, including blood pressure, weight and blood sugar, and pass this information back to health professionals.
- In October 2012, an exciting new event - the 'Etape North Pennines' - will attract cyclists to County Durham to tackle a difficult course of 78 miles and raise funds for the Marie Curie Cancer Care charity.

High level Action Plan

Action	Responsibility	Timescale
Work with regional partners to deliver a range of health interventions aimed at promoting healthy eating and covering the key themes of diet and nutrition, including sampling, healthy eating awards and provision of food labelling advice	Head of Environmental Health and Consumer Protection	31 December 2012
Work with the governing bodies of 5 key sports to develop countywide shared investment and delivery plans	Head of Sport and Leisure Services	30 September 2012
Play a lead role in the review of, and further develop, the 5 community sport networks to ensure they are fit for purpose	Head of Sport and Leisure Services	30 April 2014
Work with the Regeneration and Economic Development (RED) service grouping to deliver improvements in housing conditions; through the implementation of the council's Private Sector Housing Strategy, using the joint operational protocol between the Environment Protection Team and the Housing Renewal and Improvement Team	Head of Environmental Health and Consumer Protection	31 March 2013
Implement a new Additional Licensing Scheme for Houses in Multiple Occupation (HMOs) in the private rented sector, which will run concurrently with the mandatory licensing scheme.	Head of Environmental Health and Consumer Protection	31 December 2013
Deliver a publicity campaign to help tackle obesity levels within the county, which will be evaluated as part of a national programme	Head of Social Inclusion	31 March 2013

3. Improve mental health and wellbeing of the population

In County Durham, improving the mental health and wellbeing of the population has been identified as a priority. Good mental health and resilience are very important to people's physical health, relationships, education, training, work and to individuals achieving their potential.

People at higher risk of suffering from poor mental health include those with poor educational attainment, the unemployed, older people, those with long term conditions (such as coronary heart disease, diabetes), people with learning disabilities and people living in more deprived communities.

It is recognised that maximising independence for people is an important contributor to positive mental health. It is also widely acknowledged that participation in work is one of the main routes to social inclusion and improving mental health and wellbeing. The financial and emotional burden of unemployment has a significant impact on mental health and wellbeing, and problems such as anxiety and depression impact on significant numbers of people out of work.

An ageing population in County Durham will also present several challenges for both health and social care and an increasingly older population will see a rise in mental health conditions, dementia, increased levels of disability and long term conditions (a condition that cannot at present be cured but can be controlled by medication and other therapies).

Going well

- The council's mental health support and recovery service was shortlisted in the 2012 Local Government Chronicle Awards for Health and Social Care

Cause for concern

- According to the County Durham Joint Strategic Needs Assessment 2011-12, statistics available from the government's Projecting Older People Population Information system show that for older people in County Durham between 2011 - 2030:
 - Depression will rise from 7,986 to 11,869 (49%)
 - Limiting long term illness will rise from 52,734 to 79,188 (50%)
 - Severe depression will rise from 2,512 to 3,870 (54%)

Did you know?

- At least one in four people will experience a mental health problem at some point in their life
- One in ten children aged between 5 and 16 years has a mental health problem and many continue to have mental health problems into adulthood
- Half of those with lifetime mental health problems first experience symptoms by the age of 14, and three-quarters before their mid-20s
- According to the Alzheimer's Society, dementia affects 5% of people aged 65 and 20% of those over 80

Look out for:

- Promotion of sports activities through the Area Action Partnerships and the Youth Service
- Opportunities to get involved in the DLI Museum and Durham Art Gallery Community Panel - this not only helps people to share common interests but also develops individuals' feelings of confidence, self-esteem and personal achievement

High level Action Plan

Action	Responsibility	Timescale
Complete implementation of the Mental Health Employment and Training Strategy 2010/13 to support recovery, promote social inclusion and increase the number of people progressing into education, training, volunteering and employment	Head of Social Inclusion	31 March 2013
Work in partnership with NHS County Durham to develop a new Public Health Mental Health Strategy	Head of Social Inclusion	31 March 2013
Support the implementation of the Public Health Suicide Action Plan	Head of Adult Commissioning	31 March 2013
Deliver a programme of arts and heritage activities which positively impact on community cohesion and wellbeing of people living / working in and visiting County Durham including: <ul style="list-style-type: none"> • Volunteering opportunities across arts and heritage activities • Bringing different sections of the community together through cultural activities • Consulting with the DLI Museum and Durham Art Gallery Community Panel on the venue's current and future programme and work 	Head of Social Inclusion	31 March 2013

4. Enable adults with social care needs to live independently

Durham County Council has a statutory duty to assess the needs of people (and their carers) that require a social care assessment. The assessment process uses eligibility criteria to determine the level of need of individuals and the level of service required. Durham County Council gives priority to people with the greatest care

needs and services are therefore provided to those assessed as having critical or substantial needs.

In response to the introduction of the Social Care Bill in 2011, recommendations were put forward by the Law Commission (which published a report related to social care reform) and the Dilnott Commission (which produced a report on the future funding of care and support). In 2012, the government will publish a Care and Support White Paper and this will have an impact on the way in which health and social care services are provided.

Durham County Council continues to lead on the personalisation of services, which has introduced greater levels of choice and control to users of services, their families and carers through the use of direct payments and personal budgets. By April 2013, councils are expected to provide personal budgets for everyone eligible for ongoing social care; Durham County Council has exceeded the government's current targets for personalisation.

In order to help service users lead a more independent life, the council operates in-house care and support services. These include a reablement service, which gives people over 18 years of age the opportunity, motivation and confidence to relearn / regain some of the skills they may have lost as a consequence of poor health, disability, impairment or accident and helps people to stay independent in their own homes for as long as possible.

The council also works with health partners in County Durham to provide 'intermediate care' services for people, which promote faster recovery from illness, prevent unnecessary hospital admissions and maximise independent living.

Going well

- At October 2011, 97% of adult social care service users said that the care and support they had received made their quality of life much or a little better – this is higher than the council's target of 90% for 2011/12.
- At October 2011, 86% of respondents to a survey of adult social care service users found it very or fairly easy to find information and advice about social care services – this is better than the national average of 55%.
- In November 2011, 48% of adult social care service users were in receipt of a personal budget to arrange their own social care services, against a target of 50% to be achieved by the end of March 2011.

Cause for concern

- The number of critical and substantial needs identified for adults with a learning disability show significant increases for needs related to 'education / vocation'

Did you know?

- At October 2011, 32% of carers in County Durham had received a social care service during the past year – this is above the England average of 26.5%
- As at October 2011, 96% of people (203 out of 212) reported that re-ablement services had made their life "much" or "a little" better

Look out for:

- An improved Durham Information Guide (DIG) which allows people to search online for information on social care services, health groups and other community information such as arts, leisure, sports and social groups and organisations on a countywide, regional and national basis

High level Action Plan

Action	Responsibility	Timescale
Ensure consistent and effective application of eligibility criteria so that adult social care services continue to be provided to those people most in need	Head of Adult Care	31 March 2013
Following the re-procurement of independent sector day services, review the provision of in-house day services	Head of Adult Commissioning	30 June 2013
Extend the personalisation agenda by: <ul style="list-style-type: none"> • Further developing the online Durham Information Guide to ensure that people are provided with the most up-to-date information to enable them to make their own choices regarding their social care needs and local services • Working with partners and service users to ensure that more people access personal budgets, to allow them greater choice and control over their social care needs 	Head of Adult Commissioning	31 March 2013 31 March 2013
Review the effectiveness of the reablement service, which provides domiciliary care to adults to enable them to develop and maintain their independence	Head of Adult Care	30 April 2012
Develop an action plan to implement the recommendations of the Care and Support White Paper, which will have an impact on the delivery of health and social care services in County Durham	Head of Policy Planning & Performance	30 June 2012 (subject to publication of the White Paper)

5. Respond to the White Paper, 'Equity and excellence: Liberating the NHS'

The Health and Social Care Bill was introduced to Parliament on 19th January 2011. It takes forward proposals for reform set out in the NHS White Paper 'Equity and excellence: Liberating the NHS', which require primary legislation.

These proposals include making clinicians, groups of GPs and health professionals (known as Clinical Commissioning Groups) responsible for commissioning services for their communities and giving patients a stronger voice through the establishment of national and local HealthWatch organisations.

The local HealthWatch will ensure that views and feedback from patients and carers in County Durham are an integral part of local commissioning across health and social care. Durham County Council will commission local HealthWatch to provide advocacy and support, helping people to access and make choices about services and supporting individuals who want to make a complaint.

Durham County Council will work with Clinical Commissioning Groups to develop a Joint Strategic Needs Assessment (JSNA) for County Durham. The purpose of the JSNA is to provide a high level overview of the current and future health and wellbeing needs of the people of County Durham, which will help decision-makers in targeting resources to both services and geographic areas of the county. The JSNA will also inform the development of a new Joint Health and Wellbeing Strategy for the county, from which commissioning plans will be subsequently produced.

As part of the government's plans for public health, Durham County Council will assume a new role across three areas of public health:

- Health improvement (including people's lifestyles as well as the inequalities in health and the wider social influences of health)
- Health protection (including infectious diseases, environmental hazards and emergency preparedness)
- Health services (including service planning and evaluation)

The council's new responsibilities will include services related to tobacco control, alcohol and substance misuse, public mental health, obesity and community nutrition, and increasing levels of physical activity in the local population.

In 2012, transition plans will be developed and agreed for County Durham and funding will be provided to the council for its new responsibilities in 2013/14; in the meantime, 'shadow' allocations will be provided for 2012/13.

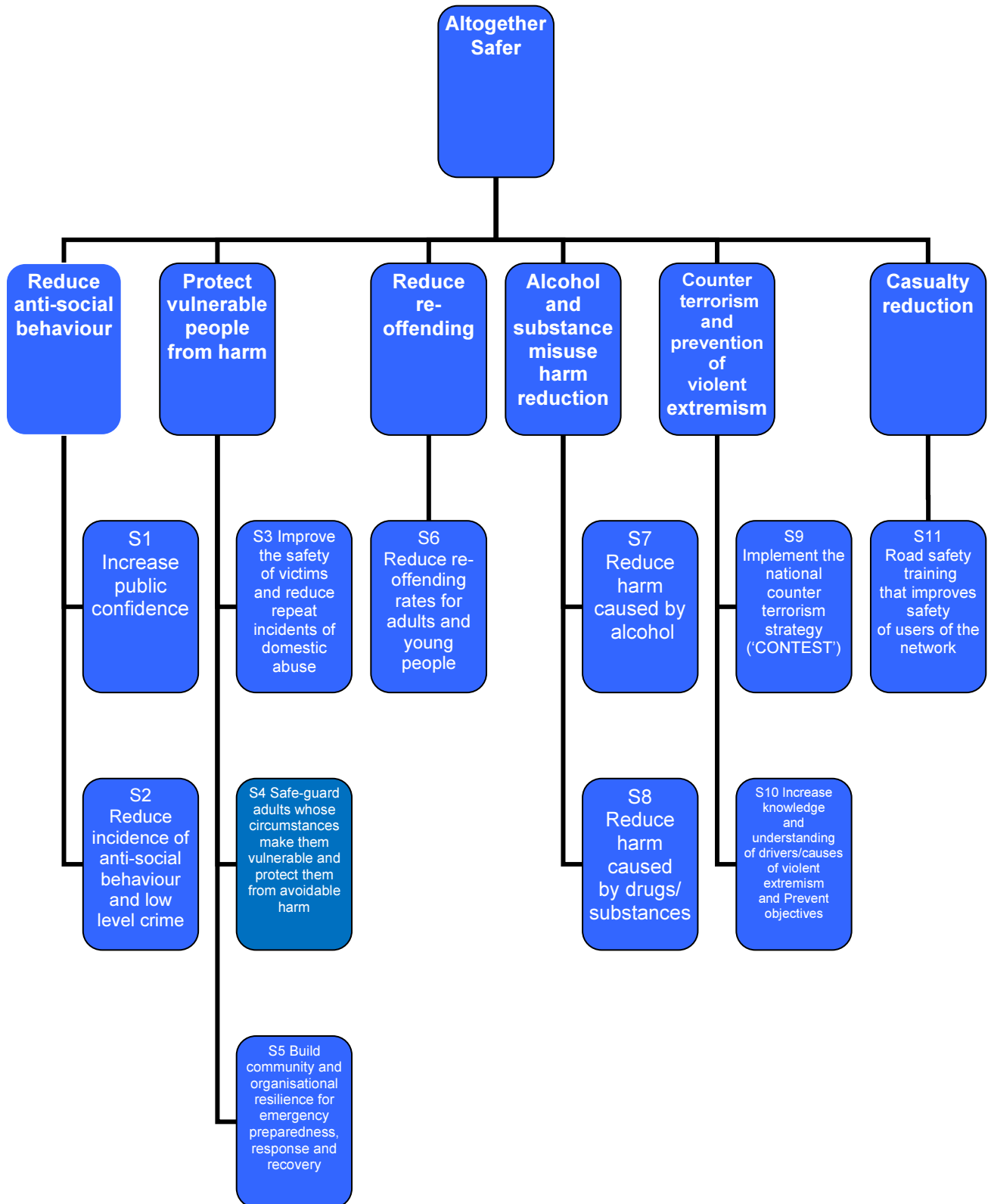
Durham County Council will employ the Director of Public Health for County Durham, who will be responsible for ensuring that the council delivers public health functions such as appropriate access to sexual health services, NHS Health Check assessment, elements of the Healthy Child Programme, the National Child Measurement Programme, ensuring that commissioners receive the public health advice they need, and making sure that plans are in place to protect the health of the local population.

Going well

- The County Durham Shadow Health and Wellbeing Board was established in 2011 and consists of senior decision-makers from Durham County Council and the NHS.

Commission the establishment of local HealthWatch in County Durham to act as a local consumer champion:	Head of Adult Commissioning	
<ul style="list-style-type: none"> • Complete tendering activity 		30 September 2012
<ul style="list-style-type: none"> • Award contract 		31 October 2012
<ul style="list-style-type: none"> • Establish local HealthWatch 		31 January 2013
<ul style="list-style-type: none"> • Local HealthWatch assumes joint responsibility with DCC for commissioning NHS complaints advocacy 		30 April 2013
Lead on the development of the County Durham Joint Strategic Needs Assessment 2012/13, working in partnership with Clinical Commissioning Groups	Head of Policy Planning & Performance (AWH)	31 August 2012
Develop with partners a Joint Health and Wellbeing Strategy for County Durham	Head of Policy Planning & Performance (AWH)	31 October 2012
In partnership with the NHS, prepare for the transfer of public health resources to DCC by developing an action plan to ensure that:	Head of Policy Planning & Performance (AWH)	
<ul style="list-style-type: none"> • The Director of Public Health has been appointed 		Before April 2013
<ul style="list-style-type: none"> • All relevant staff are transferred 		By April 2013
<ul style="list-style-type: none"> • Appropriate management arrangements are in place 		Before April 2013
Work with NHS partners to ensure that transitional arrangements are in place for the County Durham Health and Wellbeing Board to meet formal constitutional requirements	Head of Policy Planning & Performance (AWH)	01 April 2013

Altogether Safer



The council will continue to work with partner organisations, as part of the Safe Durham Partnership, to tackle crime and disorder in County Durham.

The council supports the Safe Durham Partnership in its strategic plan to deliver a day-to-day operational response to issues impacting on our neighbourhoods. The

council will work with partners to involve the community in tackling priorities, with the aim of creating a safer county and contributing to an Altogether Better Durham.

Key hotspots around the county are identified as particularly vulnerable in terms of crime and disorder. These areas generally face problems such as unemployment, low educational attainment and ill-health. Evidence shows that there are links between levels of deprivation and levels of domestic abuse, anti-social behaviour, re-offending, alcohol and substance misuse, and road casualties.

The council will continue to work with partners throughout the county to tackle these issues, which have an impact on the personal safety of residents and service users. From 2012, the council will support the Safe Durham Partnership's work with the newly elected Police and Crime Commissioner.

The council will continue to support the Safe Durham partnership in delivering its strategic priorities:

1. Reduce anti-social behaviour

Anti-social behaviour is associated with everyday problems like nuisance neighbours, noise, graffiti, vehicle crime, abandoned cars, vandalism, litter, verbal abuse, intimidation, harassment and street drinking. Anti-social behaviour also affects people's happiness and pride in their community as a place to live and deters them from accessing local parks and other community spaces. Consultation across the county continues to identify concerns amongst local communities about crime and anti-social behaviour.

Going well

- Anti-social behaviour incidents reported to the police fell by 11% in 2010/11 compared with 2009/10 – this was 5,779 fewer incidents.
- Youth-related anti-social behaviour went down by nearly 20% when comparing April to September 2010 against the same period in 2011.

Cause for concern

- Alcohol misuse is strongly linked to anti-social behaviour.
- County Durham experiences some of the highest rates of alcohol-related hospital admissions in the UK.

Did you know?

- We have increased use of powers to tackle sales of alcohol and tobacco to people under the age of 18
- A new Police and Crime Commissioner will be elected in summer 2012, as part of the government's Police Reform and Social Responsibility Bill.

Look out for:

- The Safe Durham Partnership's Strategic Assessment 2011/12 and a refreshed Safe Durham Partnership Plan 2012/13, to be published in April 2012.
- Promotion of Neighbourhood Watch and all 'Watch' schemes (farm, business, pub, shop and garage) in 2012.

High level Action Plan

Action	Responsibility	Timescale
Lead on the production of the Safe Durham Partnership's Strategic Assessment 2012/13 and Partnership Plan refresh 2012/13 and develop an integrated approach to coordinate activity with the new Police and Crime Commissioner	Head of Social Inclusion	01 April 2013
Complete implementation of the Anti Social Behaviour Strategy 2011/14 and ensure an effective joint approach to developing action plans to tackle anti-social behaviour and low level crime	Head of Social Inclusion	31 March 2014
Review the priorities and patrol areas of Neighbourhood Wardens across the county to realign resources and harmonise working practices	Head of Direct Services	31 July 2012
Work with partners to provide an integrated team approach through implementing Safer Neighbourhood Units, improving delivery outcomes and providing service delivery changes to reflect the anticipated changes in anti-social behaviour legislation	Head of Direct Services	31 March 2013
Review all education and enforcement procedures and processes in relation to anti-social behaviour and enviro-crime (this will include case recording and case management procedures, allocation on investigation, risk assessment, reflecting development of working practices within Safer Neighbourhood Units and One Point, the potential for mobile working and forthcoming legislative changes)	Head of Direct Services	30 September 2013

2. Protect vulnerable people from harm

Protecting vulnerable people from harm includes the safety of victims and reducing repeat incidents of domestic abuse.

Safeguarding adults is a key priority for Durham County Council and partners and a zero tolerance approach has been adopted. This means that all agencies are fully committed to preventing the abuse of adults and responding promptly when abuse is suspected.

There are numerous factors which have contributed to the overall increase in safeguarding referrals for suspected abuse. These include the continuing adoption of a zero tolerance policy, improved awareness of safeguarding through the delivery of

comprehensive training and communication strategies, national drivers and media attention linked to the care services industry.

Going well

- The Local Resilience Forum draws together the emergency services, health organisations, the local authority and voluntary groups has been restructured to ensure we are better prepared to respond to a major emergency.
- Community resilience recognised in Local Resilience Forum Strategy.
- Approvals to severe weather plan.
- Statutory emergency plan in place for pipelines, reservoirs and Control of Major Accident Hazards sites.
- Flood warden schemes in place for all high risk communities.
- The number of adult safeguarding investigations completed within 28 days has increased from 79% in 2010/11 to 84% which exceeds the council's target of 75%.

Cause for concern

- In 2011, the National Society for the Prevention of Cruelty to Children launched national research which highlighted that a quarter of girls and 18% of boys reported some form of parent / partner physical violence.
- A third of all domestic violence incidents are alcohol-related.

Did you know?

- The number of adult safeguarding referrals for suspected abuse increased by 134% when comparing 2007/08 figures with 2010/11 – this is partly due to national and local campaigns to raise awareness of safeguarding issues and provide local contact details for help and advice.
- There are over 10,000 reported incidents of domestic abuse a year in County Durham, which include not only physical violence but also isolation from family and friends, control over finances, sexual and verbal abuse, threats and intimidation.

Look out for:

- Initiatives set up by the police to protect elderly and vulnerable residents from bogus officials (people pretending to represent companies, to gain access to people's homes)
- The community emergency response team programme.

High level Action Plan

Action	Responsibility	Timescale
Complete the implementation of the Joint Commissioning Strategy for Domestic Abuse Services in County Durham to improve the safety of victims and children who witness and experience domestic abuse, reduce repeat incidents of domestic violence, and reduce serious violent crime across the county and in priority locations	Head of Social Inclusion	31 March 2014

In partnership with community safety colleagues, agree information-sharing mechanisms for vulnerable people and those with challenging needs (through the work of Local Multi Agency Problem Solving Groups and high impact locality work)	Head of Adult Care	30 June 2012
--	--------------------	--------------

Complete a programme of intelligence led enforcement initiatives and other interventions to reduce door step crime, rogue traders and the supply of illicit, counterfeit and age restricted products	Head of Environmental Health and Consumer Protection	31 March 2013
--	--	---------------

3. Reduce re-offending

Reducing re-offending remains a strategic priority for the Safe Durham Partnership. This is in response to the national estimate that 10% of the active offender population is responsible for half of all crime.

A Reducing Re-offending Strategy 2011-14 has been developed, with the aim of reducing crime by reducing re-offending rates through the following two objectives: Prevent inter-generational offending (criminal behaviour within families and across generations) and prevent repeat offending.

Going well

- The overall crime rate between April and September 2011 shows a decrease of 5.5% on the same time period in 2010.
- Between April and September 2011, there was a 62% reduction in offences committed by offenders currently within the Integrated Offender Management team areas, when compared to the same time period in 2010.

Cause for concern

- A small proportion of persistent offenders commit a large proportion of crime.

Did you know?

- In 2010/11, the main types of crime were low level acquisitive crime such as shoplifting and the theft of metal, which accounted for 21% of all stealing.
- To manage the most prolific offenders in County Durham, the Safe Durham Partnership has put in place an Integrated Offender Management team across the county with three delivery centres for North Durham, Easington and South Durham.

Look out for:

- A continuing reduction in repeat offending rates for our most persistent offenders, which will have a significant impact on reducing overall crime in our local communities.

High level Action Plan

Action	Responsibility	Timescale
Review the Reducing Re-Offending Strategy and Action Plan 2011/14 to prevent inter-generational offending and repeat offending	Head of Social Inclusion	31 March 2013

4. Alcohol and substance misuse harm reduction

Alcohol consumption is a significant contributory factor with respect to a range of offences, in particular violence, disorder and anti-social behaviour. The main issue is addressing the circumstances and situations where the consumption of alcohol contributes to unacceptable forms of behaviour.

Alcohol misuse can lead to people becoming more vulnerable to offences of assault; it is also a major factor in fire-related deaths.

The council is working with partner agencies to provide education in schools about the dangers of 'legal highs'. Young people who may be at greatest risk of alcohol dependency are those whose parents abuse alcohol. An alcohol referral scheme has also been introduced for over 18s.

The government published a new national Drugs Strategy in December 2010. Local activity has previously focused on increasing the number of people able to access and receive drug treatment, either in the community or in custody. The new strategy emphasises the importance of breaking the cycle of dependency on drugs within families and communities, focusing on international trade and supply routes, and getting people through recovery to continue a drug-free life.

In terms of the crime and disorder agenda for County Durham, there is a need to ensure that appropriate substance misuse education is delivered. Confidence by the courts in the treatment system needs to be maintained, so that drug rehabilitation is seen as an effective option to custody. In order to restrict the supply of drugs, work is taking place at a local level through integrated enforcement activity involving the Safe Durham Partnership, the public and service users.

Going well

- The number of individuals arrested for being drunk and disorderly has fallen slightly from 1,056 in 2009/10 to 909 in 2010/11.
- Under-age drinking is being tackled in the Stanley area by establishing a Community Alcohol Partnership.

Cause for concern

- 37% of all assaults are alcohol-related.
- Half of all violent crimes are alcohol-related.

Did you know?

- The Best Bar None initiative (where licensed premises and their management standards are reviewed against strict national criteria) is being promoted across the whole of County Durham to have a positive impact on the issues caused by the night-time economy.
- An Alcohol Health Needs Assessment was produced in 2011 to assess the local needs of alcohol misusers; this will enable evidence-based decisions to be made on how needs might be most effectively met within available resources.

Look out for:

- Alcohol Awareness Week in November 2012.

High level Action Plan

Action	Responsibility	Timescale
Develop and agree a revised multi-agency Alcohol Harm Reduction Strategy for County Durham to: <ul style="list-style-type: none">• Prevent and tackle crime and disorder problems associated with alcohol misuse• Reduce illegal sales of alcohol within the county	Head of Social Inclusion	31 March 2013
Implement the Safe Durham Partnership's response to the Government's national Drug Strategy 2010 by ensuring that social work support in treatment centres: <ul style="list-style-type: none">• Assists people to seek help and overcome their dependency on drugs• Addresses other issues in addition to drug treatment such as offending, employment and housing	Head of Social Inclusion	31 March 2013
Work with partners to deliver a programme of interventions involving licensing enforcement and health promotion initiatives aimed at reducing harm caused by alcohol	Head of Environmental Health and Consumer Protection	31 March 2013

5. Counter terrorism and the prevention of violent extremism

In 2011, the government released new 'Contest' and 'Prevent' strategies. The strands of the Contest strategy remain the same:

- Pursue – to stop terrorist attacks (remit of police & security services);
- Prepare – where we cannot stop an attack, to mitigate its impact;
- Protect – to strengthen our overall protection against terrorist attacks; and
- Prevent – to stop people becoming or supporting terrorists.

The Prevent strategy has a broader scope but a much tighter focus, with the following three objectives:

- Respond to the ideological challenge of terrorism and the threat we face from those who promote it.
- Prevent people from being drawn into terrorism and ensure that they are given appropriate advice and support; and,
- Work with sectors and institutions where there are risks of radicalisation which we need to address.

Research for the new Prevent strategy provided an understanding about the risks of people becoming susceptible to terrorist propaganda. Young people are more inclined to be 'sympathetic' to terrorism and most terrorist offences are committed by those under 30.

Within County Durham, partner agencies are working closely together to support the government's strategies and address these issues.

Going well

- The Safe Durham Partnership delivered a training programme to raise awareness of preventing violent extremism (such as Act-Now and WRAP) – the training targeted various audiences from chief executives and senior management teams to frontline practitioners and members of the community

Cause for concern

- The current threat level for the UK is 'substantial', which means that a terrorist attack is a strong possibility

Did you know?

- 10% of all terrorist convictions nationally fall within the age range 15-19

Look out for:

- A 'Staying Safe on the Internet' initiative delivered to pupils through the Safer Schools Partnership

High level Action Plan

Action	Responsibility	Timescale
Provide the council's lead contribution to the Contest Strategy delivery action plan and complete the self assessment for the Home Office	Head of Social Inclusion	31 March 2013
Develop an action plan to respond to the government's refocused Prevent Strategy to: <ul style="list-style-type: none"> Respond to the ideological challenge of terrorism and the threat faced from those who promote it Prevent people from being drawn into terrorism and ensure that they are given appropriate advice and support Work with sectors and institutions where there are risks of radicalisation which need to be addressed 	Head of Social Inclusion	31 March 2013

6. Casualty reduction

The Government have not as yet extended the casualty reduction targets beyond the 2010 timeframe sent within the national casualty reduction strategy. As part of the work to develop the Local Transport Plan 3 (LTP3), the County Council has chosen to project the target line beyond the 2010 timeframe for the life of LTP3 i.e. 2015. Road accident numbers in 2010 showed a positive year for the numbers of people killed or seriously injured particularly children. 2011 to date (January – September) has been more challenging with the numbers of children involved in serious accidents increasing beyond the targeted profile.

Going well

- We have further developed partnership arrangements with town and parish councils and volunteer groups to help the winter maintenance service.

Cause for concern

- Motorcyclists were involved in 28% of killed or seriously injured road accident casualties (January – September 2011).
- 51% of killed or seriously injured road accident casualties occurred on 60mph/70mph roads (January – September 2011).
- During the January to September 2011 period, the majority of child killed or seriously injured road traffic accidents occurred Monday – Friday, during daylight hours and involved children aged 13 or over.
- Funding for highway maintenance has reduced, whilst responsibilities have increased related to street lighting, street furniture, and un-adopted footways.

Did you know?

- The County Council along with its partners in the County Durham Road Casualty Partnership monitor and analyse all accidents for trends i.e. location, road condition, speed, demographic, drink or drug use and transport type and between them develop educational campaigns, enforcement and engineering solutions to try to reduce accidents in the future.
- The County Council organised a regional road safety event last year with 60 delegates from around the region who came together to share best practice in reducing road traffic accidents.
- The Mid Durham AAP set up a Priority Task Group in 2011 to focus on road safety and highways after the AAP voted it to be their second highest priority for 2011/12.

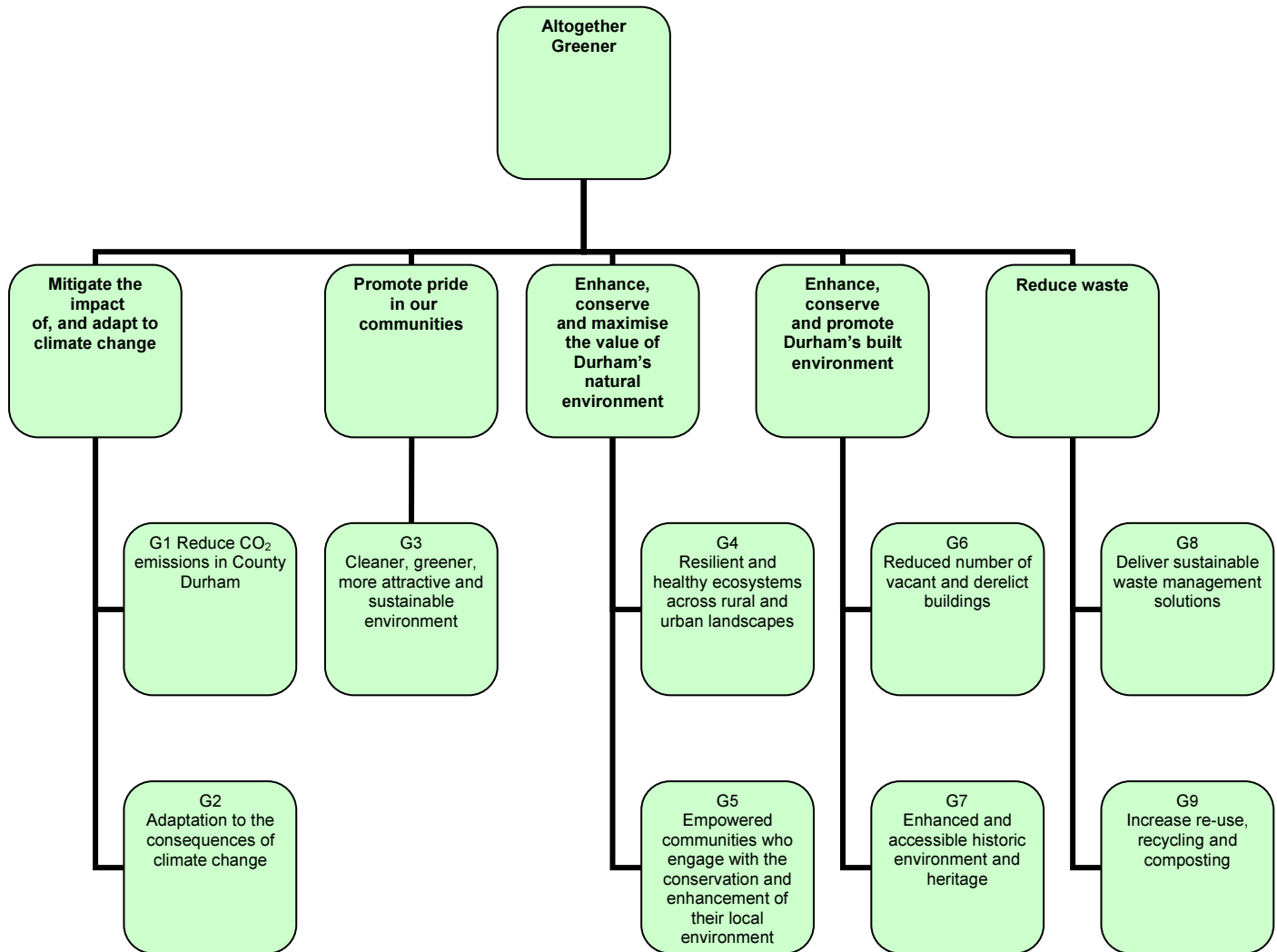
Look out for:

- 'Walking buses' as a safe and sustainable way for children to get to school.

High level Action Plan

Action	Responsibility	Timescale
Identify trends and install appropriate solutions to reduce road casualties and implement a programme of engineering improvements	Head of Transport and Contract Services	2016
Develop a Junior Road Safety Officer website	Head of Transport and Contract Services	April 2012

Altogether Greener



There is mounting evidence that the UK is beginning to experience changing climatic conditions and more extreme weather patterns attributable to the effects of global climate change. These changes are accelerating and will bring significant challenges to every aspect of our lives, our communities and the natural environment. The council has set challenging targets to reduce carbon emissions caused by the council's operations and also to tackle emissions across the wider county. We aim to do this through programmed activity with residents and also through working with large scale businesses and employers such as the NHS and Fire and Rescue Service. The council also has a key role in ensuring that resilience to extreme weather events is increased through adapting to the changes caused by climate change.

Reducing waste is another important contributor to sustaining our natural resources. Last year we land-filled 143,946 tonnes of municipal household waste representing a reduction of 14% on the previous year. We need to further reduce waste generated, increase levels of re-use and recycling, and where possible recover energy from waste if we are to achieve our goal of diverting waste from landfill.

Through engaging with our communities, we know that local environmental cleanliness is an important factor in making County Durham a good place to live, work and bring up a family. Both the natural and built environment, require careful

management to ensure that we can maintain a good quality of place and access to our natural assets. In addition, communities regularly emphasise the importance of access to parks and green spaces for socialising, exercise and enjoying nature. Through education, involvement and enforcement, where necessary, we will work with communities to improve the overall cleanliness and attractiveness of our local environment.

1. Mitigate the impact of, and adapt to climate change

The council has targets to reduce its own carbon emissions by 40% by 2015 and emissions across the whole of County Durham by 40% by 2020. Alongside other key partners, the council is working to ensure the county is well prepared to adapt to the consequences of climate change. In particular we need to ensure that County Durham is well prepared to cope with any future major flooding events. By working with the Environment Agency, we have identified those areas which may be vulnerable to flooding. Over the next three years we will be implementing actions to mitigate the potential impact and protect our communities.

Going well

- We have invested in new street lighting to save energy and reduce carbon emissions, improved the energy efficiency of 3000 Durham homes as a result of £5.5million investment through Carbon Efficiency Reduction Target (CERT) and reduced carbon emissions from fleet vehicles by 11%.
- We have now completed a total of 478 Solar installations including:
 - Photovoltaic panels on 40 Council buildings saving 1000 tonnes of carbon and generating an income of £600,000 a year;
 - Photovoltaic panels on social housing to maximise benefit from the Government's 'Feed in Tariff' which subsidised the installation costs.
- School carbon reduction officers have overseen implementation of carbon saving measures that have saved 1,200 tonnes and £150,000 a year
- The Surface Water Management Plan, highlighting areas where flood risk needs to be managed through protection or alleviation measures, has been approved and is now an active plan with flood risk areas being monitored and schemes programmed as and when required.

Cause for concern

The North East Adaptation Study (2008) <http://www.adaptne.org/> highlights the following trends in the County Durham climate over the next few decades to 2050:

- There will be an increased frequency of summer heatwaves and this will create significant implications for public health.
- Increased temperatures are also likely to increase the risk of disease for both humans and livestock.
- With the projected increases in extreme rainfall events, flood events may become more frequent.
- Government have made major reductions to subsidies that previously encouraged fitting of photovoltaic panels (the Feed-in Tariff), which will impact on the number of installations, and this may destabilise the wider renewables industry.

- Progress against the Countywide CO₂ target has been slow but considerable progress has been made in reducing emissions from County Council activity during 2010/11.

Did you know

- We maintain more than 80,000 street lights and by 31 March 2012 approximately 15% of the lighting stock will be controlled by CMS (Central Management System) equipment allowing remote monitoring, switching and dimming to reduce energy and CO₂ emissions.
- We achieved an “Outstanding” BREEAM rating on the new Brandon and Esh Winning Primary Schools: the most sustainable buildings in the property portfolio, a ‘first’ nationally.
- Carbon emissions from Council homes across County Durham have been reduced by 26,320 tonnes, saving households a total of £1.5 million from their energy bills.
- We now have 12 buildings heated by wood pellets which are a carbon neutral fuel source.
- In partnership with others, we won the National Home Improvement Council Award for the best use of photo-voltaics (solar panels) in a retro-fit scheme at Craghead in 2011.

Look out for:

- The new Low Carbon Master Plan which will inform our future Climate Change Strategy.
- An EU supported project called IMCORE which is studying the Durham Coastline and looking at changes to marine ecology.

High level Action Plan

Action	Responsibility	Timescale
Quantify the carbon impacts of the council's waste services; including those associated with new waste treatment and look to set future targets and actions for reducing them.	Head of Projects & Business Services/ Carbon Management Unit	August 2012

<p>Deliver sustainable design schemes for the new primary school buildings at Kirk Merrington and Greenland (South Moor) in order to improve environmental performance through:</p> <ul style="list-style-type: none"> • Biomass boilers to reduce CO2; • A Sustainable Urban Drainage System (SUDS); • Maximising the use of natural daylight and ventilation; • Grey water recycling capability; • Surfaces painted with a low level of volatile organic compounds (VOCs) & • Building Research Establishment Environmental Assessment Method (BREEAM) A-rated flooring <p>Achieving an overall BREEAM standard of 'excellence'</p>	<p>Head of Technical Services</p>	<p>April 2013 for both Greenland and Kirk Merrington</p>
<p>Review possibilities for moving to alternative powered vehicles and provide recommendations for consideration</p>	<p>Head of Direct Services</p>	<p>August 2013</p>
<p>Review existing network of Customer Access Points as part of the overall authority Accommodation Strategy and the Customer Contact Strategy in order to reduce the need to travel</p>	<p>Head of Sport and Leisure Services</p>	<p>March 2014</p>
<p>Mitigate the effect of flooding throughout the county by establishing a Flood Risk Management Strategy :</p> <ul style="list-style-type: none"> • Addressing and supporting climate change adaptation through land allocations and the design and enhancement of environments (County Durham Plan). • Managing the coastal environment in accordance with the Shoreline Management Plan (SMP) 	<p>Head of Technical Services</p>	<p>April 2013</p>
<p>Install 120 electric vehicle charging points</p>	<p>Head of Transport and Contract Services</p>	<p>March 2014</p>

Implement the County Durham Low Carbon Masterplan <ul style="list-style-type: none"> Plan published 	Head of Planning and Assets	March 2016
Develop and implement a climate change adaptation strategy <ul style="list-style-type: none"> Communications and community engagement plan 	Head of Planning and Assets	Plan agreed December 2012

2. Promote pride in our communities

Consultation with our residents consistently identifies clean streets as one of the most important priorities. However, addressing this issue is not solely about the council improving its operations. To be truly effective and sustainable our approach should harness the contribution that everyone can make, as we all have a role to play in helping make our communities cleaner, safer and greener. We intend to encourage local people to look at ways to improve their local area and to get involved in implementing their ideas.

Going well

- Over 7,200 people participated in activities at the 2011 Altogether Greener event in Durham City
- We have established a Junior Neighbourhood Watch Scheme. Currently a pilot, it aims to encourage young people to take an interest in their personal safety, their community and crime and disorder issues.
- We are promoting waste awareness messages countywide
- We are supporting the national Love Where You Live campaign and have delivered a number of events and initiatives during the last year to engender pride in our communities including :
 - Leadgate Week in Action
 - Sustrans Week in Action
 - Green Dog Walkers
 - The Word
 - Stanley Heart (loving where you live) community project for Stanley Bus Station
 - Golden Ticket – Riverside Park
 - Fix You – Chester le Street
 - Chester le street Market Activity week
 - Respect Event, Chester le Street
 - Northumbria in Bloom
 - Bulb Planting Challenge

Cause for concern

- It is anticipated that the reduction in CO₂ emissions from local authority operations will not achieve target.
- Operations is anticipated to The Residents Survey 2010 demonstrates that levels of deprivation are interlinked with feelings of safety.

- In those areas defined as being within the top 10% most deprived, 16% feel unsafe in their local area at night. This reduces significantly to 7% in areas defined as not deprived.

Did you know?

- Neighbourhood Watch has been expanded to include Street Champions, enabling environmental concerns to be reported.
- In total there were 20.29 tonnes of waste, collected from gardens and yards, from the 8 'Weeks of Action' in Derwent Valley.
- 24 sessions have been delivered in local schools, including 'Open your Eyes' DVD, Tidy Ted assemblies and Story Sack, educating 2,471 children and young people.

Look out for:

- Roll out of the Junior Neighbourhood Watch Scheme.
- The 2012 Environment Awards.
- The 'Golden Ticket' campaign in your area.
- Community conservation days in your area.
- Stanley Heart (loving where you live) community project for Stanley Bus Station 2012.

High level Action Plan

Action	Responsibility	Timescale
Deliver a £2.3m improvement scheme to Durham Crematorium which includes extending the existing building, installing new cremators which comply with European mercury abatement legislation, improving access and car parking facilities	Head of Technical Services	December 2012
Develop an Open Space Strategy to incorporate countryside, play events, playing pitches, parks, allotments	PPC Manager / Streetscene Area Manager (S)/Sport and Leisure	December 2012
Incorporate the 'Love where you live' campaign in a wide range of communication mechanisms in conjunction with 'Pride' theme	Head of Direct Services	September 2012
Implement the Contaminated Land Inspection Strategy in accordance with the requirements of the Environmental Protection Act 1990, Part 2A by inspecting the top ten highest priority sites of potential concern, in County Durham	Head of Environmental Health and Consumer Protection	March 2013

3. Enhance, conserve and maximise the value of Durham's natural environment

Our natural environment underpins our economic prosperity, as well as our health and wellbeing and as a result, protecting the environment and enhancing biodiversity is a priority to us.

There have been a number of improvements to Durham's natural environment; the air we breathe is cleaner, the quality of water in our rivers has improved and our wildlife sites are in better condition. These successes show that properly focused environmental policies can deliver real change. Our natural environment is under constant pressure and if it is to be protected as a resource for future generations, we need to take action now.

There are natural challenges specific to the North East of England that need to be considered, including the need to provide large scale biodiverse landscapes to mitigate the impact of climate change.

Going well

15 parks and open spaces have been awarded green flags: an increase on the previous year and the highest of all North East authorities. The Authority also has the highest number of cemeteries with green flags of any burial authority in the country.

The Council is a key delivery partner in various 'Landscape Scale' partnerships. These include:

- The North Pennines Area of Outstanding Natural Beauty (AONB) Partnership, helping to look after England's second largest AONB.
- The Limestone Landscapes and the 'Integrated Biodiversity Delivery Area'.
- The emerging Local Nature Partnership covering the Derwent Valley, Durham Coalfield and the Tees Plain.
- The Heart of Durham partnership, which in particular has enabled recovery of small pearl bordered fritillary butterfly populations

Cause for concern

- Changing weather patterns associated with Climate Change are expected to negatively affect habitats in Durham and the species they support
- Despite the excellent progress made by the North Pennines AONB Partnership and others, more investment is needed in our peatlands to ensure that they can keep providing their many benefits for society, including being our best natural store of carbon.

Did you know?

- We undertake biodiversity management and enhancement works on the Countryside Estate comprising 1200 hectares and 70 sites
- The Council is responsible for management of more than 700 Ha of Woodland.

- 30% of the North Pennines AONB is in County Durham and, through its support for the North Pennines AONB Partnership; the Council is backing the conservation of some of the country's most threatened habitats, including extensive peatlands and rare species-rich upland hay meadows.
- The County Council supports a hedgerow partnership to provide grants for the maintenance and promotion of this valuable environmental asset in the County
- The Heritage Coast Partnership comprises those with an interest in the coast between Hendon and Hartlepool, protecting and enhancing this fantastic coastline and promoting its use for quiet recreation. Our work was recognised through a Council of Europe Landscape Awards Special Mention during 2011. (www.durhamheritagecoast.org)

Look out for:

- The forthcoming Countryside Strategy, Green Infrastructure Strategy, Open Spaces Strategy and Heritage Coast Management Plan
- Opportunities to get involved in countryside volunteering across County Durham, and particularly in new programmes from the North Pennines AONB Partnership such as community archaeology project 'Altogether Archaeology' and community biodiversity recording / conservation project 'WildWatch'
- The Design and Conservation supplementary planning document which will set out the approach for design and conservation to be delivered through forthcoming County Durham Plan
- The 'Jubilee Woods' tree planting project, in celebration of Her Majesty Queen Elizabeth's historic 2012 Diamond Jubilee - where the County Council, in partnership with the Woodland Trust, CDENT and the Forestry Commission are planting 140 hectares of trees in the County

High level Action Plan

Action	Responsibility	Timescale
Support the development of Local Nature Partnerships and subsequent partnership action planning	Head of Planning and Assets	2012-14
Contribute to the development of emerging Local Area Delivery Groups and their associated action plans for groups including: <ul style="list-style-type: none"> • The Limestone Landscape Partnership • The Heart of Durham Landscape Partnership • Heart of Teesdale • The Derwent Valley and Pennine Fringe Partnership 	Head of Planning and Assets	2012-2014
Deliver a Tree Planting programme which will see 250,000 trees planted across the County by March 2014	Head of Planning and Assets	March 2014

4. Enhance, conserve and promote Durham's built environment

Our built environment is the place where most people both live and work. The appearance of our built environment is important but good design is about much more than how things look. It is about uplifting communities and transforming how people feel and behave. It is also about using resources effectively and imaginatively.

There is a need to plan for the future of our built environment. As our population ages, we need to make places more welcoming and inclusive, and ensure that they are designed for the convenience and the enjoyment of all age groups. In addition, the challenges of climate change demand that we fundamentally re-think the way we plan and design our built environment – both to mitigate climate change, by using local and sustainable materials in the actual build, whilst ensuring that energy use from the building is minimised through energy efficiency and renewable energy and to adapt, by ensuring that development is fully prepared for more extreme weather.

Going well

- Public realm works in Seaham were completed in 2011.
- A £2m programme of works to improve our industrial estates has been agreed to ensure they are better placed to support existing and new businesses in the future.
- Bishop Auckland town centre improvements are on schedule.
- In 2011, all of Durham City Homes' properties were made decent under the national decent homes standard, raising the standard of living across the 6,000 homes in the City area.

Cause for concern

- The number of new houses being built is much lower than in previous years which is impacting on the amount of investment in the built environment.

Did you know?

- The Council produces Conservation Area Character Appraisals for the County to ensure planning decision making promotes the conservation of these areas. These can be found on the Council's website after they have been agreed by Cabinet.
- The Council asks for contributions from developers of large sites to support the local built environment, in many cases this is spent on local community facilities such as play parks, the road network or on other local infrastructure.
- The Council has recently agreed a policy to restrict the way in which 'to let' signs can be displayed in Durham city to try to improve the quality of place in the City.

Look out for:

- Government proposals to change the way that developers are charged for new development (called the 'Community Infrastructure Levy'). This also affects how affordable homes are to be provided on new developments.

- The new National Planning Policy Framework (NPPF) from the Government which revises the current National Planning Policy. As Local Planning Authority we will implement the NPPF across the County.

High level Action Plan

Action	Responsibility	Timescale
Support the reduction of Buildings at Risk in County Durham through identifying works, possible grants and providing advice. Identify 12 sites over the next two years and work with owners to try and remove heritage sites from the risk list.	Head of Planning and Assets	March 2014
Manage promote and deliver an annual partnership programme of Heritage Open Days and enhance access to a quality environment for tourism provider and customer.	Head of Planning and Assets	September each year 2012-16
Develop proposals for Binchester roman fort including the submission of an HLF bid	Head of Planning and Assets	Dec 2013

5. Reduce waste

During the past few decades and to this day, County Durham has provided a significant proportion of the Magnesian Limestone needed for major construction work around the country and this created numerous opencast quarry sites. Much of the waste generated by people and organisations within the county has been deposited in these sites as landfill. However, this relatively cheap and convenient means of waste disposal will soon become unavailable as quarries are filling up, and the Landfill Tax Escalator is annually increasing costs. What's more, the decomposing organic component of our land filled waste emits methane which is some 4 times more damaging to the atmosphere than carbon dioxide.

There are various options for the treatment of waste, for example anaerobic digestion which turns organic waste into compost, or incineration which enables generation of electricity from heat, but all treatment options have associated environmental impacts. The only real answer to reducing environmental impacts associated with waste treatment is to reduce the overall quantity waste we need to treat in the first place. European Directives, our National Waste Strategy and the most recent Governmental Waste Policy Review identify the urgent need to decouple the generation of waste from industrial production and economic prosperity, and this requires dramatic increase in the use of recycled and recovered raw resources rather than reliance on newly extracted resources. Recycled materials can replace the use of virgin materials and provides environmental benefits including less air pollution, less energy use, reduced impacts of extracting materials and more efficient use of finite resources. Recycling also provides employment opportunities, encourages producers to take more responsibility for their wastes and improves

economic competitiveness. But there are also local challenges that can be addressed by the council working in partnership with people, traders, manufacturers and organisations of Durham.

Going well

- Recycling rates have improved by 15% since 2009/10.
- The tonnage of Garden Waste collected has increased by 15% since 2009/10.
- The Furniture Re-use Forum has diverted 831 tonnes of furniture from landfill.
- The school battery recycling campaign.
- Countywide waste awareness messages are resulting in improved recycling rates and diversion of waste from landfill.

Cause for concern

- Across the County and the Country households are producing less waste, but this is probably connected to the economic downturn. When the economy recovers this may cause an increase in household waste.
- To avoid additional costs associated with the Landfill Tax Escalator, we need to reduce waste and recycle more waste each year.

Did you know?

Assisted Waste collections are available for residents who may experience genuine difficulties in placing their bin out for collection and do not have anyone to assist them.

We recycle our street sweepings, diverting nearly 4,500 tonnes from landfill and saving more than £350,000 over a 6 month period.

- We empty refuse/recycling containers over 18 million times a year
- We handled 239,189 tonnes of household waste and 268,000 of municipal waste during 2011-12.
- We re-used, recycled and composted 93,909 tonnes (39.3% of household waste) during 2011-12.
- We have distributed over 40,000 home compost bins across the County since 2002.

Look out for:

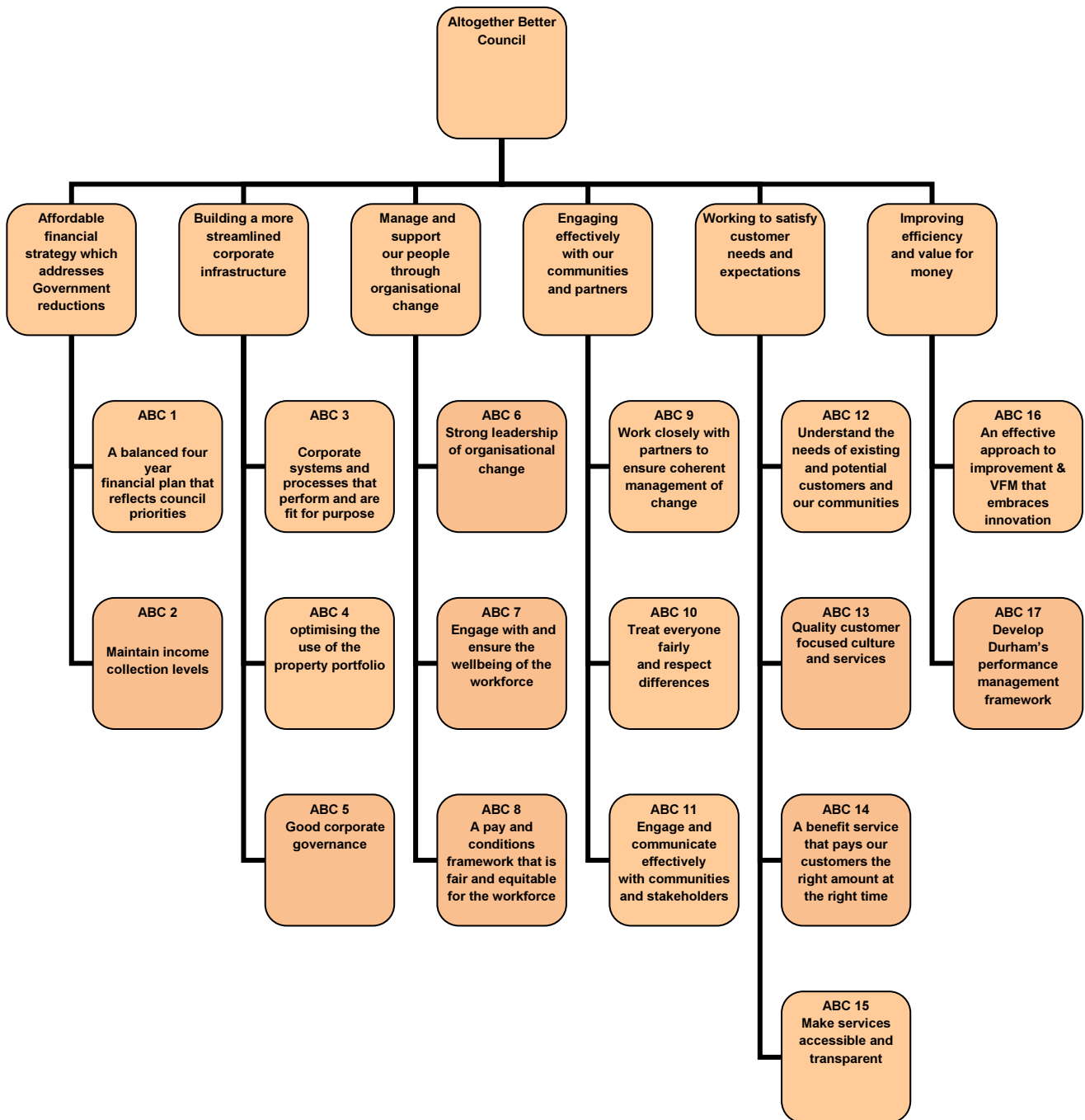
- Details of waste collections, changes to collections and seasonal promotions which can be found on our web site – www.durham.gov.uk on the 'waste news and events' page.
- Waste Campaigns in 2012 including:
 - North East Recycling Rewards - launched 1st December and runs to end of July 2012
 - Real Nappy Week - 16th to 22nd April 2012
 - Compost Awareness Week - 7th to 12th May 2012
 - World Environment Day - 5th June 2012
 - Recycle Week - 18th to 24th June 2012.

- Changes to the household waste and recycling collection service with the implementation of a county wide alternate weekly collection service
- Changes to the Trade Waste Service
- A rationalised and harmonised Household Waste Recycling Centre (HWRC) Service

High level Action Plan

Action	Responsibility	Timescale
Design, communicate and implement harmonised alternative weekly collection across the county	Head of Direct Services	July 2012
Procurement of a Waste Treatment Solution	Head of Projects & Business Services	January 2013
Complete a procurement exercise to determine future options for council disposal of residual, recycling and composting waste	Head of Direct Services/Head of Projects & Business Services	May 2012
Carry out an options appraisal for separate collections of food waste	Head of Direct Services	March 2014

Altogether Better Council



This section of the Council Plan has undergone further change since last year. This is to ensure that our plans fully reflect the changes in the national picture. Past inspection and assessment formed a healthy independent framework for improvement activity and was often a catalyst for change. The Council is now developing its own approach to improvement. The overriding driver for this is the need to demonstrate value for money in the delivery of all of our services and to generate internal efficiencies to help mitigate some of the effects of the reductions in grant funding. Increased openness and transparency in public services is an underlying theme of the Government's programme along with the need for councils

to develop their own approach to self regulation via the Local Government Group Seven Point Offer that underpins self regulation and improvement. This new approach is already beginning to shape up into a portfolio of additional requirements being placed on local authorities. The emphasis on localism via the new Localism Act 2011 is also a key driver of the Government's policies and is going to lead to an increasing emphasis on community engagement and communication.

1. Affordable financial strategy which addresses government reductions

The council continues to face unprecedented levels of reduction in Government support over the medium-term with a second year of a very demanding Medium Term Financial Plan. Although the savings that the Council needs to achieve are substantial, we have worked to develop plans that underpin this requirement. The Council has agreed a strategy for making the savings where more than half of the required savings will be made through reductions in management costs, support services, efficiencies and increases to fees and charges so that the impact of reductions to frontline services are minimised.

Going well

- Quarterly performance monitoring of the Medium Term Financial Plan
- Timetable and plan for development work of revised Medium Term Financial Plan
- 100% of finance target achieved

Cause for concern

- Next steps following the delivery of the Year 2 financial settlement

Did you know?

- Durham achieved £66.4 million savings in 2011-12

Look out for:

- Year 3 public consultation

High level Action Plan

Action	Responsibility	Timescale
Ensure programme management of the delivery of the MTFP:		
<ul style="list-style-type: none"> • Ensure all year 2/3/4 (2012/13 – 20/14/15) proposals are captured in reporting database and full details provided of key activities and dates 	Head of Policy and Communications	By April 2012/13/14
<ul style="list-style-type: none"> • Ensure monthly updates provided to Corporate Management Team on progress and assurance issues 	Head of Policy and Communications	Monthly

<ul style="list-style-type: none"> Review reporting and assurance processes. 	Head of Policy and Communications	September 2012
<ul style="list-style-type: none"> Undertake a consultation exercise with all 14 AAPs on proposed budget reductions 	Head of Partnerships and Community Engagement	November each year 2012 to 2015
<ul style="list-style-type: none"> Quality assure Equality Impact Assessments for all MTFP key projects 	Head of Planning and Performance	December each year 2012-2015
Refresh and update the MTFP model to produce a balanced 2013/14 to 2016/17 position	Head of Finance – Corporate Finance	Feb 2013
Assess the impact of the Local Government Resource review upon the government funding received by the council	Head of Finance – Corporate Finance	December 2012
Review the operation of Single Person Discount for Council Tax	Head of Finance – Financial Services	November 2012
Review recovery procedures to encompass the potential impact of the new Local Council Tax support scheme	Head of Finance – Financial Services	March 2013

2. Building a more streamlined corporate infrastructure

The Council's Medium Term Financial Plan sets out the planned savings for the next 4 years, around a third of which will be achieved through reductions to management and support service costs. A number of planned savings reflect the further benefits to the Council of becoming a unitary authority and still having significant efficiency savings and modernisation opportunities. For example, consolidation of some of our computer systems onto a single platform following local government reorganisation will allow us to achieve some significant efficiency savings. The implementation of the Council's Accommodation Strategy also aims to achieve reductions in premises costs which will deliver a net saving.

Going well

- An unqualified Value for Money conclusion from Audit Commission.

Cause for concern

- Due to the current state of the economy the Council may not realise all of its planned capital receipts from the sale of its surplus assets.

Did you know?

- The Council has introduced a 'Buy Local Buy Durham' procurement initiative to support the local economy.

Look out for:

- Regular performance reports on big council projects.

High level Action Plan

Action	Responsibility	Timescale
Connecting the organisation: <ul style="list-style-type: none"> • Provide equipment and telecommunications in line with the agreed telephony strategy and agreed milestones • Deliver the telephony strategy implementation plan in line with the project plan 	Head of ICT	Throughout 2012/13 March 2013
Improve performance of processing Invoice payments via the Procure to Pay Review within the 30 day target set	Head of Finance – Financial Services	March 2013
Identify and develop solutions in line with requirements identified in the ICT Prioritisation process	Head of ICT	April 2013
Ensure the electoral team is fully prepared and able to execute compliant elections: <ul style="list-style-type: none"> • Police and Crime Commissioner • County Council and Parish Councils • European elections • Parliamentary elections 	Head of Legal and Democratic Services	November 2012 May 2013 June 2014 May 2015
Complete the Single Asset Register to include all the County Council assets not included as part of Phase 1 of the project. These are Housing, Vehicles, Plant and Equipment and Infrastructure assets.	Head of Finance – Corporate Finance	December 2012
Support the Council's accommodation strategy through the deployment of mobile home working in line with service requirements	Head of ICT	Throughout 2012/13

Provide ICT solutions to support customer sites through the development of connectivity and service delivery tools to support the Council's accommodation strategy.		Throughout 2012/13
Increase availability of technology across the county by developing the Digital Durham programme for next generation broadband delivery to all areas of the county		March 2015
Support education and learning through the development of a new Learning Gateway that will be established in partnership with ItWorx for the BSF schools		December 2012
Effective management of the County Council's assets	Head of Planning and Assists	March 2016
<ul style="list-style-type: none"> • Completion of Service Management Plans • Manage the Disposal Strategy to ensure delivery of £12m over 3 years 		September 2012
		March 2014
Deliver of the County Council accommodation strategy to meet the needs of the Council and the residents/businesses	Head of Economic Development and Housing	March 2016

3. Manage and support our people through organisational change

The Authority is undergoing dramatic change over the medium term, mainly due to the challenge we face in having to find savings as a result of reductions in government grant support. The Council estimated that it needed to lose 1,600 full-time equivalent posts from its establishment during the period 2011/2012 to 2014/2015 to help us meet our savings targets. Expressions of interest in early retirement, voluntary redundancy and flexible working were invited from all employees from across the Council in order to minimise the impact of the significant savings that were required. We will continue to engage with the workforce in helping us to manage and implement the necessary changes and that we develop an organisational development plan which reflects these changes. The council is also working towards implementing job evaluation which will introduce a new equitable pay and reward structure.

Going well

- The Council has retained its Investors in People status.
- The introduction of an employee and managers support programme.
- Improved performance in relation to redeployment and retention of the workforce.
- Flexible working arrangements.

Cause for concern

- Wider industrial relations.

Did you know?

- There has been an increase in the number of people who have moved to term time working or flexible retirement.
- The council employs almost 22,000 members of staff.
- Numbers of staff attending employee support programme have increased.

Look out for:

- A new pay and grading structure following job evaluation.

High level Action Plan

Action	Responsibility	Timescale
Introduce a 360° appraisal process for managers aligned to the generic managerial and leadership competency framework	Head of HR and Organisational Development	April 2012
Measure the effectiveness of the workforce health interventions through surveys	Head of HR and Organisational Development	March 2013
Review and baseline all health and safety policies and methods of delivery to evaluate against statutory compliance	Head of HR and Organisational Development	March 2013
Implement a new pay and grading structure appropriate to the council's requirements	Head of HR and Organisational Development	July 2012

Under take an internal communications review:	Head of Policy and Communications	
<ul style="list-style-type: none"> • Review existing channels through: <ul style="list-style-type: none"> - focus groups - survey of staff 		April 2012
<ul style="list-style-type: none"> • Develop an Internal communications strategy incorporating new intranet site and options for social media 		August 2012
<ul style="list-style-type: none"> • Implement revised strategy 		April 2013

4. Engaging effectively with our communities and partners

Effective engagement with local residents has been a key focus for Durham County Council since local government reorganisation, and our 14 Area Action Partnerships across the county are key to achieving this. The Government is also placing a great emphasis on connecting with communities through the Localism Act 2011. This will give councils a general power of competence and residents will also be given the power to instigate referendums on any local issue. They will also be able to veto excessive council tax increases. The Act will also provide new power to residents to help save local facilities and services threatened with closure and give voluntary and community groups the right to challenge the council over service provision.

It is also critical that we maintain a focus on effective partnership working within the changing national context, in particular working through the County Durham Partnership to ensure integrated delivery of public services across the county.

The council also continues to respond to the requirements of the Equalities Act 2010. A new single equality duty, applied from 2011, extended equalities legislation to the areas of age, faith, sexual orientation, transgender, pregnancy and maternity, marriage and civil partnerships, in addition to the already protected areas of gender, race and disability. The Council has undertaken all required Equality Impact Assessments to adhere to its Public Sector Quality Duty also included within the Act.

Going well

- The role of Area Action Partnerships in consultation and communications.
- Consultation on the Council's Medium Term Financial Plan.
- Over 91 per cent of stories in the press monitored by the media team are either balanced or positive about DCC.
- The media team deal with well over 200 press enquiries every month.
- Achieved a 3 star SOCITM rating for the Council's website.
- All 14 AAP statistical profiles produced.

Did you know?

- Gypsies and Travellers represent the largest ethnic minority group living in County Durham, accounting for about 0.5% of the local population
- Our Record Office at County Hall holds archives which reflect the life and work of County Durham over the past 900 years
- Our approach to informing local communities about civil contingencies has won national plaudits and acclaim in relation to flood defences.

Cause for concern

- Changes in health delivery arrangements.

Look out for:

- Looking Local (Digital TV) and BDUK (Broadband Delivery UK).

High level Action Plan

Action	Responsibility	Timescale
Review the County Durham Partnership and implementation of CDP board action plan	Head of Partnerships and Community Engagement	July 2012
Implement the results of the AAP Scrutiny Review: <ul style="list-style-type: none">• Produce Action Plan based on 14 recommendations• Report back to O&S on action and progress of sub-groups• Commence 2nd O&S review for AAPs	Head of Partnerships and Community Engagement	April 2012 April 2012 September 2013
Develop a new Sustainable Community Strategy: <ul style="list-style-type: none">• Review Commences• Report to Cabinet	Head of Partnerships and Community Engagement	April 2012 March 2013
Develop an Access Strategy for local buildings and open spaces <ul style="list-style-type: none">• Strategy finalised• Complete a minimum of 10 Access	Head of Planning and Performance	March 2013 March 2013 and

Plans per year		annually thereafter
<ul style="list-style-type: none"> Provide specific advice and guidance 		A minimum of 2 Briefing Session per year commencing 2012/13
Develop a Social Media Strategy	Head of Policy and Communications	August 2012
Implement strategy		April 2013
Implement a Community Buildings Strategy	Head of Partnerships and Community Engagement	
<ul style="list-style-type: none"> Distribute expressions of interest applications to community buildings 		May 2012
<ul style="list-style-type: none"> Capital work commences on first round of asset transfers 		January 2013
<ul style="list-style-type: none"> Progress review of community buildings strategy 		March 2013
Undertake a series of internet improvements including:	Head of Policy and Communications	
<ul style="list-style-type: none"> Agree Improvement plan for 2012/13 		April 2012
<ul style="list-style-type: none"> Revamp of DCC website homepage and information pages 		October 2012
<ul style="list-style-type: none"> Improvements and development of new web systems 		December 2012
<ul style="list-style-type: none"> Development and rollout of online payment system for major council transactions 		August 2013
Develop data services in line with a changing agenda for Education and Health by reviewing data requirements and developing a marketing strategy for provision of data services.	Head of Early Intervention and Partnership Services	August 2013
Expand the community engagement approach developed in Chester West and Sherburn Road to other areas of County Durham.	Head of Early Intervention and Partnership Services	March 2013

5. Working to satisfy customer needs and expectations

The Council has agreed a Customer First Strategy and implementation plan. The strategy aims to understand our customers better and to further embed a customer focussed culture throughout the organisation. The Council will explore ways to improve access and information through the use of its website, new communications media like telly talk, digital TV and mobile phones. We have also sought to improve service delivery through the agreement of customer service standards, improvements to our complaints system and assessment of our service performance.

Going well

- Harmonisation of contact centres and ability to manage peaks and troughs in demand
- Concluded complaints review and revised approach as a result

Cause for concern

- Customer needs changing due to economic climate
- We did not meet our targets for processing benefit claims during 2011-12 as a result of implementing our new benefits ICT system

Did you know?

- The Council has opened three new access points this year in Seaham, Consett and Stanhope and will open a further three next year
- We have improved accessibility to 6 more contact points
- Paypoint card for cash requests have been introduced into Post Offices
- We have undertaken the largest implementation of a new Revenues and Benefits System in the country

Look out for:

- Looking Local and Durham Talk newsletter
- Improved processing speeds for applications for Housing Benefit and Council Tax Benefit from our single benefits ICT system

High level Action Plan

Action	Responsibility	Timescale
Develop and implement a consistent service delivery model, for customer facing services across the authority, to ensure that customers can access consistent levels of service at all access points and contact centres	Customer Services Manager in conjunction with Heads of Service	March 2012
Develop the necessary policy and operational/system changes to deliver the:	Head of Finance – Financial Services	31 March 2012
<ul style="list-style-type: none"> Amended Housing Benefit Rates 		March 2013
<ul style="list-style-type: none"> Localisation of Council Tax Benefit 		March 2017
<ul style="list-style-type: none"> Universal Credit 		
Carry out a scoping exercise to develop a future approach for Council in relation to improvement and change of the anti poverty and welfare reform agenda.	Overview and Scrutiny Manager	March 2012
Lead the development, implementation and analysis of the first Regional Residents Perception Survey. Survey complete	Head of Planning and Performance	July 2012
Results available and disseminated to all stakeholders		October 2012

6. Improving efficiency and value for money

We aim to gain a better understanding of our costs and how they relate to performance in comparison with other service providers. This will require us to develop our own arrangements for obtaining quality comparative data following the abolition of the National Indicator Set. We have developed a new performance management framework now that we do not have to report to government on National Indicators. This gives us the opportunity to design something that satisfies local needs. One of the key issues for the council will be the necessity for us to achieve efficiency savings in order to meet the commitments in our Medium Term Financial Plan.

Going well

- The annual performance assessment for adult's social care is 'excellent.'
- The annual performance assessment for children's services has been upgraded to 'good.'

Cause for concern

- Due to the abolition of the National Indicator set there are no readily comparative performance data available.

Did you know?

- Each service now has its own Value for Money Programme
- The council is now reporting on its own Performance Management Framework following the abolition of the National Indicator Set.

Look out for:

- Peer Challenge in the next three years

High level Action Plan

Action	Responsibility	Timescale
Unitisation of HR: <ul style="list-style-type: none"> • Employees appointed to the unitised structure • Measure the effectiveness and value for money of the new HR Service Delivery Model 	Head of HR and Organisational Development	April 2012 March 2013
Improve programme management by corporate assurance of projects <ul style="list-style-type: none"> • Ensure all projects are scoped and reporting requirements established • As new projects are identified for inclusion ensure scoping documents produced and agreed with CMT and project sponsor and lead • Ensure monthly updates provided to CMT on projects and assurance issues 	Head of Policy and Communications	By April 2012 Ongoing (date/timescale required) Monthly
Implement the LGA national LG Inform performance management tool to: <ul style="list-style-type: none"> • Enhance performance reporting • Develop a thematic dashboard to assist in the decision making process 	Head of Planning and Performance	April 2012 December 2012

Develop a single set of 'recognised geographies' for consistent reporting of performance	Head of Planning and Performance	June 2012
--	----------------------------------	-----------

Prepare for a possible Peer Challenge exercise	Head of Planning and Performance	April 2012
--	----------------------------------	------------

- Agree scope of peer review

April 2012

- Develop a preparation plan for the Peer Review

- Develop a Peer Challenge Self Assessment

October 2012

This page is intentionally left blank

Cabinet

8th February 2012

**Update on the Delivery of the 2011/2015
Medium Term Financial Plan**



Report of Corporate Management Team

Lorraine O'Donnell, Assistant Chief Executive

**Councillor Simon Henig, Leader of the Council and all Cabinet
collectively**

Purpose of the Report

- 1 This report provides an update on the progress made at the end of quarter 3 on the delivery of the 2011/12 to 2014/15 Medium Term Financial Plan (MTFP).

Background

- 2 Cabinet has received updates in July and October last year on the progress made in responding to the unprecedented reduction in the levels of Government financial support the council is facing.
- 3 The level of reductions has resulted in a MTFP for the period of 2011/12 to 2014/15 with an overall financial savings target of £123.5m, broken down into the following savings targets over the next four years:
 - 2011/12 - £66.4m
 - 2012/13 - £25.0m
 - 2013/14 - £14.9m
 - 2014/15 - £17.2m
- 4 In total, the plan contains over 130 proposals, which in turn comprise over 250 separate projects. As Cabinet are aware the delivery of these proposals is being managed through a very robust programme management approach being adopted to ensure we take into account:

- Our duties under the Equality Act
- Appropriate consultation
- The HR implications of the change including consultation with employees and trade unions
- Communication of the change and the consultation results.

Progress to date

- 5 Progress on the delivery of the plan continues to be good. The percentage of original proposals, which remain on track for delivery within the first year, has remained static at around 83%. It has been noted previously that given the short lead in time in developing the original four year plan and the fact that the plan covers all council areas some of the original proposals identified in the MTFP for year 1 have been rescheduled to a later year, allowing more time for planning and project development.
- 6 For any delayed proposals, service groupings have identified mitigating actions to ensure the financial savings required are still delivered. These actions include bringing forward year 2 proposals and introducing new initiatives. We have also overachieved on some of our Year 1 projects, which has meant that we remain on track to deliver 100% of the financial reductions set for year 1 thereby ensuring the council delivers its MTFP target.
- 7 Since quarter 2, the review of leisure services has concluded and it is pleasing to note that in response to the feedback from the consultation, five of the six leisure centres under review will remain open. The work on the creation of the new One Point service has also now been progressed and the new integrated teams including health services have staffing structures in place.
- 8 The consultation on the waste/recycling centres has been completed and the results of this are being considered before any decision is made on how this service will change, whilst the other changes put forward in connection with waste and recycling services including the alternate weekly collection system are being implemented.
- 9 Cabinet is also being asked to approve the consultation on the Library Service, which will start shortly and aims to protect the library network whilst reducing costs in this important service.
- 10 Finally work has now turned to preparation for 2012/13 savings which are included in the 2012/13 Budget Report on this same Cabinet agenda and those that will need to be in place for April are being progressed with planning well underway on the others proposals identified for the next 12 months.

HR implications

- 11 Cabinet are aware that the MTFP identified that approximately 1600 posts would be removed over the 4 years of the plan and staff have been able to apply for early retirement and or voluntary redundancy (ER/VR), as well as a range of flexible working options.
- 12 This quarter a further 10 applications for ER/VR were accepted taking the total number of staff who have left through this managed process to 591.
- 13 Where staff are put at risk and do not wish to apply for ER/VR the Council has a redeployment process. To date this has successfully found alternative employment for over 340 staff. However, there are some staff where redeployment has not been possible resulting in a number of compulsory redundancies. The current total for these since April last year is 184.
- 14 The reduction in staffing remains in line with the original plan and a considerable number of applications for ER/VR are still in the pipeline for consideration over the remaining years of the MTFP ensuring we continue to try to minimise compulsory redundancies as far as possible.

Equality Impact Assessments

- 15 The programme of equality impact assessments for the MTFP continues with initial assessments completed against 2012/13 proposals and updated impact assessments for 2011/12 proposals where a further saving is being made. The cumulative impacts of existing savings are also being considered in the assessments of new proposals where appropriate.
- 16 The key impacts identified from the 2011/12 proposals relate to the effects of reduced access to particular services, for example changes to bus services, the Sunday closure of Clayport library, or increased charges through fees or other related costs, for example changes to leisure services would mean additional travel for some people in accessing alternative provision. Whilst the changes are likely to affect everyone using the particular service there are equality aspects relating to age, disability and gender. For example, women are more likely to be on lower incomes as a result of part-time working whilst older or disabled people may rely more heavily on benefits, they may also rely more on others for care and support including transport, which is also the case for many children and young people.
- 17 Mitigating actions were identified in impact assessments where a potential negative impact could be minimised or reduced. Delivery of these actions is monitored by Services and will be included in the corporate performance management framework going forward. Services were also advised to include longer-term actions in their service planning process.
- 18 Examples of progress on mitigating actions include:

- Outdoor Education where two centres were closed and charges were raised at the remaining centre. Schools, which previously used the two closed centres, have been offered priority for bookings from September 2012 as well as information on weekend bookings and details of other providers. Improvements to the Middleton Centre should encourage weekend and holiday bookings, which will supplement the charges for term-time bookings. Whilst the number of centres has been reduced the work to increase revenue will mitigate against increasing charges, which were likely to impact most on lower income families. Improving access to the existing facility and identifying opportunities for partnership working will also minimise the impact of closure.
- Following the Leisure Facilities review some targeted activities are now delivered through community based programmes, including the Community Lifestyles programme for GP referrals or in alternative leisure centres including the Sports Ability session for disabled people. Leisure Services officers have met on a fortnightly basis to identify alternative venues for activities affected by closure and consultation is also ongoing with users of the multi sensory room at Deerness leisure centre and the People's Parliament to agree a future location. Staff in leisure centres have received information updates to help them support customers to identify alternative options, including travel plans for all remaining leisure centres and lists of alternative childcare where crèche facilities in centres have closed.

- 19 The impact on staff is also considered as part of the equality impact assessment process. It should be noted that the information below on ER/VR leavers does not relate to just MTFP decisions alone, although the majority are as a result of the MTFP. This does therefore offer a useful indication across the authority. Work to improve the detail and analysis of equality information is underway in order to provide a clearer understanding of the actual impact on staff affected by the MTFP.
- 20 From the data available for Quarter 3 (Oct-Dec 2011) the proportion of men leaving through ER/VR, early retirement or voluntary redundancy was just over 47% and is high compared to overall staffing figures, which show around 30% of male staff. This percentage has remained fairly consistent throughout the year. The proportion of staff recording a disability accounted for almost 4% of ER/VR leavers, which again is still higher than the overall disability profile but relates to a very small number of staff and shows a slight decline from the previous figure (reported in October 2011) which was around 6%. The disability profile is provided as an indication only as 78% of leavers have not disclosed whether they have a disability or not. Ethnicity data shows that 90% were white British, 9% did not have their ethnicity recorded and a very small number came from a black or ethnic minority background.
- 21 Compulsory redundancy figures are linked to MTFP decisions, the profiles show that around 48.5% (30 in total) were male and 51.5% (32 in total) were female, which again shows a relatively high percentage of men in comparison to the overall profile. The number of disabled staff was again very low and accounted for just over 3% but the majority (88.7%) did not disclose whether

they have a disability. The ethnicity profile also showed a very small number from a black or ethnic minority background.

- 22 The number of staff who submitted a flexible working request in the last quarter is less than ten so whilst the profile is available it does not provide a significant pattern. The majority of requests were made by female staff but there are no major differences in relation to the other protected characteristics.

Conclusions

- 23 The Council is continuing to make progress against the extremely demanding challenge of delivering £66.4m this year and £123.5m over 4 years.
- 24 The importance of the programme management approach continues to be seen by the high percentage of proposals being on track to deliver during this first year and the work being undertaken to ensure changes are supported by both a robust consultation and full equality impact assessment.
- 25 Planning is now well underway looking at next year's proposals ensuring work is started well in advance of next year to replicate the successful delivery seen during this year.

Recommendations

- 26 Members are recommended to note the contents of this report and the progress being made in delivering the MTFP for 2011/12 to 2014/15.

Background papers

[Cabinet, Medium Term Financial Plan 2011 12 to 2014 15 and 2011 12 Budget.pdf](#)

[..\Council\County Council, Medium Term Financial Plan 2011 12 – 2014 15 and Revenue and Capital Budget 2011 12.pdf](#)

Contact: Roger Goodes, Head of Policy & Communications
Tel: 0191 383 5714

Jenny Haworth, Head of Planning & Performance
Tel: 0191 383 6598

Appendix 1: Implications

Finance – The delivery of the MTFP involves saving £123.5m over 4 years of which £66.4m is to be saved in 2011/12.

Staffing – Where the proposals affect staff, full consultation is undertaken and the trade unions consulted. Overall, it is projected that 1600 posts will be lost because of the MTFP and wherever possible this is being done through voluntary means. In addition, there has been a proactive management of vacancies to lessen the impact on staff.

Risk – The delivery of the MTFP is highlighted as one of the Council’s strategic risks and is monitored through the corporate risk management process. In addition, risks for individual proposals are being monitored through the work undertaken to deliver the proposal.

Equality and Diversity / Public Sector Equality Duty – An Equality Impact Assessment (EIA) was undertaken for the MTFP. In addition, for each proposal an EIA is undertaken as part of the decision-making before the proposal is implemented.

Accommodation – N/A

Crime and Disorder – N/A

Human Rights – N/A

Consultation – A full consultation with a range of stakeholders was undertaken on the MTFP prior to its agreement. In addition, where appropriate for individual proposals, internal and external consultation plans are developed so that consultation informs the decision making process.

Procurement – A number of the proposals involve the changing of existing contracts and this work is being taken forward through the Council’s agreed procurement processes.

Disability Issues – Any disability impacts are being picked up through the Equality Impact Assessments undertaken.

Legal Implications – The legal implications of any decisions required are being considered as part of the delivery of the proposals.

Cabinet

8 February 2012



Library Strategy

**Key decision AWH04/11
MTFP AWH10**

Report of Corporate Management Team

Report of Rachael Shimmin, Corporate Director, Adults Wellbeing and Health

Councillor Maria Plews, Cabinet Portfolio Holder for Leisure, Libraries and Lifelong Learning

Purpose of Report

1. This report will seek approval from the Cabinet for consultation on the Council's strategy for library services, and proposals to deliver the Medium-Term Financial Plan savings in respect of library services. It will describe proposals for changes to the County's library services, which will require public consultation, as well as setting out proposals for the future management of library services.

The Library Strategy

2. This paper sets out proposals for consultation on our library service for the future. It is written in the context of reductions in Government funding, which will mean a reduction in Council spending of £123.5million by 2015, and changing patterns of use of our library services.
3. In preparing the strategy, the Council has reviewed national policy and considered library developments across the country. We have also looked back to the Scrutiny report "Beyond Books" (2009), and considered the responses to the first phase of consultation on the library strategy "Inspire... Include... Inform..." in 2010. We have considered the views of our users as expressed through surveys and the views of the wider public, for example in consultation on the Council's budget proposals. We have also considered how the library service can contribute to the Council's overall aims for the County.
4. In summary our library strategy has the following aims:
 - To inspire a community of reading and learning;

- To create community library hubs, involving local people;
- To be modern and responsive; and
- To ensure that we have a well managed and efficient service;

and to meet the following areas of need:

- reading for pleasure;
- raising confidence, skills and aspirations through access to informal and formal learning facilities, for study, research, self improvement and knowledge;
- the development of individual literacy;
- local community and public service information; and
- a place to meet and participate in community life.

5. In order to support our strategy we propose:

- to keep open all our library buildings, but reduce the opening hours funded by the Council;
- to revise our criteria for the communities that are served by our mobile library service;
- to co-locate libraries wherever possible with other services and to invest to improve their appearance and facilities;
- to drive down our support and management costs; and
- to move our library services into a not-for-profit Trust.

A number of these proposals would be subject to consultation, details of which are set out later in this report.

6. This paper also sets out how we will achieve the £1.457m savings that have already been agreed for the library service over the four years of the Council's Medium Term Financial Plan.

Background and policy context

7. The Council has a statutory duty, under the Public Library and Museums Act (1964), to provide a "comprehensive and efficient library service". The full section is recited under 'Legal Implications' in Appendix 1.
8. The previous Government's policy ("The Modernisation Review of Public Libraries: A Policy Statement" (March 2010)) had reaffirmed the statutory requirement to provide a library service and was clear that books, and the right to borrow them and browse free of charge, must remain at the heart of the library service.
9. The policy emphasised that libraries must also commit to harnessing the opportunities of digital technology, and respond strongly to the decline in use of existing services, whilst being mindful of the current economic climate and the expectation of more customer-focused public services.
10. Within County Durham, the Scrutiny report "Beyond Books, Libraries that Educate, Inspire and inform" (2009) recognised that whilst libraries

continue to play a much needed role in communities, and are well loved, there are challenges that need to be met, including:

- Libraries need to adapt to the needs of younger and future users, including our diverse communities;
- The future success of the service will depend on the quality of buildings, where they are sited, the services they offer and the quality and knowledge of staff;
- Opening hours should reflect local user views;
- Real opportunities to join up services to deliver services in the future in a more collaborative way;

Scrutiny also concluded that a new vision and strategy to modernise and improve the library service for local people was required.

11. Councils across England have been reviewing their library services, seeking to identify savings and to modernise the services they offer. Many areas have looked to reduce elements of their service, for example shorter opening hours, the closure of libraries, or the withdrawal of mobile services.
12. Some have explored alternative models of delivery, for example libraries being provided by volunteers working with residents associations and other 3rd sector bodies, with back-up support from the library service, and some (e.g. Wigan) have moved their services into a not-for-profit Trust. The benefits of this approach for Durham County Council are explained in paragraphs 106-110 of this report.
13. It is clear that changing library services can be extremely contentious, for example the Secretary of State intervened in the Wirral over their plans for library services because of concerns that the Council had not consulted properly and that its proposals would not enable it to fulfil its statutory duty. Other Councils (e.g. Brent and Gloucestershire) have recently faced legal challenges to their proposals.
14. In considering any proposals for changes to the library service, the Council must be mindful of its statutory duties, under the 1964 Act and under equality legislation, and the recent guidance (see paragraph 75) from the Government on library services.

The Medium Term Financial Plan

15. The gross library service budget for 2011/12 is £6.191m per annum. The service receives £470,000 in income and our net spend is therefore £5.721m per annum. This income is a combination of fees and charges and funding to provide services on behalf of other organisations (including from central government for the Prison Library Service).

16. The savings required in respect of the library service, as agreed by the Council at its meeting on 23 February 2011, total £1.457m spread over the four years of the Medium Term Financial Plan (MTFP), as follows:

Table 1: Library MTFP savings 2011/12 – 2014/15

	2011/12	2012/13	2013/14	2014/15
	£	£	£	£
Previous year's net budget	6,051,000	5,721,000	5,151,000	4,921,000
MTFP saving required	330,000	570,000	230,000	327,000
Net budget	£5,721,000	£5,151,000	£4,921,000	£4,594,000

The current library service

17. The library service comprises the following key elements:
- A network of 39 public libraries in town centres and local communities (see Appendix 2), plus the staff library at County Hall which also serves as the members resource centre. Town centre libraries are those in the major settlements as defined in the Council's Sustainable Communities Strategy;
 - A stock of over 750,000 books available for loan and 210 computers for free public use;
 - The Mobile Library fleet of 5 vehicles, calling at more than 180 settlements throughout the County;
 - "Books on Wheels" for housebound people, delivered by volunteers;
 - The "Book Bus", providing a public library service to some care homes, sheltered housing complexes and day care centres.
 - The Prison Library Service (which is fully funded by Central Government) serving four prisons across County Durham; and
 - Library Online, a web-based service, whereby library members can renew items they have on loan, check the catalogue and make requests for specific books as well as receiving reminders in respect of loaned items
18. Detailed information on the use of libraries, including a profile of each library in the county, has been placed in the Members' library, and some of the key issues are summarised below.
19. The profile of users is as follows:
- Community libraries: 31.8% of all active borrowers are children (0 – 14 years)
 - Town centre libraries: 23% of all active borrowers are children (0 – 14 years)
 - Community libraries: 12.5% of all active borrowers are aged 60+
 - Town centre libraries: 12% of all active borrowers are aged 60+

(Note: an “active borrower” is someone who has borrowed a book in the past 12 months).

20. It can be seen from the above that the majority of users fall within the age range of 15 – 59:

- Town centre libraries 65%
- Community libraries 55.7%

21. According to data derived from the Council’s library information system, on average the library service responds to over 980,000 enquiries and delivers over 14,000 activities and events during each year. Typical events that take place in libraries include:

- family history groups
- stories and crafts for the under fives
- reading groups for adults and children
- after school clubs
- adult learning activity such as computer skills
- health promotion
- job clubs

22. The library service deals with a wide range of enquiries from the public, who may need local information, sign-posting to Council services, assistance with computers or to order a book from another library.

23. Appendix 2 shows that Library opening times vary from 21 hours per week in many of the smaller libraries to 55.5 hours per week at Clayport in Durham City. All libraries open late on at least two evenings per week and all open on Saturday mornings. Bishop Auckland and Clayport open five evenings per week.

24. The library service is used every day by more than 5,000 people on average. Many of these, but not all, are members of the library. At March 2011, the service had 290,108 members, of whom 94,971 were active borrowers¹. Durham has almost 186 active borrowers per 1,000 population compared with² 175.6 per 1000 in local authorities that are similar to Durham, and 194.3 per 1000 nationally.

25. Visitors to the libraries include:

- people who want to borrow books;
- people passing the time of day browsing the collection or reading newspapers;
- adults out of work using the internet to search for jobs or training opportunities;
- school children doing their homework, or as part of a school group visiting the library for story time or to do research;

¹ Halcyon Computerised management system – data for year end March 2011

² Chartered Institute of Public Finance Accountancy 2009/10. Comparator local authorities libraries open to the public at 31 March 2010

- parents and toddlers to introduce young children to the library and to reading;
- adult learners, participating in educational activity; and
- craft groups, using the library as a social space.

26. Peak use of our libraries occurs between the hours of 10am and 12noon and then again between the hours of 2pm and 4pm. Both of these 2-hour time periods are equally well used. The same pattern of peak use applies for those libraries which are only open for part of the day. The period between 5pm and 7pm is in the majority of cases half as busy as at these peak times during the day. In the majority of libraries, the busiest time period of the week is Saturday morning between 10am and 12noon.

27. Table 2 captures some of the key measures of activity in our libraries, showing the trends in use over recent years. It can be seen that there is a mixed picture of performance on the key indicators of library use. For some there is a clear downward trend – such as attendances at events which fell by 16% in the last year. The total visits to the libraries have also fallen for the last 3 years and, significantly, active borrowers have fallen by nearly 4% since 2007/08.

Table 2: Library usage 2007/08 – 2010/11

	2007/08	2008/09	2009/10	2010/11
Computer session take-up	619,465	607,652	594,290	607,558
Attendees at events	187,855	185,768	184,468	154,472
Enquiries	941,772	952,711	1,023,478	986,884
Membership	274,543	281,277	285,526	290,108
Active Borrowers	98,729	97,844	96,616	94,971
Visits	1,256,653*	2,116,457	2,092,462	2,029,488
Loans	3,323,558	3,385,179	3,395,086	3,361,052

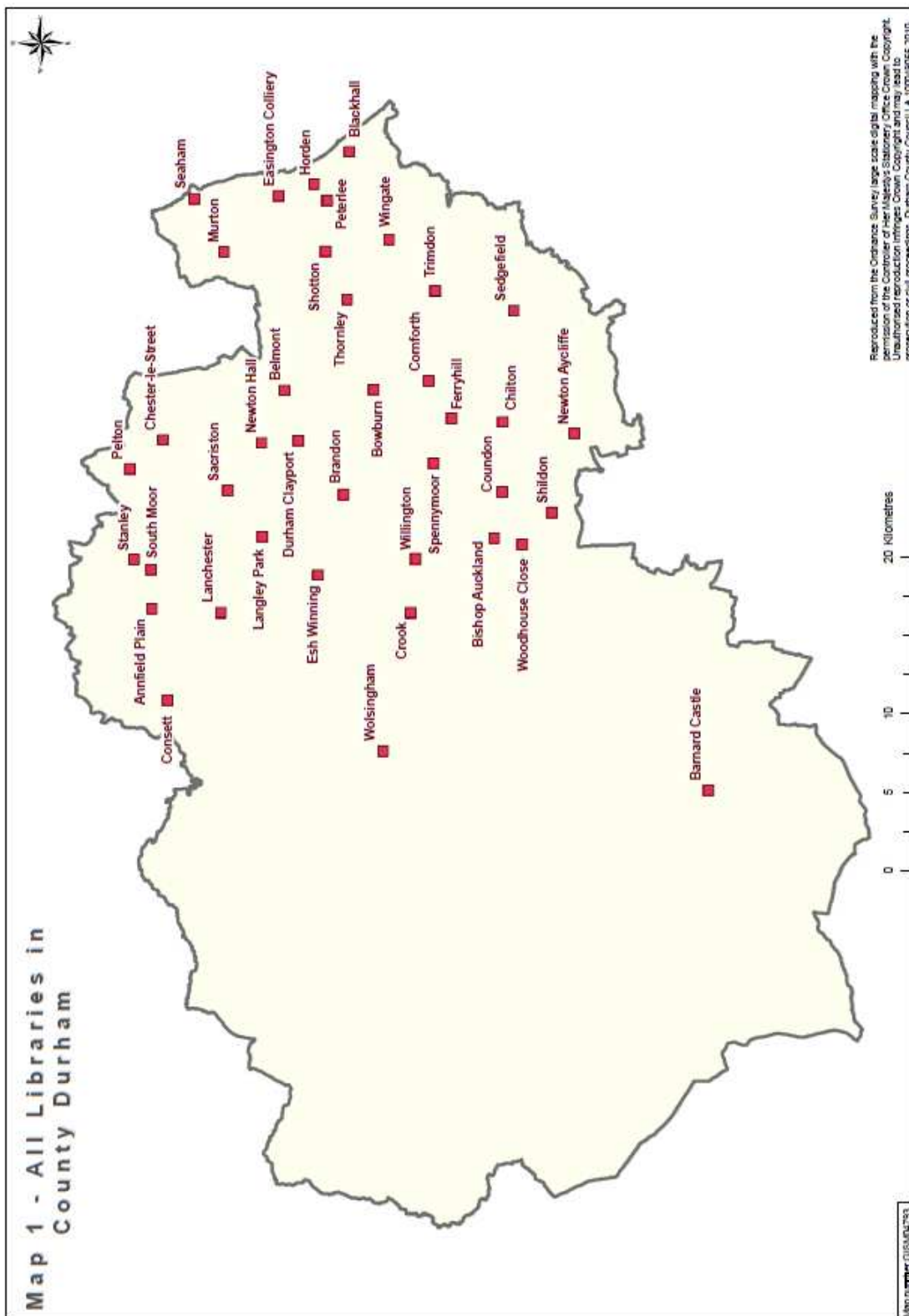
* Nb - in 2008 electronic visitor counters were installed in all libraries. This enabled the service to monitor and record actual visitor numbers more accurately. Previously manual sample visitor counts had been used.

28. For some indicators there has been little long-term change – such as the total number of loans, or the use of computers. For others there is an upward trend: the level of enquiries has risen by nearly 5% since 2007/08 (despite a fall in 2010/11). In the same period membership has also risen by 5%.

29. The 12 town centre libraries all open for 43 hours or more. Community libraries have very varied opening hours, from 21 hours up to 43 hours each week. Details on the opening hours for libraries are set out in Appendix 2. The town centre libraries account for over 1.75m loans per

annum – over half the total (52.4%) across the whole network. In the majority of cases, they have the best facilities, and the widest range of services. The community libraries provide a similar variety of services to those in the town centres, but tend to be smaller.

30. The current facilities are a mixture of purpose-built and adapted accommodation. They range from the new library at Seaham, which is part of the Council's St John's multi-user centre, to small shop-front premises such as Langley Park. Whilst all the town centre libraries are Council-owned, a few community libraries are in rented accommodation. The map below shows the locations of all the public libraries in the county.



31. Many of the libraries need modernisation and some are poorly located. Plans are being developed to co-locate several of the town centre libraries as part of the Council's customer access points and/or to replace them as part of regeneration schemes for town centres. There are also plans moving forward for the replacement of a small number of community libraries in tandem with other developments such as new health facilities or schools.
32. The libraries that are not being replaced need investment in their fabric: it is estimated there is a total of priority repairs costing £1.036m required over the next four years. These essential repairs include electrical and mechanical works and structural work to the exteriors.
33. The plans for replacement buildings referred to above would reduce this marginally. Further consideration of how capital resources could be used to implement the library strategy is set out at paragraphs 141-145.

Outreach and Web Services

34. In addition to the activity that is carried out in the library buildings, there are other parts of the service that deliver services to local residents in their communities, such as the mobile library service, the book bus, and books on wheels.

Mobile Libraries

35. The Mobile Library service comprises five vehicles visiting 182 different settlements, and stopping at 380 halts over a two week timetable. They operate Monday to Friday, from 9.30am until between 4 and 5.30pm. The mobiles provide only a book loan service, and cannot provide the full range of library services to the communities they serve, for example there is no access to ICT or activities.
36. Currently halts are provided to settlements that are over 1 mile from library buildings, but the service will not call at individual dwellings, nor travel along un-metalled roads or tracks. The duration of halts is determined by the level of use.
37. Many halts are on the fringes of larger settlements where there is a library building (e.g. Dalton-le-Dale between Seaham and Murton), and 74 settlements currently have multiple halts. Residents using many of these halts need to access other services located in the centre of the settlement, such as schools, banks and shops.
38. Membership of the mobile library service has declined from 7,800 in March 2008 to 3,538 in March 2011, of whom 1,452 were active borrowers who use mobile libraries. This represents just over 1.5% of the total number of active borrowers of the library service. Loans through the mobile library

service have declined by 23% from 107,623 in 2007/08 to 82,575 in 2010/11. 25% of mobile library members also use our library buildings, and the library survey (see paragraphs 47-51) showed that 52% of mobile library users owned a car.

39. The survey also showed that 74% of users of the mobile library were over 65, whereas for our library buildings the significant majority of users fall within the age range of 15 – 59. Furthermore, 59% of respondents to the mobile library survey identified that they had a disability.
40. In a six-month review period in 2011, during which the mobile library visited each of the 380 halts on a minimum of ten occasions, 124 of the halts were on average only used by one person on each visit, with 53 halts (serving 44 settlements) having no users at all.
41. The mobile service is comparatively more expensive than the rest of the library buildings. This does not represent value for money: the cost per visit for the Mobile Library Service is £8.68, in comparison with £4.00 at a library building³.

Other Outreach Services

42. “Books on Wheels” is a service provided directly to people in their own homes. Although financed by the Library Service, it is delivered by over 80 volunteers, who take books to over 600 clients who have mobility problems.
43. The Book Bus provides a public library service to vulnerable adults in a number of care homes, sheltered housing complexes and day care centres across County Durham. It enables residents to browse and choose books and maintain their independence. The Book bus service has 781 registered library clients of which there are 423 active library borrowers.
44. The Prison Library Service is delivered by the County Council and is funded by Central Government. It serves four prisons across County Durham.
45. The library service has a large collection of virtual web-based resources. Through these free information services library members can gain access to information, request stock for later collection and renew their loans. The service does not provide e-books for download onto reading devices and personal computers.
46. The national Future Libraries Programme, funded through the Museums Libraries and Archives Council, was established in 2010 to devise options which would enable local authorities to deliver a comprehensive library service which was sustainable in the financial environment of the future.

³ Chartered Institute of Public Finance Accountancy 2009/10. Comparator local authorities libraries open to the public at 31 March 2010

Durham's project, "Going Local", focused on a new library offer for rural and isolated users. A Community Book Point (small areas in village halls that enable people to use a computer and order books for collection from the Council's "library on-line") has been trialled in County Durham, but has not proven to be viable.

Library Users' Views

47. The Council regularly surveys the views of users of library services through an annual Public Library User Survey (PLUS). The latest survey against which national comparisons can be made took place in 2009/10 when over 4,000 responses were received from adult users.

48. For adult users, satisfaction tends to be very high, Durham recording 58% of its users saying that the library overall was very good, compared with a national figure of only 48%. Based on the survey information, the following are the key factors which matter most to adult users:

- Library environment (including opening hours, seating, customer care etc): 88% of respondents in County Durham thought that the library interiors were either good or very good, in comparison with 81 % nationally;
- Choice of books: 78% of respondents in County Durham thought that the choice of books was either good or very good, in comparison with 75 % nationally;
- Computer facilities: 85% of respondents in County Durham thought that the computer facilities were either good or very good, in comparison with 73 % nationally; and
- Information provision: 90% of respondents in County Durham thought that information provision was either good or very good, in comparison with 82 % nationally.

49. The area most in need of improvement according to our survey is in the appearance of our libraries, particularly from the outside. 29% of adult users rate the attractiveness of the libraries outside as "very good". Users score the internal environment of our buildings more positively, with the "very good" score standing at 46%.

50. In May 2011 over 1,100 young people responded to a survey. The key issues for younger users (under 16) were similar to adult library users, with a focus on books and computers. The survey also showed that:

- 23.5% of children and young people borrow books for homework purposes, which has increased from 19% in 2007. As children increase in age there is a greater likelihood that they will borrow books for homework purposes (4.9% of the 5 and under age group, compared to 38.7% of 11-15 age group);
- The percentage of children who borrow books so that they 'do not have to buy them' has increased significantly from 18% in 2007 to 30%. This figure is fairly consistent across all age groups;

- 73% of respondents stated that the library had helped them to 'read better' – an increase from 62% in 2007. Responses are most positive in the 6-10 age group with 80% responding that the library had helped them to 'read better';
- 64% felt the library had helped them learn and find new things out (52% in 2007), whilst 54% replied that it helped them to do better at school (45% in 2007).

51. Also in May 2011 a survey was carried of 264 users of the mobile library service. This showed high levels of satisfaction with the service:

- 98% overall satisfaction with the mobile library;
- 97% satisfied with the availability of the mobile library; and
- 99% are satisfied with the standard of customer care.

Conclusion

52. The use of libraries is changing. The numbers of people using libraries to borrow books is in decline, and fewer people are using the libraries' computers than 3 years ago. This reflects the greater choices that library users have, such as the increased availability of best sellers to buy at low prices in supermarkets, higher levels of ownership of home computers, and the growth of downloads of books to read on portable devices.

53. Many of the buildings need refurbishment and/or to be relocated alongside other council (or partner) services.

54. The mobile library service provides an important service to rural communities, but is not well used and does not provide good value for money.

55. The level of use, and the results from the PLUS survey, suggests that libraries remain a highly valued and popular service, serving a large cross-section of the people of the county. They deal with thousands of visitors and enquiries every day and are thus a crucial part of the Council's service offer to local communities.

56. Nevertheless, the Council is having to make reductions in its expenditure as a result of the Government's comprehensive spending review. In consultation with Area Action Partnerships and the wider public on the Council's savings proposals, prior to the Council setting its budget in February 2011, only 18% of those who responded felt that libraries should see a smaller budget reduction than was proposed, with approximately 32% feeling the cut could be higher. The Council has already agreed to reduce spending on library services by £1,457,000 in its MTFP (see paragraph 16).

57. The library service therefore needs to change – both to remain relevant to its users and potential users, and to reduce spending and meet the MTFP target.

Library Service Budget

58. In summary, the library service budget for 2011/12 is as follows (this excludes capital and central charges):

	£
Libraries (including management, staff, equipment, other day to day running costs)	4,071,000
Book fund	733,000
Books on Wheels & Book Bus	119,000
Bookstore and support for inter-library loans	497,000
Mobile libraries	200,000
Delivery service (vehicles)	90,000
Prison library service*	0
Staff Library*	11,000
Total	5,721,000

* Note: the Prison Library service is fully funded by the Home Office and the staff library costs exclude Members and Democratic Support service functions.

59. Comparative data on library service costs is available from the Chartered Institute of Public Finance Accountancy. This cost is calculated on the gross budget plus central charges. County Durham has a relatively high cost per visit by comparison with other Shire Authorities⁴: £3.22 per visit on average, but £4.00 per visit in Durham. Durham's cost per visit is lower, however, than the average for the North East of £4.10 per visit.

60. County Durham spends more on premises (in terms of repairs, maintenance and day-to-day costs) than our comparator Councils: in 2009/10 this stood at £2.63 per resident compared with £2.00 on average.⁴

61. The Mobile Library service is very expensive by comparison with the building-based libraries, in terms of the cost of each member, each item lent or each visit. For example, in 2010/11, a Mobile Library visit cost on average £8.68 compared with the £4.00⁵ (Cipfa) unit cost for a visit to a library building.

62. In 2011/12, the Council has begun the implementation of the MTFP for libraries, making the following savings:

- The book fund has been reduced by £200k;
- Clayport library no longer opens on Sundays, saving £90k;
- The library service's management and support services have been reviewed, saving £405k;

⁴ Chartered Institute of Public Finance Accountancy 2009/10. Comparator local authorities libraries open to the public at 31 March 2010

⁵ Chartered Institute of Public Finance Accountancy 2009/10. Comparator local authorities libraries open to the public at 31 March 2010

63. The changes to management and support services have been subject to consultation with staff and have involved a significant reduction in the number of managers. The changes were implemented from October 2011, and have left the library service with a small team of managers, each with oversight of a group of several libraries, operating over a wide area. Some specialist librarian posts have also been removed. The service is now operating on a very lean basis and no further reductions in the management and support costs are proposed.
64. Clayport was the only library in the County that opened on Sundays, and it was less busy than on other days in the week. Following public consultation on the change, the library opened on Sunday for the last time in September 2011.
65. These changes will reduce the library budget by £695k per annum, delivering the £330k saving required in 2011/12 and contributing towards the £570k saving for 2012/13, but leaving a further £762k to be found over the remainder of the MTFP period.
66. The remainder of this report will summarise the consultation to date on the library strategy and set out our proposals for consultation on changes to the service, taking account of the need for library services in County Durham, the feedback we have had on services and the financial savings we need to achieve.

Phase 1 consultation

67. On 16th June 2010, Cabinet agreed to carry out a three month consultation on the draft Library Strategy "Inspire.. Include... Inform...". The Cabinet report from June 2010 is available at <http://www.durham.gov.uk/Pages/displayminutes.aspx?meetingid=486>
68. This sought public views on a draft vision and the following six outcomes:
- Inspire a community of reading and learning
 - Include local people to create community library hubs
 - Modern and responsive
 - Improving access through innovation and technology
 - Partnerships at the core of service delivery
 - Well managed and efficient service

Headlines from Feedback

69. During the consultation, 264 feedback forms were received.
70. The majority (94%) of the respondents were library service users. 11 responses were received from organisations including the Museums,

Libraries and Archive Council (MLA), The Arts Council, Durham University, the Primary Care Trust and local Parish and Town Councils. The key stakeholders who responded are listed at Appendix 3.

71. There was overall support for the County Council in its efforts to modernise the library service. There was broad agreement with the vision, although there were suggested modifications to the wording, and there was significant support for most of the outcomes identified within the consultation document.

72. In summary, respondents highlighted the importance of the following issues in planning for library services for the future:

- Maintain access to books;
- Maintain libraries in communities – they are important resources that people want to be retained;
- Maintain a body of skilled staff to deliver the service; and
- Ensure that opening hours reflect local need

73. A summary of the feedback is included at Appendix 4.

National Policy Direction

74. In December 2010, Ed Vaizey (the Minister responsible for public libraries in the Coalition Government) set out his vision for public libraries. This included the need for effective leadership and recognised the role that libraries play in reading and literacy, the digital agenda and working with other public services.

75. He emphasised how Councils must continue to comply with their statutory duty in relation to library services. These are:

- a statement of what the service is trying to achieve;
- a description of local needs
- a detailed description of how the service will be delivered and how the plans will fully take into account the demography of the area and the different needs of adults and children in different areas (both in general and specific terms);
- the resources available for the service, including an annual budget in planning its library services for the future.

Proposed Vision for the Library Service in County Durham

76. The proposed vision for library services in County Durham is as follows:

Libraries in County Durham will provide books and access to information and services. They will work with their local communities to ensure they meet the needs of the people they serve. They will be welcoming, accessible, vibrant and safe places for all.

77. This Vision takes account of the feedback from the earlier consultation, the Beyond Books report, the emerging national direction and our understanding of the need for library services in our communities.

78. The Library Service in County Durham will work towards the following aims:

- **To inspire a community of reading and learning**

Libraries will be places where people come together to borrow books, and share a love of reading, supporting literacy and skills development.

- **To create community library hubs, involving local people**

Local people will be able to get involved in shaping and delivering their local services. They will be able to take part in events, find out what is happening in their local community and contribute to community life: they will be the first place that people think of to get reliable and current information.

- **To be modern and responsive**

Libraries will be less formal spaces, flexible in their use and where possible with areas to relax, study and socialise, utilising new technology to improve the service offered and access to it.

- **A well managed and efficient service**

Libraries will work in partnership with other services, co-locating libraries in shared premises where appropriate, using libraries as a base for other services, and being as efficient as we can in management and support services.

The need for Library services in County Durham

79. The current use of the library service, the feedback from service users and our knowledge of those users tells us much about the expressed need for library services in our communities. We have summarised this need into the following five areas that we will therefore seek to meet:

- reading for pleasure;
- raising confidence, skills and aspirations through access to informal and formal learning facilities, for study, research, self improvement and knowledge;
- the development of individual literacy;
- local community and public service information; and
- a place to meet and participate in community life.

80. However, above all, the feedback to the phase 1 consultation stressed the importance to local people of preserving local access to the Library Service. This involves both the library buildings and the outreach services as there are many people who cannot access building-based services either because of mobility difficulties or because of a lack of transport.
81. Some people in rural communities rely on the mobile library service to meet the need for books, and the Book Bus and Books On Wheels are available to meet the needs of vulnerable adults who cannot access our library buildings. These physical services are complemented by the virtual and on-line services giving 24-hour access to the service for all who can access the internet.
82. The 5 areas of need, and the steps we will take to address these and deliver on the outcomes above, are considered further below.
83. **Reading for pleasure:** With over 3million books loaned from Durham's libraries in 2010/11, there is clearly a significant demand for books to read for pleasure. This is further illustrated by the growth of reading groups which have become a popular leisure activity in recent years: the library service supports over 40 reading groups.
84. Through the PLUS survey, our adult users have identified access to a wide choice of books as one of the key needs the library service should meet. This was also true for children and young people. The importance of the availability of books was also stressed in the feedback to phase 1 of the consultation on the library strategy.
85. Clearly, the library service for the future will need to continue to invest in providing a wide and up-to-date range of books and other reading material across all libraries in the county to ensure the service remains relevant to its users. For some however, the book is being replaced with new technology and to continue to be relevant and to provide access to reading materials for all, the library service will need to adapt to the challenges this will bring. As resources allow, we will seek to invest in new technology to enable us to offer access to e-books for loan, including through library on-line.
86. The library service must make books and information available in different formats to cater for the needs of people with sensory impairments.
87. **Information and facilities for study, research, self improvement and knowledge:** Libraries have always provided access to reference material, as well as providing space for individuals to carry out research or to work in relative peace and quiet. Library staff play an important role in supporting library users to find the information or sources they need. Through the PLUS survey, our adult users have identified access to information and computer facilities as one of the key needs the library

service should meet. For children and young people, information to support their schoolwork is one of the key needs.

88. Increasingly the internet is fundamentally important to this function, and whilst ownership of home computers has increased significantly, there are still many individuals (and homes) that do not have access, or who prefer to work or do their research outside the home environment. The Digital Durham programme aims to bring superfast broadband to every single home, business and community to County Durham in the next few years, which will improve access to the internet and on-line library services.
89. Even so, it is proposed that the library service will continue to make available free public access to computers. This is particularly important in those libraries serving deprived communities, where PC ownership is likely to be lower, or where housing conditions may mean schoolchildren have little space at home to do their homework. As resources allow we will also look to provide free wi-fi in all libraries.
90. **Development of individual literacy:** It is estimated that 63% of adults in County Durham have literacy skills below level 2 (equivalent to GCSE grade C), compared to 56% across the UK⁶. Literacy is key to wider employability skills, which is critical given the Council's priority to improve the County's economic performance. Action to address this needs to encompass early years work, introducing reading to pre-school children, working with schools and on into adulthood, working in partnership with the Council's Adult Learning and Skills Service. For children and young people, literacy is one of the key needs libraries can help to meet.
91. Reading for pleasure has been identified as the most important indicator of the future success of a child and improvements in literacy, at any point in life, can have a profound effect on an individual: for example individuals with good literacy are far more likely to be involved in their community.
92. We need to provide and facilitate a range of activities to encourage new users and to support literacy programmes and community use of the libraries. We will work with schools to promote use of our libraries and with the Adult Learning and Skills service to ensure that there is a programme of action for literacy delivered through our libraries, as well as providing a range of wider adult learning opportunities through the libraries.
93. **Local community and public service information:** people need and welcome a local source of information on activities going on in their communities, on entitlements to services, etc. Through the PLUS survey, our adult users identified access to information as one of the key needs the library service should meet. People also need access to the wider services that the Council provides. Libraries will support the delivery of the

⁶ County Durham Economic Assessment: Employment and Skills Evidence Base, by Regeneris on behalf of DCC, 2011

Council's Access to Services strategy, co-locating with other services to provide a joined-up presence in communities.

94. The continuing provision of public access computers will enable people to seek information about services, activities and local employment opportunities. This will be key in deprived and the more rural communities served by our libraries. Library staff have expertise in this field, both in terms of sign-posting individuals to relevant material and in supporting people to get on-line and search for themselves.
95. ***A place to meet and participate in community life:*** libraries have been described as the "living room" of urban spaces. Libraries can provide a space in which all are welcome, and are able to use the services on offer for free. They can provide space for formal activities such as adult learning classes, job clubs or parent and toddler groups, or informal activities such as quiet time away from home for individuals. In some libraries we may need to invest in new furniture to achieve more flexible spaces, and we will aim to have coffee facilities and public toilets in our libraries wherever achievable.
96. We will need to develop this community role in partnership with other local services and community groups, in response to local needs, so each library may develop differently. We believe that by enabling wider use of the library as a community resource, and the on-going provision of activities, we will attract new users to the library service which will help achieve all the outcomes for the service that we have laid out.
97. The service needs to be available at a range of times to ensure it is accessible to users of all ages, from pre-school to retirement. We will ensure that opening hours reflect local preferences, to maximise the potential for wider community use, within the constraints of affordability.

Other issues

98. The role of staff will be vital in meeting these needs and delivering on our proposed outcomes. We are reviewing our workforce and their skills and have introduced additional training, for example in information, advice and guidance. We are putting in place a plan to support delivery of the Council's library strategy.
99. We need to recognise that the strategy will be delivered in the context of the Council's MTFP, and a significant reduction in expenditure on library services.

Proposed Changes to the library service

100. In order to meet the needs described in this document and ensure that action can be taken to meet the strategy in accordance with a reduced

budget for the library service, our strategy (subject to consultation) will be:

- to keep open all our library buildings, but reduce their opening hours;
- to retain our mobile library service but revise our criteria for the communities that are served by it;
- to co-locate libraries wherever possible with other services and to invest to improve their appearance and facilities;
- to drive down our support and management costs; and
- to move our library services into a not-for-profit Trust.

101. This strategy has been developed to take account of national policy and developments as well as local experience and influences, including our understanding of the need for library services locally, and the Council's overall priorities and finances.

Savings and Future Library Services in County Durham

102. In this report we have described the need for library services and how we propose to meet those needs. We will now outline how the balance of the MTFP savings will be achieved through changes to services and through moving the libraries into a new "Trust".

103. Actions are in place to deliver savings of £695k, against a total savings target of £1457k, leaving a shortfall of savings still to be identified to the value of £762k across the MTFP period.

104. There are a number of savings the Council can make that will have no direct negative impact on the service that the public receives. Further measures that will contribute £80k to the savings target in 2012/13 are changes to supplies and support services including income generation. As these changes would have no impact on the level of service to the public, they do not form part of the public consultation.

105. The book fund will be reduced further to save an estimated £66k but work is being undertaken within the library service to identify alternative ways of limiting the effect of this reduction. This will include seeking opportunities for sponsorship, reviewing marketing and trialling community book-giving. Even if the book fund is reduced further the annual book spend for County Durham will still be at a higher level per head than several of our neighbouring and comparator Local Authorities.

Trust Status

106. Cabinet will be considering proposals to establish an NPDO (non-profit distributing organisation – or Trust) to manage its leisure, library and cultural services following a Management Options Appraisal exercise undertaken over the last 9 months. This means that as an organisation it

cannot distribute any surplus or profit it generates, rather it is restricted to reinvesting its resources to furthering its objectives. In other words any surplus must be used to re-invest in service provision.

107. There are a range of fiscal advantages within the NPDO model, including exemption for corporation tax, opportunity for corporate sponsorship and donations utilising gift aid, wider access to grant regimes not open to the Council, plus the use of Charitable status to claim mandatory rating relief (80% of the current national non-domestic rates relief (NDR) costs), which would provide a saving of up to approximately £214k for the libraries service.
108. There are VAT implications (a net VAT gain of £476k) associated with creation of the NPDO. The VAT implications with regards to the Library services is a VAT cost to the NPDO of circa £72k, though this is mitigated by potential significant VAT benefits to the NPDO from the other services in scope.
109. However, in summary the opportunities of this for the library service include:
- The gain in national non-domestic rates relief. Estimates suggest that this will equate to up to £214k based on the current level of rates that the service pays annually.
 - Potential reductions in overhead costs;
 - New funding opportunities that are not open to statutory bodies.
110. The Council would establish a contract with the Trust that sets out the library service to be provided, in line with the agreed strategy. Contract management arrangements would be put in place to ensure that the Trust delivers the service required by the Council.

Summary

111. The total annual value of the additional savings that are proposed, in addition to the £695k already being achieved, are thus as follows:

Item	Value (£k)
Supplies and Services	80
Bookfund	66
NDR Trust status saving	214
Total	360k

112. The measures set out or implemented thus far would deliver total savings of £1055k against the MTFP target of £1457k, leaving a shortfall of £402k, which will need to be met through a reduction in the level of service. The next section of this report sets out proposals for changes in the level of service that would meet this shortfall.

Mobile Library services

113. As noted in paragraph 38 above, use of the mobile library service is declining: it serves just 1.5% of all active borrowers, and many mobile library members also use our library buildings. Furthermore, many of the mobile halts are on the fringes of settlements where there is a library building, 124 halts had on average only one user, and 53 halts serving 18 settlements had no users at all, in a six-month review period in 2011. The mobile service is also comparatively more expensive than the library buildings: see paragraph 41.
114. Given the savings the Council needs to make, it is proposed that in future the mobile library service would be focussed on the more rural settlements to provide a library service to those communities where accessibility difficulties are greatest. It is proposed that, subject to consultation, mobile library services would be provided to communities on the basis of the following criteria:
- **Distance:** mobile libraries will only call at settlements at least 4 miles from a library building;
 - **One halt per settlement:** this will ensure that a service is maintained for the maximum number of rural residents;
 - **Standardised halts** for 15 minutes, 30 minutes, one hour or two hours – depending on level of current use;
 - **A minimum of one visit every two weeks** to all settlements with weekly visits to larger settlements (see Appendix 6);
 - **Halts would be withdrawn if they are not used:** in order to ensure the service is efficient and meets needs, the level of use of all halts would be monitored.

Implications

115. As noted in paragraph 38 above, use of the mobile library service is declining; it serves just 1.5% of all active borrowers and many mobile library users also use our library buildings. Furthermore many of the mobile halts are on the fringes of settlements where there is a library building, 124 halts had on average only 1 user and 53 halts serving 18 settlements had no users at all, in a 6 month review period in 2011. The mobile service is also comparatively more expensive than the library buildings: see paragraph 41.
116. The revised criteria would require the development of a new timetable so that if these proposals are adopted there may be changes to the stopping times for many of the halts.

117. Settlements which currently receive either 1 or 2 visits per week would receive a reduced service, as a result of fewer halts, less total time spent in the settlement, and reduced frequency of visits. The settlements that may be affected by this are set out in Appendix 6.
118. For those settlements where there are currently multiple halts, if these criteria were adopted in future there would only be a single halt, which would be determined following further local consultation. The settlements that may be affected by this are also set out in Appendix 6.
119. It is possible that some Mobile Library users may not find the proposed new stopping times or halts as convenient for them, and some may no longer use the library service. Our performance figures would then worsen. However, as there are low numbers of people overall using the mobiles, and as some users may migrate to using library buildings, and others may be eligible for the Books on Wheels service, the impact would be likely to be small.
120. If the proposed revised criteria were adopted, a reduction from five operational vehicles (plus two back-up) to one (plus one back-up) would be possible. Costs could be reduced from £200,000 to £80,000 per annum, making a net saving (full year) of approximately £120,000 (reducing the outstanding amount to be achieved through the MTFP to £282k). This saving would arise from staffing reductions and lower vehicle maintenance / operating costs.
121. There would also be savings to the Council's Vehicle Replacement capital programme in future years: in 2013/14 a large mobile library is due to be replaced at an estimated cost of £168k, and there are planned vehicle refurbishment costs of £60,000 over the next two years.

Library buildings

122. Maintaining local services is felt to be vital in a semi-rural county, where transport links can be poor, and where some communities experience significant deprivation. However, if the MTFP target is to be achieved it will be necessary to make a reduction in the level of service provided, and it is proposed this is achieved by reducing library opening hours, rather than by closing libraries. This approach has been adopted in order to retain the full network of libraries to maximise the access to services for people from our communities.
123. In order to achieve the £282k savings required, it is proposed that Town Centre libraries would be staffed to open for a core of 36 hours per week and all community libraries staffed for a core of 20 hours per week. No change is proposed to the hours of opening at Clayport library, because its hours have already been reduced and it is the largest, busiest and most accessible library in the county.

124. The changes proposed to the service would have the following implications:
- Staffing in Town Centre libraries will vary marginally, linked to layout and size factors;
 - The costs assume all community libraries would have 2 staff on duty at all times;
 - Town centre libraries will have limited capacity for outreach work, and community libraries none. This will impact on activities for children such as input to schools, story times, Chatter Books clubs, craft clubs and homework clubs. There could be a reduction in the activities for adults, such as reading groups and family history groups; and
 - Local decisions would be made on the pattern of staffed opening hours, but the costs assume all libraries would be open on Saturday mornings, given the need to provide access for those who work through the week, and because Saturdays are a busy time, as well as on one evening each week. Illustrative opening hours are shown at Appendix 7.
125. Generally, town centre libraries would experience a reduction from their current operating levels of around 10 hours per week (16 - 25%).
126. The impact on community libraries is more variable, given the wide variation in the hours they currently operate. Some community libraries will receive a significantly smaller allocation of staffed hours in the future, and therefore see a larger reduction in their opening hours, and for others the reduction is relatively small. The reduction in opening hours ranges from 1 to 23 hours (5 - 53%).
127. The implications for each library are shown at Appendix 8. In summary, the overall reduction is shown in Table 3 below. This proposal would mean all the libraries would continue to operate, and standardised core opening hours would be introduced, but there would be a reduction in core opening hours – approximately 30% across the network.

Table 3: summary of impact on library opening hours

	Existing opening hours per week fully DCC staffed	New hours of DCC staffing	Total reduction of DCC support
Community Libraries	21 – 43 hrs	20 hrs	1 – 23 hrs
Town Centre Libraries	43 – 48 hrs	36 hrs	7 – 12hrs

Clayport	55.5hrs	55.5hrs	0 hrs
----------	---------	---------	-------

128. The proposals for consultation have been formulated to avoid the closure of the current library facilities. A fundamental part of this proposal is an offer of the core hours that each library would open. There is the potential to develop these core hours further in the future through local community support initiatives.
129. The Council would continue to seek co-location or shared use opportunities to provide its library services in the future. In Crook, work is underway to relocate the library as part of the Customer Access Point in the former Civic Centre. In Durham City changes are planned to the Clayport library to enable a joint desk with the Customer Access Point that is being created next door. Plans are also being developed for other town centre premises.

Benefits

130. This proposal would maximise the number of libraries the Council provides, so that a comprehensive network of library services would be retained, enabling continued ready local access to books and magazines, information, access to Council services, free use of computers, and wider community use of the library. The Council would continue to meet the overall identified needs for library services across the County.
131. This would benefit all communities but particularly those areas of deprivation and rural communities where access can be a greater problem.
132. The opening hours would be sufficient to provide library services at the most popular time periods for use, albeit not necessarily every day, including peak morning and afternoon periods and a Saturday session. Evening opening could be retained in all libraries on at least one day each week. This is illustrated in the examples of the potential opening hours set out at Appendix 7.
133. The reduction in hours, combined with the loss of outreach capacity for community libraries, may have some impact on performance, but it is felt that most active borrowers would be able to adjust their use of libraries to revised opening times. This is considered further as part of the equality impact assessment.
134. Retaining the full network of library buildings also ensures that the fullest offer of service to local communities can be maintained: the mobile service in future would complement the library buildings by providing a book loan service to the more rural communities.

Risks

135. The scale of reductions in opening hours across the whole network is significant, from 1398 to 991.5 in total each week (a reduction of approximately 30%). In some community libraries the reduction is larger, with 3 community libraries seeing a reduction of 23 hours per week. However, 8 community libraries would only have a 1 hour per week reduction.
136. The levels of staffing will not allow for the level of outreach work (such as library staff visiting schools to promote the library) currently undertaken: in community libraries limited outreach work will be possible without community support.

Alternative proposals

137. It should be noted that the same level of saving could be achieved without as significant a reduction in hours in all libraries, but this could, for example, involve closing five community libraries and still reducing hours – so that town centre libraries might open for a core of 40 hrs per week and all community libraries would be staffed to open for a core of 24 hrs per week. Given the importance of retaining local services to maximise the comprehensiveness of the library service, this option has been ruled out.
138. Furthermore, if the option to move to Trust status is not supported, a further £214k in savings would need to be found from the front-line library service to deliver the MTFP. If all the libraries were retained, then (for example) town centre libraries could open for a core of 30 hrs per week and all community libraries could be staffed to open for a core of 11 hrs per week. This option has also been ruled out because the level of service that would be supported was not felt to be sufficient to provide a comprehensive and efficient service.

Future Investment in the library service

139. The changes outlined above will require public consultation, and this is considered further below. However, at the same time as reducing expenditure overall, we will need to invest in our buildings order to ensure that the service is fit for the future. Clearly, the library service will need to change in order to deliver our aims for the future, and to meet local people's needs for library services.
140. As has already been noted, the Council is exploring options to provide new library buildings in a number of town centres as part of the Council's accommodation strategy.
141. The Council has also set aside capital for the Library Service over the MTFP period in order to invest in the future. However, the top priority for investment will need to be the backlog of essential repairs and

maintenance, as noted in paragraph 32. It is proposed that the essential works required are carried out over the next 6 years (rather than the usual 4 years). This longer time-scale will allow greater scope for investment in the modernisation of the library service.

142. The total capital available to the service over the next 6 years stands at £1.552m. This figure consists of the annual Repairs and Maintenance allocation of £167,000 plus a Library Modernisation and Repairs capital fund of £550,000:

143. This would allow investment as follows:

	£s
Essential repairs (including remaining prioritised accessibility works)	1036
Modernisation	516
Total	1,552

144. Work will begin in early 2012 on the backlog of repairs and maintenance.

145. The modernisation funds will be used to improve the library buildings and facilities in line with the strategy – for example to create more flexible spaces in libraries.

146. Furthermore, as already noted, we will develop a workforce plan to support the changes that we have proposed.

Equality Impact Assessment

147. The Equality Act 2010 includes a Public Sector Equality Duty which requires public authorities to pay due regard to the need to:

- eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act
- advance equality of opportunity
- foster good relations.

148. The proposed library strategy supports our commitment to equality by encouraging participation, offering opportunities for learning and providing shared community spaces. There are however elements of the proposal which are likely to impact on particular groups.

149. By definition as a public facing service the proposed reduction in library opening hours and review of mobile library criteria would potentially impact on the public and therefore across any of the protected characteristics groups as defined by the Equality Act 2010.

150. Initial separate equality impact assessments have been undertaken in respect of the proposed library strategy, reductions in opening hours of our library buildings, and in respect of changes to the criteria for the

settlements that would receive a mobile library service. Copies of these are attached at Appendix 9, but the main issues from the assessments are summarised below. They identify initial actions necessary to mitigate the potential impacts, however the overall proposal to reduce opening hours rather than close libraries already mitigates against some negative impacts.

151. The information relating to static libraries is complex and varied as libraries not only deliver reading and information services, but in many cases deliver activities and events and provide space for a wide range of local community uses.
152. Reduction of library opening hours may have a greater impact on older people, children and young people, women and those with disabilities as they are more likely to rely on public transport to travel to other libraries if their local provision was unavailable at suitable times for them. The impact on people with learning disabilities may be greater because they may feel more reluctant to use alternative libraries where they are not familiar with the staff or surroundings.
153. As already noted (see paragraphs 19 and 20) the majority of users of library buildings are working age adults, with around 12% being aged over 60, and 25-30% being 0-14. Reduced operating hours impact differently on these groups, with some such as older people preferring day time services but for those working, or in education, generally evening and weekend services are preferable.
154. There are potential impacts on both men and women through a reduction in library building opening hours with potentially reduced access to activities and local provision. Women, as primary carers, (and children and young people themselves) may be more impacted by a reduction in local provision for activities and places to go for children including story-time sessions for toddlers, homework help, after school and holiday activities. Men are more likely to work full time and participate in family activities on evenings and weekends, although the same is true for working parents of both sexes.
155. Any reduction in hours will involve local discussions to determine the most appropriate opening hours in order to ensure that the most negative impacts of reduced opening times can be mitigated.
156. The mobile library services have a higher proportion of users who are older and we also know that many have disabilities including sensory impairments. It is possible that some mobile library users at some halts or settlements may not find the new stopping times that will need to be introduced, or placement of halts within their settlements, as convenient for them. Furthermore, some settlements will no longer receive a service and public transport links to library buildings may not be available. However, the numbers of people impacted are likely to be relatively small, particularly given that the Books On Wheels and Book Bus

services will be protected: some mobile library users may migrate to these services for vulnerable adults, which may see an increase in demand.

157. There is no evidence available of specific impact in relation to pregnancy, transgender, ethnicity or race, religion or belief and sexual orientation. Whilst all groups may be affected by changes to opening hours there is no targeted provision for these groups which will be particularly reduced.
158. The assessments also seek to identify the impact on staff across all static and mobile libraries, the majority of whom are female (except in the mobile library service). This will be considered more fully as part of consultation with staff on the changes.
159. A review of community buildings began in September 2011. The cumulative impacts of that review together with the impacts of reducing the opening hours and the coverage of the mobile library service will be considered in the final report for Cabinet in July 2012.
160. A broad consultation exercise on this strategy will be conducted with customers of library buildings, mobile libraries, library staff and the wider public. The feedback will shape the evidence base for the final Equality Impact Assessment that will be presented to inform the final decision by Cabinet.
161. However, by maintaining the entire current network of 39 public library buildings, whilst there are potential impacts on current and potential library users, as described above, these impacts are greatly reduced in comparison with any potential closure of services.

Consultation and next steps

162. Should Cabinet agree the recommendations in this report, it is proposed that there will be a period of public consultation on the proposals for change that the report sets out.
163. A summary document of the proposals in this report will be made widely available and members of the public and other key stakeholders will be asked to consider the proposals described and respond to a number of consultation questions in a standard response form.
164. The consultation will run for 12 weeks, from 10 February to 4 May 2012. The consultation will be publicised through press releases, letters to stakeholders, posters in libraries and a link on the Council's website. Area Action Partnerships and the County Durham Association of Local Councils will be given the opportunity to receive a presentation on the proposals, and seminars for elected Members will be held. The Safer, Stronger Communities Overview & Scrutiny Committee will also be invited to comment on the proposals.

165. There will be a dedicated email address to receive consultation response forms; libraries will accept completed forms and a phone line with voicemail will be available. Printed versions of the form will be available at all libraries and council access points together with a reference copy of this and the June 2010 Cabinet reports and the summary document.
166. Once the consultation period has been completed, analysis will be undertaken. A further report would be brought to Cabinet in July 2012, outlining the feedback from the consultation, setting out recommendations in response and presenting the final library strategy, with associated costs and timetable for any changes, for Cabinet approval.
167. Consultation on the human resource implications of these proposals will take place during the public consultation, although no decisions on these implications will be made before Cabinet has made decisions on the shape of the service in the future following consultation. All staff in the library service will be affected by these proposals, except for the management staff who have already been subject to consultation on the reorganisation of their responsibilities.

Conclusion and Recommendations

168. This strategy aims to create, for the people of County Durham, a financially sustainable library network that is vibrant, modern and enjoyable to visit. It will support the County Council's aims to provide altogether better services.
169. It sets out the need for a library service within County Durham, and shows how the Council can provide a comprehensive library service to meet that need within a reduced budget, delivering its medium term financial plan, whilst retaining its full network of library buildings, which will protect service delivery in many deprived communities, and continuing to provide a mobile library service to rural settlements, as well as dedicated services for people with mobility difficulties.
170. The proposals would reduce the level of service provided, but through working with local communities we can target opening hours to maximise usage in order to meet the need for library services as efficiently as possible. The value of the savings associated directly with reductions in service amounts to 34% of the total MTFP target for libraries.

Recommendations

171. Cabinet is recommended to agree:
- The proposed vision and outcomes for the Library Service

- To undertake public consultation from 10 February to 4 May on the proposals in this report, i.e.:
 - Our overall strategy for library services in County Durham;
 - To revise the criteria for the settlements that mobile libraries will visit, as proposed at paragraph 114;
 - To retain a network of 12 town centre and 27 community libraries; and
 - To reduce opening hours in town centre libraries to 36 hours per week, and in community libraries to 20 per week.
- To receive a further report in July 2012 for a decision on the future of the library service following public consultation.

Contact: Gerald Tompkins, Head of Social Inclusion
Telephone: 0191 3833176

Appendix 1: Implications

Finance – The proposals in this report deliver savings for the Council in line with its Medium-Term Financial Plan, and set out an affordable, sustainable model for the library service in the future.

Staffing – All staff in the library service would be affected by the proposals in this report. Further consultation with staff will be required.

Equality and Diversity – Proposals to reduce the opening hours of libraries and to change the criteria for the settlements to be served by mobile libraries will have a negative impact on library users, many of whom are older people. Initial equality impact assessments in respect of opening hours and mobile libraries have been undertaken and copies are attached (Appendix 9). These will be updated in the light of evidence from the consultation prior to any final decisions on the future.

Accommodation – There are opportunities for the rationalisation of the Council's accommodation through co-location of libraries with other services.

Crime and Disorder – No direct implications

Human Rights – No direct implications

Consultation – The proposals in this report will be subject to public consultation as described in paragraphs 162 -167.

Procurement – No direct implications

Disability Discrimination Act – Library premises are compliant with the Disability Discrimination Act. Further re-provision will need to consider the requirements of the Act.

Legal Implications – General duty of library authorities. S7 Public Libraries and Museums Act 1964

- (1) It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof

Provided that although a library authority shall have power to make facilities for the borrowing of books and other materials available to any persons it shall not by virtue of this subsection be under a duty to make such facilities available to persons other than those whose residence or place of work is within the library area of the authority or who are undergoing full-time education within that area.

- (2) In fulfilling its duty under the preceding subsection, a library authority shall in particular have regard to the desirability:-

- (a) of securing, by the keeping of adequate stocks, by arrangements with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter, and pictures, gramophone records, films and other materials, sufficient in number, range and quality to meet the general requirements and any special requirements both of adults and children; and
- (b) of encouraging both adults and children to make full use of the library service, and of providing advice as to its use and of making available such bibliographical and other information as may be required by persons using it; and
- (c) of securing, in relation to any matter concerning the functions both of the library authority as such and any other authority whose functions are exercisable within the library area, that there is full co-operation between the persons engaged in carrying out those functions.

Under the Act the Secretary of State has a duty to superintend the delivery of the service and to promote improvement of public libraries and can intervene in a service where there is cause for concern.

Furthermore, since councils across the country have been responding to financial cuts, challenges have taken the form of applications for judicial review by interested groups. The focus of the courts has been on consultation and equalities. It has been acknowledged that there is no statutory duty to consult, but other councils involved in the recent cases have done so and the plan for the consultation is contained within the body of the report. Not carrying out a consultation will run the risk of challenge on the basis of the reasonableness of any decision. Compliance with equality duties is addressed within the body of the report and needs to be further addressed in the light of the consultation.

The recent case law has involved councils planning closures of libraries. A common theme that has developed in this and in the report in the Inquiry by the secretary of State into the proposed closure of libraries in the Wirral is that the plans of the council needs to be informed by a needs assessment. The assessment contained within the body of this report will need to be updated and reviewed in the light of the consultation before any final decision is made.

Library opening hours

Library	Opening hours
Town Centres	
Barnard Castle	44.5
Bishop Auckland	48
Chester le Street	48
Consett	48
Crook	48
Durham – Clayport	55.5
Newton Aycliffe	48
Peterlee	48
Seaham	45
Sildon	43
Spennymoor	48
Stanley	46
Community Libraries	
Annfield Plain	34.5
Belmont	43
Blackhall	37
Bowburn	21
Brandon	39.5
Chilton	25
Cornforth	23
Coundon	21
Easington Colliery	37
Esh Winning	21
Ferryhill	43
Horden	37
Lanchester	21
Langley Park	21
Murton	37
Newton Hall	43
Pelton	21
Sacrison	34.5
Sedgefield	39
Shotton	21
South Moor	34.5
Thornley	23
Trimdon	24
Willington	37
Wingate	21
Wolsingham	32
Woodhouse Close	37

Consultees to the First Phase of Consultation

The key stakeholders who were consulted and responded to the first phase of consultation on the Library Strategy are listed below:

Museums Libraries and Archives Council
Arts Council
Durham University
County Durham and Darlington PCT
Durham County Council Overview and Scrutiny Committee
Durham Association of Town and Parish Councils
New College Durham
Durham City Vision
Cotherstone Parish Council
Spennymoor Town Council
Raby and Keverstone Parish Council
Shotton Parish Council
Pittington Parish Council
Durham Cathedral
Great Aycliffe Town Council
Shildon Town Council
Monk Hesledon Parish Council
Belmont Parish Council
Framwellgate Moor Parish Council
Horden Council
Stanhope Parish Council
Barnard Castle Town Council
Greater Willington Town Council

All other Town and Parish Councils were consulted. Not all responded individually, but the Durham Association of Town and Parish Councils did respond.

More than 250 members of the public also responded.

Summary of Feedback on Phase 1

The vision put forward in the draft Library Strategy was

“The library service in County Durham in the 21st century will be dynamic, exciting, confident, open and flexible, shaping and being shaped by the people it serves”.

76% of respondents agreed with the vision as opposed to 10% who disagreed, and 14% did not comment.

The response to the six outcomes was as follows:

- **Outcome 1** (*“Inspire a community of reading and learning – people will see libraries as centres for reading and learning and the place to go for information”*) was supported by 89% of respondents; with only 4% disagreeing and 7% did not respond.

“you already have people who are committed to reading. It is important that new generation gain the desire to read for pleasure and to expand their horizons” Library User

- **Outcome 2** (*“Include local people to create community library hubs – people are more involved in shaping their local services and engage in community activity together through their library service”*) was endorsed by 76% with 11% disagreeing, whilst 13% did not respond.

“I totally agree, if we lose our library it will isolate many people, older people empathise with the library and feel safe. Libraries are an essential part of the community” Library User

- **Outcome 3** (*“Modern and Responsive – People view the library service as vibrant and exciting and relevant to their lives”*) was supported by 80% with 10% disagreeing and 10% not responding.

“we need to encourage the young people to use all the facilities that the library offers. All libraries should be encouraged to reach out to the young ones” Library User

“You do see people from a good variety of age groups. The growing use of IT is good to see although it should not overpower the traditional meaning of libraries – books” Library User.

- **Outcome 4** (*“Improving access through innovation and technology – People will have improved access and services through the use of technology”*) was agreed by 74% with 12.5% in disagreement, and 13.5% not responding.

“This is definitely needed, Durham County Council are way behind other Councils’ in terms of e book provision” Library User

“Not everyone has a computer at home so there is easy access in the library for all to use” Library User

- **Outcome 5** (“Partnerships at the core of service delivery – People will view the library service as having the latest innovative services”) was supported by the fewest respondents (62.5%), of the remaining, 13.5% disagreed and 24% did not respond. Comments indicate that many respondents were unclear about this outcome.

“This has to happen to keep libraries used by many people, utilisation of the library facilities must be encouraged, start in the schools and get children enthusiastic about using all the library facilities” Library User

“with limited space need to be careful one or more services do not cause detriment to the core function of the library” Library User

- **Outcome 6** (“Well managed and efficient service – The new library service will ensure operational flexibility, sustainability and create skills for the future through robust management and improved efficiency”) was supported by 76.5% although 14.5% did not answer and 9% disagreed.

“The aspirations are great, but the core of what the library currently stands for should not be lost”. Library User.

General comments submitted by organisations / key stakeholders

“Local libraries are needed for accessibility by local people who may lack transport facilities through age or financial difficulties”

“There is a fantastic opportunity to smash down silos and provide transformational long-lasting improvement together with improved services to communities”

“The Strategy acknowledges that Durham Library Service has some catching up to do in a number of areas, particularly with technology.”

“we support the intention to set out key priorities and outcomes for the library service in Durham, and to ensure the manner in which the service is delivered enables these to be achieved. Practice and experience elsewhere across the country suggests it is imperative that this is not a strategy owned by the library service, but rather a whole council strategy for how its library service will deliver priorities in meeting the needs of communities”

Mobile Libraries

1. It is proposed that the following settlements that currently get weekly or twice weekly visits would receive one visit per week in future:

- Cockfield
- Evenwood
- Middleton in Teesdale
- Staindrop
- Stanhope

2. It is proposed that 23 settlements (see below) currently served by multiple halts would in future only have one halt. If this proposal is agreed by Cabinet in July 2012 following public consultation, it is further proposed that, a consultation exercise would then be conducted with each of these settlements to identify which halt would best meet their community's needs.

- Butterknowle
- Cockfield
- Eggleston
- Esperley
- Evenwood
- Frosterley
- Gainford
- Hamsterley
- Ingleton
- Ireshopeburn
- Mickleton
- Middleton in Teesdale
- Newbiggin
- Ovington
- Ramshaw
- Rookhope
- Southside
- Stanhope
- St John's Chapel
- Staindrop
- Wearhead
- Westgate

Winston

Sample timetables of opening times for town centre and community libraries

If town centre libraries were to open for 36 hours per week, the opening hours could look as follows:

Example 1

Monday	10.00am - 7.00pm	9
Tuesday	10.00am - 6.00pm	8
Wednesday	Closed	0
Thursday	10.00am - 7.00pm	9
Friday	10.00am - 5.00pm	7
Saturday	9.30am - 12.30pm	3
Total hours open		36

Example 2

Monday	10.00am - 7.00pm	9
Tuesday	8.30am - 12.30pm	4
Wednesday	2.00pm - 6.00pm	4
Thursday	9.00am - 6.00pm	9
Friday	10.00am - 5.00pm	7
Saturday	9.30am - 12.30pm	3
Total hours open		36

If community libraries were to open for 20 hours per week, the opening hours could look as follows:

Example 1

Monday	2.00pm - 7.00pm	5
Tuesday	2.00pm - 5.00pm	3
Wednesday	10.00am - 1.00pm	3
Thursday	10.00am - 1.00pm	3
Friday	2.00pm - 5.00pm	3
Saturday	9.30am - 12.30pm	3
Total hours open		20

Example 2

Monday	2.00pm - 7.00pm	5
Tuesday	8.30am - 11.30am	3
Wednesday	closed	0
Thursday	10.00am - 4.00pm	6
Friday	2.00am - 5.00pm	3
Saturday	9.30am - 12.30pm	3
Total hours open		20

Appendix 8

Proposed future opening hours – Town Centre Libraries open 36 hrs per week, Community Libraries open 20 hrs per week.

Library	Current open hr per week	Proposed open hours	Reduction
Town Centres			
Barnard Castle	44.5	36	8.5
Bishop Auckland	48	36	12
Chester le Street	48	36	12
Consett	48	36	12
Crook	48	36	12
Durham – Clayport	55.5	55.5	0
Newton Aycliffe	48	36	12
Peterlee	48	36	12
Seaham	45	36	9
Sildon	43	36	7
Spennymoor	48	36	12
Stanley	46	36	10
Community Libraries			
Annfield Plain	34.5	20	14.5
Belmont	43	20	23
Blackhall	37	20	17
Bowburn	21	20	1
Brandon	39.5	20	19.5
Chilton	25	20	5
Cornforth	23	20	3
Coundon	21	20	1
Easington Colliery	37	20	17
Esh Winning	21	20	1
Ferryhill	43	20	23
Hornden	37	20	17
Lanchester	21	20	1
Langley Park	21	20	1
Murton	37	20	17
Newton Hall	43	20	23
Pelton	21	20	1
Sacriston	34.5	20	14.5
Sedgefield	39	20	19
Shotton	21	20	1
South Moor	34.5	20	14.5
Thornley	23	20	3
Trimdon	24	20	4
Willington	37	20	17
Wingate	21	20	1
Wolsingham	32	20	12
Woodhouse Close	37	20	17

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service / team or section: Adults Wellbeing and Health, Social Inclusion – Libraries	
Lead Officer: Anne Davison	Start date: 21 st July 2011
<p>Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)</p> <p>Library Strategy</p> <p>This impact assessment relates to proposals to consult on the library strategy and linked proposals to deliver medium term financial plan savings.</p> <p>The strategy aims are:</p> <ul style="list-style-type: none"> • To inspire a community of reading and learning; • To create community library hubs, involving local people; • To be modern and responsive; and • To ensure that we have a well managed and efficient service; <p>and to meet the following areas of need:</p> <ul style="list-style-type: none"> • reading for pleasure; 	

- raising confidence, skills and aspirations through access to informal and formal learning facilities, for study, research, self improvement and knowledge;
- the development of individual literacy;
- local community and public service information; and
- a place to meet and participate in community life.

In order to meet these needs and deliver on our aims, our strategy – subject to consultation on proposed service changes – will be:

- to keep open all our library buildings, but reduce their opening hours;
- to revise our criteria for the communities that are served by our mobile library service;
- to co-locate libraries wherever possible with other services and to invest to improve their appearance and facilities;
- to drive down our support and management costs; and
- to move our library services into a not-for-profit Trust.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

The main stakeholders involved in these proposals are the general public (children and young people, older people, adults, carers), although DCC employees, elected members, partners such as Surestart and the PCT are also involved.

Is a copy of the subject attached? Yes

If not, where could it be viewed?

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure

Gender	y	Disability	y	Age	y	Race/ethnicity	y	Religion or belief	y	Sexual orientation	y
--------	---	------------	---	-----	---	----------------	---	--------------------	---	--------------------	---

How will this support our commitment to promote equality and meet our legal responsibilities?

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone’s disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

The overall aims of the library strategy support the commitment to promote equality of opportunity, good relations and involving people in public life by supporting individual learning and development as well as maintaining access to local community facilities. Given that library services are intended to reach everyone in the community there is potential for impact on all of the protected characteristics. There is also potential impact on staff.

This initial screening suggests that the main potential for negative impact relates to proposals to reduce library opening hours and review the mobile library service. Each of those will be subject to a full, detailed impact assessment to inform the final decision. In addition the final impact assessment will consider the impact of proposals to:

- co-locate libraries wherever possible with other services and to invest to improve their appearance and facilities;
- to drive down our support and management costs; and
- to move our library services into a not-for-profit Trust.

Co-location, investment and moving to Trust status may include positive impacts for some groups, for example by improving access to buildings for disabled people, older people and young children. Consultation will be used to inform the final decision. Potential staff changes are more likely to impact on female staff who make up a greater proportion, the age profile of staff shows the majority of staff are under 55. Any changes would be subject to staff HR consultation and with appropriate union involvement.

What evidence do you have to support your findings?

The linked assessments on library opening hours and mobile library service include specific information from the Halcyon system which records details on library membership; human resources profile information and previous consultation

Further work – these proposed changes will be subject to formal consultation if approved by Cabinet. This consultation would provide further evidence to support a full impact assessment. Consultation monitoring would identify protected characteristic groups and their responses.

Decision: Proceed to full impact assessment – subject to Cabinet decision January 2012 Date: 3rd October 2011

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.			
	Identify the impact: does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
Gender	See separate Library opening hours and Mobile Library EIAs		
Age	Ditto		
Disability	Ditto		
Race/Ethnicity	Ditto		
Religion or belief	Ditto		
Sexual orientation	Ditto		

How will this promote positive relationships between different communities?
<p>All libraries provide access to books, information, and works of creative imagination, ensuring equality of access by actively taking account of the cultural, linguistic and social diversity of the surrounding area. They support and encourage the development of computer skills, by enabling all ages to make use of online learning resources and access Council services.</p> <p>By maintaining the existing locations and the entire network of local community space the impact on local communities is minimised.</p>

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.			
Action to be taken	Officer responsible	Target Date	In which plan will this action appear
See separate Library opening hours and Mobile Library EIAs			
When will this assessment be reviewed?	Date: from February 2012		
Are there any additional assessments that need to be undertaken in relation to this assessment?	Library opening hours and Mobile Library EIAs to be completed		
Lead officer – sign off: Strategic Manager Libraries			Date: 16 Dec 2012
Service equality representative – sign off: Head of Social Inclusion			Date: 16 Dec 2012

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service / team or section: Adults Wellbeing and Health, Social Inclusion – Libraries	
Lead Officer: Anne Davison	Start date: 21 st July 2011 Updated 1 : 3 rd October 2011 Update 2 : 15 October 2011 Update 3: 15 December 2011
<p>Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)</p> <p>PROPOSED REDUCTION OF OPENING HOURS IN TOWN CENTRE AND COMMUNITY LIBRARIES Potential reduction in opening hours in Durham County Council's (DCC) libraries as an MTFP efficiency saving (AWH10). Potential savings were calculated following analysis of the current costs involved with the operation of libraries.</p> <p>This impact assessment considers initial equalities issues associated with the review of DCCs libraries, and subsequent reduction in opening hours proposals. It focuses on initial impacts to customers and communities who benefit from using the Libraries and initial impacts to staff affected by the potential reduction in opening hours. It then goes on to identify initial actions necessary to mitigate the identified impacts.</p>	

This initial assessment seeks to identify the impacts to customers who make use of libraries. This information is complex and varied as libraries not only deliver reading and information services, but in many cases deliver a range of activities and events and where possible they provide space for a wide range of local community uses. A public consultation exercise will take place on the proposals and this will supplement the evidence base of this Equalities Impact Assessment.

The library service currently consists of a network of 39 libraries in town centres and local communities, plus the staff library at County Hall.

- There are over 750,000 books available for loan;
- Through the Inter-Library-Loan Scheme the library service enables access to wider national and international collections;
- Each year the service makes over 3.3m loans of books, including more than 50,000 health books⁷, deals with over 350,000 requests for books, and enables free local access to over 200 computers;
- Opening times vary from 21 hours per week in many of the smaller libraries to over 55 hours per week at Clayport in Durham City;
- All libraries open on Saturday mornings and between two and five evenings per week. Bishop Auckland and Clayport libraries open five evenings per week;
- The staff library, located in County Hall is open each lunch time for DCC staff to use. It operates Monday to Friday, for a total of 10 hours per week for the loan and return of books and the use of computers.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

The main stakeholders involved in these proposals are the general public (children and young people, older people, adults, carers), although DCC employees, elected members, partners such as Surestart and the PCT are also involved.

Is a copy of the subject attached? Yes

If not, where could it be viewed?

⁷ Halcyon (Library Computerised Management System)

Initial screening											
Prompts to help you: Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?											
Is there an actual/potential negative or positive impact on specific groups within these headings? Indicate :Y = Yes, N = No, ?=Unsure											
Gender	y	Disability	y	Age	y	Race/ethnicity	y	Religion or belief	y	Sexual orientation	y
How will this support our commitment to promote equality and meet our legal responsibilities? Reminder of our legal duties: <ul style="list-style-type: none"> ○ Eliminating unlawful discrimination & harassment ○ Promoting equality of opportunity ○ Promoting good relations between people from different groups ○ Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people ○ Involving people, particularly disabled people, in public life and decision making 											
Impacts to Customers Given that library services are intended to reach everyone in the community there is potential for impact on all of the protected characteristics. This impact is linked to reductions in library opening hours and in opportunities for outreach or specific support for library users, for some this may limit access to local library services which could mean increased travel, cost or time commitment in using alternative locations. Initial assessment using library membership data and library survey results suggests that this impact is more likely to relate to: <ul style="list-style-type: none"> ● age, particularly on older or younger library users 											

- disability,
- gender (including pregnancy and maternity).

There is no direct evidence at this stage of specific impact in relation to transgender status, religion or belief and sexual orientation but this will be considered in the full assessment and through consultation evidence.

Impacts to staff

The library service review process has identified proposals to progress to public consultation. This EQIA also seeks to identify the impact on the current staff. Circa 141 full time equivalent (FTE) staff are employed across all 39 Libraries and related support services. It is possible that there may be greater impacts on some staff as the current historic schedule of opening hours varies greatly between communities. Through the proposed introduction of a set of core standardised opening hours, of 36 hours in Town Centres and 20 hours in all community libraries, there may be greater impacts on some specific communities / libraries where no vacancies are held and the larger reductions in opening hours will be made. These staff will be identified following analysis of HR profiles and this information will inform development of specific mitigation following this EQIA review. Regardless of this process, due consideration will be given to those staff who may need to be relocated as a consequence of this proposal and every effort will be made to ensure a work/life balance is taken into account, especially around child care/caring issues or disability.

Staff profile information will be used in the full assessment to consider the impacts, initial evidence from the current workforce profile indicates potential impacts on age and gender. When considered across all libraries there is likely to be a greater potential impact on female staff. The age profile of staff shows the majority of staff are under 55. Staff impacts may include reduced working hours or changes to work patterns which could affect all staff but further detail is required to understand the effects, including any staff with disabilities or from black and minority ethnic backgrounds. Information on staff religion or belief and sexual orientation will be considered but monitoring has only recently been introduced so data is minimal. Any changes would be subject to staff HR consultation and with appropriate union involvement.

Consultation

A broad consultation exercise will be conducted with customers, the general public, stakeholders and library staff to identify a range of location specific / community impacts as a result of these proposals. This information will inform a revised EQIA that will be presented to inform the final decision. If the proposed changes are approved then further specific impacts relating to new local opening hours arrangements will be considered as part of the process.

Related impact assessments

The library strategy includes proposed changes to mobile services which are being assessed separately. Impacts from both will be included in the final report before a decision is made.

Changes to bus subsidies introduced in April 2011 have a linked impact to the proposals outlined here, an impact assessment on the bus subsidies was completed at the time and identified that reducing contracted bus services would have a greater potential negative impact upon women, older, younger and disabled users. Consultation indicated preferences for maintaining daytime services which could limit the impact in relation to accessing services, e.g. employment, education, childcare, health appointments however reducing services on evenings and Sundays has a negative impact on some groups, e.g. in relation to social activities, those with care responsibilities, hospital visiting or evening and weekend work patterns.

Evidence from the impact assessment on leisure centre closures will also be considered in the full assessment, whilst the proposals are fundamentally different the consultation and final assessment could provide relevant information on changes to local services and mitigating actions.

A review of community buildings is currently underway, any relevant evidence will also be considered as part of this review.

What evidence do you have to support your findings?

Library user profile – information on active borrowers has been collected from the Halcyon system. Whilst library members are not required to record their equality information there are a number of categories which can provide indicative evidence on age, gender and disability. There is no information available on transgender status, ethnic background, religion or belief and sexual orientation, whilst no services are specifically targeted at these groups there may be evidence from consultation responses which can be used in the final assessment.

HR Profile information – initial evidence of age and gender profile, further information will be included in the final assessment. The current library service consists of 141 FTE posts (in October 2011) across a network of 39 libraries, 5 prisons, 6 vehicles and

specialist support and management services.

Consultation analysis – general library survey responses have been considered along with responses from previous Library Strategy consultation in September 2010. The composition of responses received:

Service user	248	94%
Stakeholder, e. g. Parish Council, National Organisation	12	4.5%
Staff member – library	4	1.5%
Total	264	100%

Further work - these proposed changes will be subject to formal consultation if approved by Cabinet. This consultation would provide further evidence to support a full impact assessment. Consultation monitoring would identify protected characteristic groups and their responses.

Decision: Proceed to full impact assessment – Yes **Date: 3rd October 2011**

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.			
	Identify the impact: does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
Gender	<p>There are impacts on both men and women through reduction in opening hours with potential loss of access to activities and local provision. Impacts include additional travel associated costs and potentially more restricted access to activities through change of venue.</p> <p>Women may be affected by changes to opening hours where they currently use local libraries which fit in with caring responsibilities, work patterns and access to transport. Pregnant women and those with young babies may also be more likely to use local facilities which require no or minimal travel. There are activities, such as Bookstart, which are aimed at babies and their parents or carers.</p> <p>Men may be affected by changes in opening hours as they are more likely to work full time or longer hours which restricts their access to services and opportunities to participate in events or family activities, although the same is true for working parents of both sexes.</p> <p>Whilst gender is not specifically included on membership records the system does include 'Mr', 'Mrs' 'Miss' etc - the available data suggests that there are significantly more female</p>	<p>National and local evidence suggests that women tend to be primary carers and may be more impacted by reduction in local provision for activities and places to go for children including homework help, after school and holiday activities. They are also more likely to use local facilities due to part-time working patterns or reliance on public transport. Demographic information shows there are more older women in the population, including</p>	<p>Should the proposal be approved by Cabinet the following actions apply to all equality groups:</p> <p>(1) Maintaining Saturday and some evening opening hours is included in the proposal as a mitigating action.</p> <p>(2) Consultation – ensure this is accessible to all and equality monitoring / responses are analysed for inclusion in final assessment.</p>

	<p>members than male across all categories except under 5 year olds. The Durham library user survey for over 16s in 2011 showed respondents were 65% female and 35% male. This reflects national evidence, the CIPFA library survey for 2009/10 shows returns of 62% female to 38% male in English Counties with 59% female and 41% male in English unitary authorities.</p> <p>The Durham survey also showed that 47% of respondents had walked to the library while 36% drove and 65% owned a car. In relation to employment 16% worked full time, 11% worked part time and 6% were 'looking after the home'. 91% thought opening hours were good or very good. Whilst this evidence is not specific to gender it does provide an indication and will be considered further across the protected characteristics before the final assessment.</p> <p>Staff impacts vary depending on each library staffing profile but the general profile shows 87.5% are female and 12.5% are male. Reduced or changed work patterns may provide positive options in work/life balance for some, for example those with care responsibilities. However, some staff may be negatively affected by reduced income, for example lone parents or women relying on their income to boost pension contributions. Increased travel may also create a negative impact where staff currently live locally, e.g. may cause difficulties for those with school age children or other care responsibilities. Also the recent bus changes mean evening and weekend routes in some areas have been reduced which may mean some staff cannot travel to other locations.</p>	<p>a high proportion who live alone and do not have access to private transport.</p> <p>Local evidence from Surestart suggests that fathers and male carers prefer weekend activities.</p> <p>There is no evidence at this stage of specific impact on transgender people.</p> <p>The staffing profile reflects national and traditional trends in the sector. Many staff in libraries live locally.</p>	<p>(3) Revised opening hours would be subject to further local consultation to identify specific impacts.</p> <p>(4) Further detailed evidence gathered on targeted provision or usage patterns which may be affected by changes – e.g. toddler groups, learning disability groups, 'silver surfers' provision and reading groups.</p> <p>(5) Ensure that the Change Management Toolkit is followed to ensure fair treatment for staff</p>
--	--	--	--

<p>Age</p>	<p>Reduction of library opening hours may have a greater impact on older people, children and young people if changes restricted their access to the library.</p> <p>Libraries provide activities including early evening homework support, weekend and holiday activities for young people, access for schools for class visits, and for students and story-time sessions for toddlers or very young children. Some younger children may rely on family or carers to bring them to the library which could be affected by reduced opening hours.</p> <p>The loss of social interaction is also likely to impact more on older people who are more at risk of feeling isolated, there may also be related impacts on health and wellbeing.</p> <p>Using the age range classifications held in the computerised library management system (where this information has been provided) the profile of current members for the library service is as follows:</p> <table border="1" data-bbox="645 933 1368 1161"> <thead> <tr> <th colspan="3">Static library users</th> </tr> <tr> <th>age band</th> <th>%</th> <th>number of people</th> </tr> </thead> <tbody> <tr> <td>under 16</td> <td>22</td> <td>53,830</td> </tr> <tr> <td>16 – 59</td> <td>69</td> <td>172,086</td> </tr> <tr> <td>over 60s</td> <td>9</td> <td>22,157</td> </tr> </tbody> </table> <p>69% of registered members fall into an age range of 16 – 59. Whilst those people over 60 only comprise 9% of our registered users.</p>	Static library users			age band	%	number of people	under 16	22	53,830	16 – 59	69	172,086	over 60s	9	22,157	<p>Older and younger people may have limited access to personal transport. If they need to use another larger library this may result in increased costs or reliance on others for transport.</p> <p>Older people may be more likely to use local services, some prefer daytime services due to personal safety fears. There are more older women in the population and many live alone.</p> <p>Much of the current outreach and activity work is aimed at encouraging children and young people – e.g. Investing in Children groups, homework clubs and readers groups.</p>	<p>In addition to the actions numbered 1 - 5 above:</p> <p>Ensure that local arrangements take into account use by older and younger people.</p> <p>Identify options to maintain outreach and activities, particularly for children and young people.</p> <p>Books on wheels provision may be an appropriate alternative for some older people.</p>
Static library users																		
age band	%	number of people																
under 16	22	53,830																
16 – 59	69	172,086																
over 60s	9	22,157																

	<p>Total Registered Library Users</p> <table border="1" data-bbox="645 268 1272 384"> <tr> <td>under 16</td> <td>53,830</td> </tr> <tr> <td>16 – 59</td> <td>172,086</td> </tr> <tr> <td>over 60s</td> <td>22,157</td> </tr> </table> <p>The Durham library user survey 2011 for over 16s recorded responses from 60% aged 16-64 and 40% aged over 65. 47% of respondents answering the employment question indicated that they were retired.</p> <p>The under 16s survey recorded responses from 17% aged under 6, 47% aged 6-10 and 37% aged 11-15. The active borrower profile shows 36.5% are under 6, 39.4% are 6-10 and 24.1% are 11-15. The survey responses indicated high satisfaction levels with libraries, as a safe and friendly place which is easy to get to and a place they wanted to visit. Other questions asked about book borrowing, computer use, learning and social aspects of library visits. In relation to opening hours 82% of respondents were satisfied.</p> <p>Staff profile shows that 64% are aged under 55 which may affect options for those interested in early retirement or voluntary redundancy. Impacts of reduced or changed work patterns are similar to gender – e.g. some may prefer options for reduced hours to fit around care responsibilities whilst others may be negatively affected by reduced income or increased travel to another location.</p>	under 16	53,830	16 – 59	172,086	over 60s	22,157	<p>Staff profile shows 21% are under 40; 43% aged 41-54; 24% aged 55- 60 and 12% aged over 60.</p>	
under 16	53,830								
16 – 59	172,086								
over 60s	22,157								
Disability	Reduction of opening hours at local libraries may have a greater impact on some disabled people if they were no longer able to access their regular static library at their regular time. People	Some disabled people may rely on carers or other family	In addition to the general actions listed						

	<p>with learning disabilities who are used to going to the library at a routine time may be more affected by changes to the opening hours or feel more reluctant to use alternative libraries, if this would require a change of venue or additional travel.</p> <p>There are potential health and wellbeing impacts for disabled people if they are no longer able to access library provision due to a change in opening hours. This includes physical impacts in relation to general health or managing their condition (through access to Health Information Zones) as well as mental wellbeing if social interaction is lost. Disabled people may be more likely to feel isolated without these opportunities.</p> <p>Disability is not included on membership records. Active borrowers data shows 0.6% categorised as 'concessionary' and 0.04% as 'housebound' both of which would include disabled people. In addition 0.4% are categorised as 'carer/cared for'. These figures are low due to under-reporting but they do provide an indication of the minimum level.</p> <p>The Durham library user survey 2011 for over 16s recorded responses on specific disabilities. Of those using static libraries 57% of respondents to this question recorded no disability or health condition, the remaining responses were:</p> <ul style="list-style-type: none"> • Hearing – 15% • Eyesight – 16% • Hands/fingers – 9% • Learning disability – 2% • Mental health – 6% • Mobility – 17% • Other – 3% 	<p>members to accompany them, also access to alternative libraries could be affected by limited access to personal or public transport.</p> <p>There is national and local evidence that some people with learning disabilities are affected by changes in service, this may increase the risk that they stop using library services.</p>	<p>above:</p> <p>Identify specific mitigating actions where there is local evidence of use by disabled people, particularly people with learning disabilities.</p> <p>Books on wheels provision may be an appropriate alternative for some disabled people.</p>
--	--	---	---

	<p>Except for learning disability these response rates are all higher than the English average for 2009/10.</p> <p>Staff profile information on disability is not available at this stage but will be included in the final assessment and reasonable adjustments will be considered in any consultation or proposed changes to individual work patterns. Impacts are likely to be similar to gender and age above along with individual cases where a reasonable adjustment has been made or would be needed.</p>		
Race/Ethnicity	<p>Libraries are equally accessible to all racial / ethnic groups. There is no evidence available of specific impact through changes in opening hours however the potential reduction in outreach activity may impact on traveller communities living on sites in the county.</p>	<p>Outreach activity has been targeted at particular sites to encourage library use.</p>	<p>General actions numbered 1-5</p>
Religion or belief	<p>Libraries are equally accessible to all religion / belief groups. There is no evidence available of specific impact and no targeted provision in relation to religion or belief which would be affected by changes to opening hours.</p>		<p>General actions numbered 1-5</p>
Sexual orientation	<p>Libraries are equally accessible regardless of sexual orientations. There is no evidence available of specific impact and no targeted provision in relation to sexual orientation which would be affected by changes to opening hours.</p>		<p>General actions numbered 1-5</p>

How will this promote positive relationships between different communities?

All libraries provide access to books, information, and works of creative imagination, ensuring equality of access by actively taking account of the cultural, linguistic and social diversity of the surrounding area. They support and encourage the development of computer skills, by enabling all ages to make use of online learning resources and access Council services. By maintaining the existing locations and the entire network of local community space the impact on local communities is minimised.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

The equality impacts of changing the current opening hours and effect on outreach work or activities would have potential negative impacts on all library users and staff. The initial assessment suggests negative impacts are more likely to affect people because of their gender (including pregnancy or maternity), age (particularly older and younger people) and disability. The likely impacts relate to a reduction in access to library services which may mean they need to use another larger library requiring additional travel, cost or time commitment; or alternative provision such as online services or Books on Wheels. Impacts on staff may include reduced hours or changed work patterns, including potential changes to working location. Staff profile shows the majority of staff are women and those aged under 55, further information will be considered in the final assessment.

There may be potential impact on race, further evidence is needed on the effect of reduced outreach activity aimed at traveller communities.

There is no evidence at this stage of a specific impact in relation to transgender, religion or belief and sexual orientation but if the proposal is approved they will be considered again following consultation.

There are potential cumulative impacts associated with recent reductions in bus subsidies which mean that some communities have reduced bus services particularly at evenings and weekends, this will further limit access for those without private transport. The review of community buildings currently underway may also have an impact on some communities, this assessment will be considered.

Initial mitigating actions include consideration of local need in agreeing the final preferred opening hours for each library, options for maintaining a level of outreach or activities through encouraging volunteer support and providing information on alternative services such as online reference books or Books on Wheels.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Updated EIA to be completed if Cabinet approval for progression to consultation	Anne Davison	January 2012	n/a
Further update of initial EIA to be completed on conclusion of consultation period with evidence from Equalities monitoring data.	Anne Davison	May 2012	n/a

HR evidence on the current composition of workforce to be updated for further revisions of the EIA	Anne Davison	May 2012	n/a
<p>If the proposal is approved by Cabinet the following actions will apply:</p> <p>Consultation – ensure this is accessible to all and equality monitoring/responses are analysed for inclusion in final assessment.</p> <p>Revised opening hours would be subject to further local consultation to identify specific impacts.</p> <p>Further detailed evidence gathered on targeted provision or usage patterns which may be affected by changes – e.g. toddler groups, learning disability groups, ‘silver surfers’ provision and reading groups.</p> <p>Ensure that the Change Management Toolkit is followed to ensure fair treatment for staff</p>	Anne Davison	May 2012	n/a
<p>If the proposal is approved following consultation:</p> <p>In relation to age:</p> <ul style="list-style-type: none"> • Ensure that local arrangements take into account use by older and younger people. • Identify options to maintain outreach and activities, particularly for children and young people. • Books on wheels provision may be an appropriate alternative for some older people. 	Anne Davison	tbc	Tbc

<p>In relation to disability:</p> <ul style="list-style-type: none"> • Identify specific mitigating actions where there is local evidence of use by disabled people, particularly people with learning disabilities. • Books on wheels provision may be an appropriate alternative for some disabled people. 			
<p>When will this assessment be reviewed?</p>	<p>Date: February 2012 following Cabinet a decision</p>		
<p>Are there any additional assessments that need to be undertaken in relation to this assessment?</p>	<p>Mobile Library EIA to be completed</p>		
<p>Lead officer - sign off: Strategic Manager - Libraries</p>			<p>Date: 16 Dec 2012</p>
<p>Service equality representative - sign off: Head of Social Inclusion</p>			<p>Date: 16 Dec 2012</p>

Durham County Council – Altogether Better equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments.

You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service / team or section: Adults Wellbeing and Health, Social Inclusion – Libraries	
Lead Officer: Anne Davison	Start date: date 3 rd October 2011 Updated 1 : 15 th October 2011 (v2) Update 2:
Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)	
<p>REDUCTION OF MOBILE LIBRARY SERVICE FROM FIVE VEHICLES TO ONE</p> <p>Potential reduction in the mobile library service as an efficiency saving (AWH10). Potential savings were calculated following analysis of the costs involved with operation of mobile libraries.</p> <p>This impact assessment considers equalities issues associated with the review of DCCs libraries and proposed reduction in the mobile library service. The assessment focuses on initial impacts to customers and communities who benefit from using the mobile libraries and impacts to staff affected by the potential reduction in mobile library provision. It then goes on to identify initial actions necessary to mitigate the identified impacts.</p> <p>The Mobile Library Service currently consists of five vehicles. Membership of the mobile library service has declined from 7,800 in March 2008 to 3,538 in March 2011, of whom 1,452 were active borrowers (people who have taken a book at least once in the previous 12 months. This is interesting as the mobile library service only contains books so there will only be a minority who come</p>	

to the vehicle for any other purpose). This represents just over 1.5% of the total number of active borrowers of the library service. 1 in 4 mobile library members also access our library buildings.

Given the savings the Council needs to make, it is proposed that in future the mobile library service would be focussed on the more rural settlements to provide a library service to those communities where accessibility difficulties are greatest. It is proposed that, subject to consultation, mobile library services would be provided to communities on the basis of the following criteria:

- **Distance:** Mobile libraries will only call at settlements at least 4 miles from a library building;
 - **One halt per settlement** – this will ensure that a service is maintained for the maximum number of rural residents;
 - **Standardised halts** for 15 minutes, 30 minutes, one hour or two hours – depending on level of current use;
 - **A minimum of one visit every two weeks** to all settlements with weekly visits to larger settlements. These would be:
 - Cockfield
 - Evenwood
 - Middleton in Teesdale
 - Staindrop
 - Stanhope
 - **Halts would be withdrawn if they are not used for any six month period.** Use of all halts would be monitored to ensure the service remained efficient.
- The number of settlements served by mobiles would reduce from 182 to 63. Those settlements which currently receive either 1 or 2 visits per week would have a significantly reduced service, as a result of fewer halts, less total time spent in the settlement, and reduced frequency of visits. Using the proposed revised criteria there would be 1 vehicle visiting 63 individual settlements of which 23 currently have multiple halts.

It is proposed that, for the settlements where there are multiple halts currently, a consultation exercise is conducted to discuss with the communities, which halt best meets their needs. The following 23 settlements (see list below) would be consulted, asking to identify the location of the single halt for their settlement. This would take place following agreement of strategy document at Cabinet in later 2012 following consultation.

Butterknowle	Ingleton	Southside
Cockfield	Ireshopeburn	St Johns Chapel
Eggleston	Mickleton	Staindrop
Esperley	Middleton in Teesdale	Stanhope
Evenwood	Newbiggin	Wearhead
Frosterley	Ovington	Westgate
Gainford	Ramshaw	Winston
Hamsterley	Rookhope	

Through the proposed introduction of a new set of standardised criteria and new routing, including duration of halts and frequency of visits there may be greater impacts on some specific communities. A public consultation exercise will take place on the proposals and this will supplement the evidence base of this Equalities Impact Assessment.

This assessment also seeks to identify the impact on staff. Circa 7 full time equivalent (FTE) staff are employed in delivering the mobile library service. Due consideration would be given to those staff who may need to be relocated as a consequence of the proposal and every effort will be made to ensure a work/life balance is taken into account, especially around child care/caring issues or disability.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –
 The main stakeholders are the general public (children and young people, older people, adults, carers), although employees and elected members are involved.

Is a copy of the subject attached? Yes
 If not, where could it be viewed?

Initial screening

Prompts to help you:
 Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?
 Indicate :Y = Yes, N = No, ?=Unsure

Gender	y	Disability	y	Age	y	Race/ethnicity	y	Religion or belief	y	Sexual orientation	y
--------	---	------------	---	-----	---	----------------	---	--------------------	---	--------------------	---

How will this support our commitment to promote equality and meet our legal responsibilities?
 Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone’s disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

Impacts to Customers
 Given that library services are intended to reach everyone in the community with mobile libraries traditionally used to reach outlying

communities or those without easy access to a static library there is potential for impact on all of the protected characteristics. This impact is linked to reductions in the number and duration of mobile library halts, for some this may mean withdrawal of mobile library access or limited access. Where access is removed or limited this could mean increased travel, cost or time commitment in using alternative locations. Initial assessment using library membership data and library survey results suggests that this impact is more likely to relate to:

- age, particularly on older or younger library users
- disability,
- gender (including pregnancy and maternity).

as these groups are less likely to have easy access to alternative services or may find the new times/halts more difficult to access.

For example the initial assessment identified approximately 77 people who are classed as concessionary borrowers using the mobile library service. These people identify themselves as being blind or partially sighted or have problems holding a book which entitles them to free talking books. It must be noted that this is a minimum indication as there will be other disabled people using the mobile library service at some of the settlements and halts. Alternative existing measures for disabled people include the Books on Wheels service which may be appropriate if they meet the eligibility criteria.

A recent survey of mobile library users (Public Library User Survey 2011) showed that 74% of users of the mobile library were over 65, whereas for our library buildings the significant majority of users fall within the age range of 15 – 59. Furthermore, 59% of respondents to the mobile library survey identified that they had a disability

There is no direct evidence at this stage of specific impact in relation to transgender status, religion or belief and sexual orientation but this will be considered in the full assessment and through consultation evidence.

Impacts to staff

Staff profile information will be used in the full assessment to consider the impacts, initial evidence from the current workforce profile indicates potential impacts on age and gender. When considered across all 5 mobile libraries there are more male staff affected than female. The age profile of staff shows the likely impact is on those aged over 30. Further detail is required to understand the full effects, including any staff with disabilities. Religion or belief and sexual orientation will be considered to ensure fair treatment but will not be included in the impact assessment as monitoring has only recently been introduced and the number of staff is very small. Any changes would be subject to staff HR consultation and with appropriate union involvement.

Consultation

A broad consultation exercise will be conducted with customers, the general public, stakeholders and library staff to identify a range of location specific / community impacts as a result of these proposals. This information will inform a revised EQIA that will be presented to inform the final decision. If the proposed changes are approved then further specific impacts relating to new local mobile library arrangements will be considered as part of the process.

Related impact assessments

The library strategy includes proposed changes to opening hours in static libraries which are being assessed separately. Impacts from both will be included in the final report before a decision is made.

Changes to bus subsidies introduced in April 2011 have a linked impact to the proposals outlined here, an impact assessment on the bus subsidies was completed at the time and identified that reducing contracted bus services would have a greater potential negative impact upon women, older, younger and disabled users. Consultation indicated preferences for maintaining daytime services which could limit the impact in relation to accessing services, e.g. employment, education, childcare, health appointments however reducing services on evenings and Sundays has a negative impact on some groups, e.g. in relation to social activities, those with care responsibilities, hospital visiting or evening and weekend work patterns.

Evidence from the impact assessment on leisure centre closures will also be considered in the full assessment, whilst the proposals are fundamentally different the consultation and final assessment could provide relevant information on changes to local services and mitigating actions.

A review of community buildings is currently underway, any relevant evidence will also be considered as part of this review.

What evidence do you have to support your findings?

Library user profile – information on active borrowers has been collected from the Halcyon system. Whilst library members are not required to record their equality information there are a number of categories which can provide indicative evidence on age, gender and disability. There is no information available on transgender status, ethnic background, religion or belief and sexual orientation, whilst no services are specifically targeted at these groups there may be evidence from consultation responses which can be used in the final assessment.

HR Profile information – initial evidence of age and gender profile, further information will be considered but may not be included in the final assessment as numbers are so small.

Consultation analysis - Responses from Public Library User Survey for mobile library users (2011)

The 2011 County Durham Mobile Library User Survey was distributed in May 2011 to all 5 Durham County Council mobile libraries, 264 responses were received.

- Almost three-quarters of respondents (74%) were aged over 65. (40% in static library survey).
- 78% of respondents were female (60% in static library survey).
- Over half of all respondents (52%) own a car (65% are car owners in static library survey).
- 73% of respondents were retired from work (47% of static library respondents).
- 7% of respondents were economically active (31% in libraries).
- 59% of respondents reported that they had one or more of the listed disabilities/conditions. (43% in static library users).
- 2% of respondents had been users for less than one year

Responses relating to the accessibility of mobile libraries were very positive, with 100% finding the library stop easy to get to. This was reinforced with 91% of respondents able to walk to the library stop, with 84% getting there within 5 minutes.

6% of mobile library respondents drove to the mobile library stop, compared to 36% of static library users. Over half (52%) of mobile library respondents own a car. A quarter of respondents (26%) use the mobile library as well as accessing a static County Durham library, this varied between 14% and 48% at individual mobile library level. 36% of car owners accessed both a mobile and static library.

Further work - these proposed changes will be subject to formal consultation if approved by Cabinet. This consultation would provide further evidence to support a full impact assessment. Consultation monitoring would identify protected characteristic groups and their responses.

Decision: Proceed to full impact assessment – Yes

Date: 12th October 2011

If you have answered 'No' you need to pass the completed form for approval & sign off.

Section two: Identifying impacts and evidence- Equality and Diversity

Section overview: this section identifies whether there are any impacts on equality/diversity/cohesion, what evidence is available to support the conclusion and what further action is needed.			
	Identify the impact: does this increase differences or does it aim to reduce gaps for particular groups?	Explain your conclusion, including relevant evidence and consultation you have considered.	What further action is required? (Include in Sect. 3 action plan)
Gender	<p>There are impacts on both men and women through potential loss of or limited access to local mobile library provision. Where a mobile halt is being withdrawn the impacts include additional travel, associated costs and time commitment, for some who are unable to travel this may mean they cannot access local library services. Where there are changes to location or duration of a halt this could limit access and again for some may mean they cannot access the service.</p> <p>Women are likely to be affected by changes as they currently make up a greater proportion of mobile library users and tend to use local services which fit in with caring responsibilities, work patterns and access to transport. Older women, pregnant women</p>	<p>Durham's older population has more women than men, these women often live alone and are less likely to have access to a car so more likely to rely on local services they can reach on foot or on public transport.</p> <p>Whilst gender is not specifically included on membership records the system does include 'Mr', 'Mrs' 'Miss' etc analysis of this shows: Female registered members – 2,853 Male registered members - 1,345</p> <p>The Durham mobile library user survey in 2011 showed 78% of respondents were female and 22% male.</p> <p>The survey also showed that 91% of respondents had walked to the library while 6% drove there, this compares with 47% of those walking to a static library and 36% driving (responses to over 16s library survey). 52% of mobile library respondents said they owned a car compared to 65% using a static</p>	<p>Should the proposal be approved by Cabinet the following actions apply to all equality groups:</p> <p>Maintaining mobile library services in communities farthest from a static library is included in the proposal as a mitigating action.</p> <p>Consultation – ensure this is accessible to all and equality monitoring/responses are analysed for inclusion in final assessment.</p> <p>Revised locations</p>

	<p>and those with young babies may also be more likely to use local facilities which require no or minimal travel. The survey evidence cited opposite shows that respondents were more likely to walk with 84% of respondents taking less than 5 minutes to reach the mobile. The majority are older women who only use the mobile library service. This group is likely to be affected most by any change.</p> <p>Men may be affected by changes in timings and duration as they are more likely to work full time or longer hours which restricts their access to services and opportunities to participate in events or family activities, although the same is true for working parents of both sexes. Mobile library statistics show that lower numbers of men currently use the service.</p> <p>The majority of staff affected are male.</p>	<p>library. In relation to employment mobile library users responding to the survey were more likely to be retired (73% compared to 47% in the static library survey). Only 2% were employed full time, a further 2% worked part time and 9% were 'looking after the home'. 97% thought availability of mobile library services was good or very good. 74% said they did not use a static library. Whilst this evidence is not specific to gender it does provide an indication given the high percentage of female users.</p>	<p>and halt durations would be subject to local consultation which could identify specific impacts.</p> <p>Ensure that the Change Management Toolkit is followed to ensure fair treatment for staff</p>
<p>Age</p>	<p>Durham's older population has more women than men, these</p>	<p>The 2011 mobile library user survey received 74% of responses from over 65 year olds, with</p>	<p>In addition to the general actions listed</p>

	<p>women often live alone and are less likely to have access to a car so more likely to rely on local services they can reach on foot or on public transport. The membership and survey evidence cited above in relation to gender shows that older women are more likely to use mobile library services. This group is most likely to be affected by any changes both in relation to withdrawal of services and the location or duration of halts.</p> <p>Where there will be a single halt this may restrict access for people with limited mobility who cannot walk far and do not have access to transport.</p> <p>The proposed withdrawal of mobile services within a 4 mile catchment of a static library may also impact on those in employment or education.</p> <p>Recent changes to public transport mean some communities have nil or reduced services on evenings and weekends which could mean</p>	<p>26% aged 16 to 64. See the evidence above regarding travel, car ownership and employment status.</p> <p>The mitigating actions include considering the location of single halts in relation to older people's accommodation, schools and other local services to identify sites which may be more accessible. Safe access will also be considered such as where there is street lighting, road crossings and bus stops – this will take into account the needs of vulnerable older or younger people. i.e. we will site halts in safe locations.</p>	<p>above: Consider proximity of older people's accommodation, schools and other local services along with perceived safety issues in proposals for location of single halts.</p> <p>Ensure that information about Books on Wheels service is made available as an alternative for older or disabled people.</p> <p>Further information on community transport to be considered as mitigating action in the final assessment.</p>
--	---	---	--

	they are unable to access alternative static library services at a convenient time. This impact could be increased by the proposed changes to library opening hours.		
Disability	<p>Disabled people may find the mobile library easier to use independently where they do not have access to transport.</p> <p>Withdrawal of the services may mean that disabled people are unable to access an alternative and changes to location or duration of halts may also mean they cannot access the revised service.</p> <p>There may be further specific impacts depending on the nature of someone's disability – for example people with learning disabilities may be more affected by changes to the service or feel more reluctant to use alternatives.</p> <p>There are potential health and wellbeing impacts for disabled people if they are no longer able to access library provision. This</p>	<p>Some disabled people may rely on carers or other family members to accompany them, also access to alternative libraries could be affected by limited access to personal or public transport.</p> <p>There is national and local evidence that some people with learning disabilities are affected by changes in service, this may increase the risk that they stop using library services.</p> <p>Disability is not included on membership records. Active borrowers data shows 77 people categorised as 'concessionary' which provides specific benefits for disabled people. Whilst this figure is low it does provide an indication.</p> <p>The mobile library user survey 2011 recorded responses on specific disabilities. Of those using mobile libraries 41% of respondents to this question recorded no disability or health condition, the remaining responses were:</p> <ul style="list-style-type: none"> • Hearing – 20% • Eyesight – 25% • Hands/fingers – 8% 	<p>In addition to the general actions listed above:</p> <p>Consider accessible routes and perceived safety issues in proposals for location of single halts.</p> <p>Ensure that information about Books on Wheels service is made available as an alternative for older or disabled people.</p> <p>Further information on community and accessible transport to be considered as mitigating action in the final assessment.</p>

	<p>includes physical impacts in relation to general health or managing their condition (through access to health information leaflets) as well as mental wellbeing if social interaction is lost. Disabled people may be more likely to feel isolated without these opportunities.</p> <p>Staff profile information on disability is not available at this stage but will be considered in the final assessment and reasonable adjustments will be considered in any consultation or proposed changes to individual work patterns. The staff numbers are small so disability figures will not be reported in the final assessment.</p>	<ul style="list-style-type: none"> • Mobility – 33% <p>8% of respondents said they were 'permanently sick or disabled'.</p>	
Race/Ethnicity	<p>Mobile libraries are equally accessible to all racial / ethnic groups.</p> <p>There is no evidence available at present of specific impact through changes to mobile libraries.</p>	<p>There are traveller sites in the county which may be affected by proposed changes, current mobile routes do not include halts at these sites but may be used by residents.</p>	<p>In addition to general actions above:</p> <p>Consider the potential impact on traveller communities living on sites in the county.</p>

Religion or belief	Mobile libraries are equally accessible to all groups. There is no evidence available of specific impact and no targeted provision in relation to religion or belief.		General actions listed above
Sexual orientation	Mobile libraries are equally accessible regardless of sexual orientation. There is no evidence available of specific impact and no targeted provision in relation to sexual orientation.		General actions listed above

How will this promote positive relationships between different communities?

Mobile Libraries provide access to books, information, and works of creative imagination, ensuring equality of access by actively taking stock out to local communities across County Durham. They support access to Council services in local areas. Withdrawal or reduction of mobile services is likely to have a negative effect on communities particularly where other local services have been lost.

Maintaining some of the service in the remotest areas of the county aims to mitigate this to a certain extent.

Section three: Review and Conclusion

Summary: please provide a brief overview, including impact, changes, improvements and any gaps in evidence.

The equality impacts of changing the mobile library service has potential negative impacts on library users and staff. The initial assessment suggests negative impacts are more likely to affect people because of their gender (particularly older women but including pregnancy or maternity), age (particularly older and younger people) and disability. The likely impacts relate to withdrawal of or reduction in access to library services which may mean they are no longer able to use the service or need to find alternative libraries requiring additional travel, cost or time commitment; or alternative provision such as online services or Books on Wheels. Changes to the location and duration of halts may create difficulties for older or disabled people due to increased walking distance (or for those using wheelchair/mobility scooter) and lack of access to transport; those in education or employment may also find accessing alternatives at a convenient time difficult; older, younger and disabled people may also feel more vulnerable depending upon the location of the single halt in relation to safe routes, street lighting and other local services.

There may be potential impact on race, further evidence is needed on access for residents of traveller sites.

There is no evidence at this stage of a specific impact in relation to transgender, religion or belief and sexual orientation but if the proposal is approved they will be considered again following consultation.

Staff profile shows the majority of staff are men aged over 30, further information will be considered in the final assessment but will not be recorded due to the low numbers involved.

There are potential cumulative impacts associated with recent reductions in bus subsidies which mean that some communities have reduced or no bus service particularly at evenings and weekends, this will further limit access to alternative static libraries for those without private transport. The proposals to change static library opening hours may also have an impact on some mobile library users, both assessments will be considered in reports to Cabinet.

Initial mitigating actions include consideration of local need in agreeing the final changes in each community, alternative services such as Books on Wheels and access to community or other transport.

Action to be taken	Officer responsible	Target Date	In which plan will this action appear
Updated EIA to be completed if Cabinet approval for	Anne Davison	January 2012	n/a

progression to consultation			
Further update of initial EIA to be completed on conclusion of consultation period with evidence from Equalities monitoring data.	Anne Davison	July 2012	n/a
HR evidence to be considered in final EIA	Anne Davison	June 2012	n/a
<p>If the proposal is approved by Cabinet the following actions will apply:</p> <p>Consultation – ensure this is accessible to all and equality monitoring/responses are analysed for inclusion in final assessment.</p> <p>Revised locations and halt durations would be subject to local consultation which could identify specific impacts.</p> <p>Ensure that the Change Management Toolkit is followed to ensure fair treatment for staff</p>	Anne Davison	June 2012	n/a
<p>If the proposal is approved following consultation:</p> <p>In relation to age:</p> <ul style="list-style-type: none"> • Consider proximity of older people’s accommodation, schools and other local services along with perceived safety issues in proposals for location of single halts. • Ensure that information about Books on Wheels service is made available as an alternative for older or disabled people. • Further information on community transport to be considered as mitigating action in the final assessment. 	Anne Davison	tbc	Tbc

<p>In relation to disability:</p> <ul style="list-style-type: none"> • Consider accessible routes and perceived safety issues in proposals for location of single halts. • Ensure that information about Books on Wheels service is made available as an alternative for older or disabled people. • Further information on community and accessible transport to be considered as mitigating action in the final assessment. <p>In relation to race/ethnicity:</p> <ul style="list-style-type: none"> • Consider the potential impact on traveller communities living on sites in the county. 			
When will this assessment be reviewed?	Date: February 2012 following Cabinet decision		
Are there any additional assessments that need to be undertaken in relation to this assessment?	Opening Hours EIA to be completed in tandem		
Lead officer - sign off: Strategic Manager Libraries			Date: 16 Dec 2012
Service equality representative - sign off: Head of Social Inclusion			Date: 16 Dec 2012

This page is intentionally left blank