



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** on **12 SEPTEMBER 2012**.

The decisions will come into force and may be implemented from **24 SEPTEMBER 2012** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Local Council Tax Support Scheme and Review of Discretionary Council Tax Discount on Unoccupied Properties. Key Decision CORP/R/12/01

Summary

The Cabinet considered a report of the Corporate Director, Resources which set out a proposed Local Council Tax Support Scheme (LCTS) to be implemented from 1 April 2013 and proposed a number of technical changes to Council Tax discounts on empty properties in order to generate additional council tax income for the Council with effect from 1 April 2013.

The Government is abolishing the national Council Tax Benefits (CTB) system and introducing the requirement for Councils to develop, publish and consult, then approve (by 31 January 2013) and implement Local Council Tax Support Schemes from 1 April 2013. Government support to the new scheme will be fixed and equate to 90% of the forecast CTB costs in 2013/14, whereas the under the current system as claimant numbers (and cost) increase or decrease so does Government support.

The new scheme must fully protect pensioners, with any reductions in entitlement being borne by working age claimants. In County Durham c50% of current CTB claimants are pensioners, meaning that working age claimants, face a c20% reduction in entitlement if the grant cut is passed on through a new LCTS scheme.

As part of its Technical Reforms of Council Tax, the Government is proposing to provide increased discretion to change discount awards relating to three classes of empty property discount, which are currently subject to statutory limitations, plus the ability to charge a premium (up to 50% extra) on long term empty properties and the ability to remove the discount on second homes.

These discretions would be available from 1 April 2013. In terms of Class C exemptions, the Government is also providing discretion over the qualifying period for the discount.

The introduction of the new LCTSS will have the effect of reducing the Council's tax base, whereas any reduction or removal of discounts and exemptions will increase the tax base.

The Government has published proposals to financially protect Parish and Town Councils from the impact of the local council tax support scheme, which will result in a further "cost shunt" to the Council and the police and fire authorities.

Withdrawing discounts awarded at Class A, C and L; removing the remaining 10% discount of second homes and charging an empty property premium on properties that are long-term empty (i.e. 2 years or more) of up to 150% of the full council tax would increase the Council Tax Base and generate additional Council Tax, broadly in line with the net impact of the introduction of the LCTSS. This would therefore have a neutral impact on the 2013/14 budget, with one policy decision effectively cancelling out the impact of the other.

The Council and its major precepting authorities (the Police and Fire authorities) are to receive a new un-ringfenced grant in 2013/14, equal to 90% of the Governments forecast of what would have been CTB entitlement in 2013/14 had the current scheme continued. The forecasts are based on national trends and the Office of Budget Responsibility's (OBR) estimates and as such may not reflect local circumstances in County Durham.

The Council's grant will include a sum relating to 90% of the Town and Parish element of the OBR forecast of current CTB expenditure and the remaining 10% will become a cost to the Council, Police Authority and Fire Authority This cost could be offset in part by the removal of the current £250k "double taxation" grant paid to Town and Parish Councils, who would potentially receive an increase in their taxable capacity as a result of the proposed reductions in discounts set out in the report, and this will be considered as part of the planned consultation process.

The proposals will be subject to consultation, in accordance with the consultation and communication plan. The outcome of the consultation will be reported to Special Cabinet on 19 December 2012, before the LCTSS is formally considered and approved by Council on 9 January 2013.

There is a statutory requirement to publish and consult on the Council's proposals with regards to the new LCTSS and the proposal is to publish and adopt the Government's default scheme, which seeks to maintain the current levels of support for 2013/14 only.

The Government is proposing to allow the Council to withdraw the discounts at Class A; C and L; remove the current 10% discount on second homes; and to charge an empty property premium on properties that are long-term empty (i.e. 2 years or more) of up to 150% of the full council tax.

There are a number of risks associated with the new LCTSS, not least of which is increased take-up and the consequential transfer of risk to the Council, plus the associated ICT software and systems related costs and issues. The financial risks to the Council have increased as a result of the consultation paper on town and parish protection published on 28 August 2012.

The proposals represent a pragmatic response to the challenges faced by these changes; however, the scheme will be kept under continuous review in terms of affordability and sustainability during 2013/14. Any changes to the LCTSS will need to be consulted on and, should any changes be proposed, a report would need be brought back to Cabinet in September 2013 before embarking on consultation in Autumn 2013.

Decision

The Cabinet agreed:

- (i) To undertake consultation on introducing a Local Council Tax Support Scheme from 1 April 2013, and the associated reforms to council tax, that retains the same level as support to council tax payers as the current Council Tax Benefit Scheme;
- (ii) That the Scheme be initially introduced for one year only and be kept under continuous review with a further decision to be considered by Cabinet in September 2013;
- (iii) To delegate approval for the Corporate Director of Resources, in consultation with the Portfolio Holder for Resources, to revise and update the Council's Hardship Relief Policy;
- (iv) To undertake consultation with the Town and Parish Councils on the Government's proposals to financially protect them from the impact of the local council tax support scheme and the potential detrimental financial impact this will have on the Council from 1 April 2013. The potential removal of the current £250k "double taxation" grant paid to Town and Parish Councils will be considered as part of the consultation process.

Introduction of a Countywide Allotment Lettings Policy Key Decision NS/16/12

Summary

The Cabinet considered a report of the Corporate Director of Neighbourhood Services which provided an update following the consultation exercise undertaken in relation to the introduction of a countywide allotment lettings policy, and to sought authorisation for the updated policy to be formally adopted.

A report presented to Cabinet on 13 April 2011 outlined the Council's proposals to introduce a countywide allotment lettings policy. Cabinet agreed that before the proposed policy be adopted it should be subject to a public consultation. The policy applies to County Council directly managed allotments and not those managed by Town and Parish Councils or allotment associations.

The consultation exercise was undertaken via both a postal and an online questionnaire. This was undertaken in the period October to December 2011 to ascertain the opinions of not only DCC allotment holders, those on waiting lists but also those with a vested interest in allotments along with the general public.

A total of 1,363 postal questionnaires were issued with 526 returns giving a response rate of 38.6%. A total of 290 people also responded online. Consultees included:

- (a) All Allotment Associations
- (b) The National Society of Allotment and Leisure Gardeners
- (c) General Public
- (d) Allotment holders
- (e) Individuals on allotment waiting lists

All consultees were asked to respond to a series of questions that covered the following areas of interest that had been embodied into the proposed policy.

- (a) Waiting list arrangements and criteria to apply for an allotment
- (b) Levels of rent and tenancy agreements
- (c) Which areas should be classed as allotments
- (d) Regulation of use
- (e) Keeping of animals
- (f) Enforcement of the policy

In general the proposed policy was received well by all stakeholders and it is apparent that a clearer and more robust policy framework would be welcomed by all those involved with allotments. Whilst there has clearly been support for the policy, this is not to say that the consultation process has not raised a range of issues that have influenced thinking around the policy. In particular the following issues have emerged from the consultation process, and as a result a number of changes to the original policy, presented to Cabinet in April 2011, are proposed. Namely changes to:

- a. Co-worker and transfer arrangements,
- b. Scope of sites to which the policy will apply,
- c. Criminal and anti-social behaviour procedures,
- d. Use of barbed wire
- e. Use and supply of water
- f. Allowing the use for large animals on sites (dogs, horses, ponies and donkeys).

Co-worker and transfer arrangements: The consultation response with regards to co-workers and the transfer of tenancy agreements highlighted a difference of opinion between current tenants and those on a waiting list. Not surprisingly those on waiting lists did not support the transfer of allotments to co-workers and preferred that waiting lists took priority. Current tenants however favoured the option to transfer to a co-worker. It is therefore proposed to retain the policy of allowing the transfer to a co-worker, however, the policy is amended to state that the co-worker must have been registered with the Council for a period no less than 3 years, or as long as the next person to be offered a plot on the waiting list. This is a significant change from the 6 months stated in the draft policy. Any appeal with regards to the application of this policy will be dealt with by the relevant Head of Service.

Because of past problems with some tenants having ostensibly “sublet” their allotment without authority from the Council it is also proposed to offer up a period of amnesty, in which those who have sub let allotment plots can disclose the actual occupier of the site. Those who cooperate with the amnesty will have the sites transferred.

Scope of sites to which the policy will apply: Some sites although designated as allotments are not suitable for the growing of vegetables and therefore would not come within the statutory definition of an allotment garden. These sites tend to be those where horses and other animals are kept, or indeed are used for storage by tenants. This, it is suspected is often for business purposes.

To ensure the lettings policy is applied to the correct type of sites it will be necessary to categorize those sites which fall within the policy, i.e. it would not be fair or indeed practical to attempt to apply this policy to sites which can not be cultivated.

Criminal and anti-social behaviour procedures: A number of sites can also be described as problem sites where often anti social behaviour and criminal activity takes place either on the site or in close proximity to it. In order to deal with such matters it is proposed that a multi agency approach will be adopted, this will include representation from Police, Fire, Housing Association, Town or Parish Council and include elected members. This approach has proved to be effective in dealing with such issues. The policy has also been updated to reflect concerns relating to crime, violence and intimidation by allotment holders.

Use of Barbed wire: The original policy banned the use of barbed wire, more than half of the respondents wished to retain its use and the policy has been amended to allow its use. However, it is made clear that this is entirely the responsibility of the tenant and tenant will be made aware of the legislation governing the use of barbed wire.

Use and supply of water: Although the consultation shows considerable support for the provision of free mains water, there is a need to control the usage. The original policy placed a responsibility on sites with a supply to meet the cost. It is therefore intended to retain a charge for mains water. However, in order to ensure this is done in a fair and consistent manner a further consultation will be undertaken with those sites.

Allowing the keeping of Dogs, Horses, Ponies and Donkeys on Allotment Sites: A number of current sites categorised as allotments are currently used to house large animals. This is in clear conflict to the definition of an allotment garden. Following legal advice it is proposed therefore that the keeping of large animals as highlighted should not be allowed on allotment gardens and any reference to allowing large animals should be removed from the councils letting policy.

The consultation has demonstrated considerable support for the new policy, it will be important to move forward with the implementation of the policy in a planned and timely manner. This will involve a number of phases to the implementation of the policy as listed in the report.

Decision

Cabinet agreed the formal adoption of a Countywide Allotment Lettings Policy and the proposed actions set out in the report.

The County Durham Plan: Evidence Base

Summary

The Cabinet considered a report of the Corporate Director, Regeneration and Economic Development which sought approval for a number of evidence base documents that support the preparation of the County Durham Plan. In order that this evidence has sufficient weight to support the Plan and to allow them to be referred to in planning decisions they must be approved by Cabinet. The documents concerned are:

- i. Settlement Study;
- ii. Strategic Housing Market Assessment;
- iii. Durham Green Belt Phase 3;
- iv. Affordable Housing and CIL Development Viability Study;
- v. Water Cycle Study; and
- vi. Green Infrastructure Strategy.

A robust and credible evidence base is integral to preparing a sound Local Plan.

Settlement Study

The Settlement Study assesses each settlement in County Durham's access to services and facilities including; public transport, education, shops and employment. This information has been used to understand the existing role and relationships of settlements.

This information is then used to devise a Settlement Hierarchy of settlements with six different tiers: Main Towns; Smaller Towns and Larger Villages; Local Service Centres; Large Villages; Small Villages; and Hamlets.

The settlement hierarchy underpins the Spatial Strategy in the Plan and ensures development is directed to the most sustainable locations in proximity to services and facilities. It makes sense for most new housing to be built in larger settlements which have a better range of facilities and services. However, it is also recognised that smaller settlements need new development to ensure they have a sustainable future.

The Study also helps to identify those settlements with fewer amenities, to ensure that existing facilities are protected and new ones encouraged.

This final Study also takes into account responses to two previous rounds of consultation undertaken in July and December 2012.

Strategic Housing Market Assessment

The 2012 County Durham Strategic Housing Market Assessment (SHMA) underpins policies in the County Durham Plan and will inform other housing policies and strategies. This document provides an up-to-date analysis of the social, economic, housing and demographic situation across the County. The Study has been informed by a major household survey as well as interviews with stakeholders and a review of existing data.

The findings from the study will provide a robust and defensible evidence base for the Plan and which conforms to the Government's SHMA guidance. The modelling of primary and secondary data is combined to produce information on four core areas: a review of housing markets; an assessment of housing need and affordable housing requirements; a review of general housing requirements.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households within County Durham and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). The overall net shortfall is **968 affordable dwellings** across County Durham each year. This figure is a measure of the extent to which the requirement for affordable housing is greater than the current supply.

The Homes and Communities Agency (HCA) Affordable Homes Programme is likely to deliver around 235 affordable rented homes per annum in the next three years through our partner housing associations. Added to this the HCA's empty homes programme should deliver an additional 50 units each year and the FirstBuy scheme another 50 units of shared equity properties (via private builders).

We therefore anticipate an overall total of around 335 units per annum. The previous two years have averaged around 350 units per annum.

The gap between the SHMA requirements and our affordable homes programme may be further narrowed by an anticipated supply of 25 units of affordable housing per annum being delivered through s106 agreements with private developers.

A full programme of affordable housing provision needs to be devised to demonstrate the extent to which the net affordable housing requirements identified in the SHMA can be delivered. This will be the subject of a further report.

In terms of the split between social rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households. This suggests a tenure split of 73.3% affordable (social) rented and 26.7% intermediate tenure.

These figures have been translated into Policy 31 (Addressing Housing Need) although the affordable housing requirements from the SHMA have been amended to reflect the viability evidence in the Affordable Housing and CIL Development Viability Study.

The SHMA also identifies that addressing the accommodation requirements of older people is a major strategic challenge for the Council and will only become more so over the next few decades, as the number of residents aged 65 or over is projected to increase dramatically. The evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation. These conclusions have been reflected in the policies of the Plan.

Durham Green Belt Phase 3

This is the third phase of a study to determine the most appropriate sites to accommodate housing development in the Green Belt immediately adjoining Durham City needed to deliver the Spatial Strategy of the Plan.

The Stage 3 report brings together the work in the other two assessments including Sustainability Appraisal. As the quantum of development required in Durham City is now known it then identifies the preferred strategic sites that are needed to meet this requirement. The preferred sites, believed to be the most suitable for development are:

- Sniperley Park
- North of the Arnison Centre
- Sherburn Road

The following sites are not required to meet the housing requirement for Durham City:

- Sherburn Grange: Although this site is relatively close to the existing urban area and facilities and services it would be relatively self contained and not relate well to adjoin housing and facilities primarily due to the severance affect of the A1. Because of the size of the site, its development would lead to a significant increase in traffic on already congested routes with no easy means of mitigation. Unless carefully considered, development here could also lead to the coalescence of Durham City and Sherburn Village.
- Merryoaks: Although relatively close to existing urban area there are currently few local facilities in the immediate area. Its development would also lead to transport impacts without a new junction onto the A167. Now that the site is being considered separately to the Mount Oswald site it is now too small to be considered as a strategic site and has therefore been removed from the Green Belt assessment process and instead considered as a potential housing allocation.

Affordable Housing and CIL Development Viability Study (AH&CIL VS)

This Study provides evidence on the financial viability implications of introducing a Community Infrastructure Levy (CIL) and Affordable Housing targets as part of the County Durham Plan. Proposed CIL rates are set out in the CIL Rationale and Preliminary Charging Schedule that was approved by Cabinet in July and the Affordable Housing Targets are set out in Policy 31 of the County Durham Plan that was also approved at Cabinet.

The amount of CIL or affordable housing requested from developers is justified by the viability evidence contained in the AH&CIL VS, principally using site appraisals for different types of development such as housing or retail. The viability work is based on a number of modelled test sites based around County Durham for both residential and commercial uses. The test sites have had a number of assumptions on costs and revenues applied to them.

The viability analysis is based on a residual land valuation methodology that is commonly used by developers to work out how much they can afford to pay for a plot of land before developing the land. Once the land value is calculated, the AH&CIL VS sets out how much 'Additional (or super) Profit' is left over once land price, construction, fees, finance and developers profit have been deducted from the Gross Development Value of the site.

The detailed evidence in the AH&CIL VS shows that there is sufficient Additional Profit in the test sites for the following affordable housing targets in the following areas:

- North Durham 15%
- South Durham 15%
- West Durham 25%
- Central Durham 20%
- East Durham 10%

The viability evidence also indicates that there is enough additional profit to justify a CIL charge. The three areas that will carry a CIL charge are; a Strategic Zone to the north west of Durham City which includes the proposed strategic housing sites of Sniperley Park and North of Arnison; a zone for Durham City area and Chester-le-Street; and a zone of the rest of the County.

The different charging rates for each type of development in each zone relate to the viability in that area and were approved by Cabinet in July.

Before the County Durham Plan and the Draft charging Schedule is submitted for Examination, the viability work will need to be altered to take account of representations received in the forthcoming consultation and extended to cover the housing allocations and other policies in the County Durham Plan that place a financial burden on development.

Water Cycle Study

A key component of the Infrastructure Delivery Plan (IDP) is the evidence contained in the Water Cycle Study (WCS). The WCS assesses the potential impacts of growth on:

- Water supply;
- Sewerage Treatment Works (STW's);
- Water quality; and
- Surface water flooding (Surface Water Management Plan).

There are three key organisations involved in water management in County Durham, Northumbria Water Ltd, DCC and the Environment Agency. The WCS is the process that brings the partners together to combine all the available knowledge and information. This partnership has helped identify potential issues between growth proposals, existing infrastructure and environmental requirements as well as identifying potential solutions to address them.

The Study concludes that flood risk, water supply and water quality are not likely to present an insurmountable barrier to future development. However, they all need to be taken into consideration prior to development. The key issue relating to strategic planning is the timing of investment in Sewerage Treatment Works (STWs). The Water Cycle Study identifies 17 STW's in County Durham that are close to capacity and will require investment in the plan period. Of particular importance to our growth aspirations, is the timely investment in STW's in Durham City and Newton Aycliffe. This information has been used to inform the phasing of housing allocations in the Plan.

Green Infrastructure Strategy

The term 'green infrastructure' (GI) is used to refer to green spaces in and around towns and villages and in the open countryside. It fulfils a range of functions: providing venues for access and recreation; producing food; supporting biodiversity; supporting the economy; producing energy; supporting healthy lifestyles; helping to define the character of the landscape; improving the environment of our towns and villages; and managing water resources.

It is important to emphasise that the purpose of green infrastructure is to enhance development and not to impose an undue burden on developers thereby acting as a barrier to development. As a result the Green Infrastructure Strategy:

- Allows for more effective co-ordination in the planning of settlements, ensuring that new development can come forward and deliver benefits where they are needed, ensuring that GI does not act as a barrier to new development;
- Identifies which elements of green infrastructure are significant and should be protected
- Identifies where there are shortages in particular types of green infrastructure – for example, which settlements have insufficient parks and play areas;
- Identifies the best opportunities for green infrastructure and creation – where investment could have the greatest beneficial effect or where resources should be focused;
- Acts as a basis for planning policy on green infrastructure in the context of new development – showing how new development can include sufficient good-quality green spaces and other GI features; and
- Provides a framework to access funding.

The Strategy's findings are arranged thematically and spatially. Thematic priorities include, as an example, ensuring that all residents have access to adequate good-quality public open space. Spatial priorities include, for example, ensuring that the Strategic Housing Sites proposed around Durham City include adequate green infrastructure.

The GI strategy's main priorities have been translated into planning policies, within the County Durham Plan, which protect existing GI and require new GI to be created in association with new development. It will also give rise to a series of locally-specific GI Implementation Plans, one for each AAP area. These Plans will take into account the work and aspirations of the Council and its partner organisations, together with the priorities identified in the Strategy, and will set out suites of projects to deliver the recommendations of the GI Strategy at a local level.

Although not subject to specific consultation these documents support specific aspects of the County Durham Plan and the CIL Preliminary Charging Schedule and can therefore be commented on as part of the consultation being undertaken between 10 September and 2 November 2012. In addition, copies of the SHMA and the Affordable Housing and CIL Development Viability Study have been circulated to stakeholders for specific comment during August.

Decision

Cabinet agreed the following evidence based documents:

- Settlement Study;
- Strategic Housing Market Assessment
- Durham Green Belt Phase 3;
- Affordable Housing and CIL Development Viability Study;
- Water Cycle Study; and
- Green Infrastructure Strategy.

Quarter 1 2012/13 Performance Management Report

Summary

Cabinet considered a report of the Assistant Chief Executive which presented progress against the council's corporate basket of performance indicators (PIs) and report other significant performance issues for the first quarter of 2012/13.

Decision

Cabinet noted the performance of the council at quarter 1 and the actions to remedy under performance and agreed all changes to the Council Plan outlined below:

Altogether Wealthier

- i. Prepare for and deliver key regeneration and housing projects in the city to stimulate investment and maximise job opportunities:
 - Aykley Heads: Planning application for phase one (Police HQ) by September 2012. Revised date March 2017.
 - Freemans Reach, former ice rink: Planning submission by July 2012. Revised date December 2015.
- ii. Deliver phased implementations of the key town regeneration frameworks including:
 - Resolve the position with Festival Walk, Spennymoor by April 2012. Revised date September 2013.
 - St Johns Square, Seaham: completion of Public Realm works by June 2012. Revised date December 2012.
 - Deliver the redevelopment of Witham Wall, Barnard Castle by March 2013. Revised date September 2013.
- iii. Implement capital improvement schemes from the Local Transport Plan to improve accessibility between our main towns by December 2015. Revised date March 2016.
- iv. Complete planned public transport improvements on the 7 key corridors to improve punctuality, reliability and attractiveness of bus travel. Revised date March 2019.
- v. Facilitate and expand broadband connections for our residents and businesses to encourage home working in rural communities. Revised date March 2016.

- vi. Through a European funded project, work to support 1,265 residents which includes supporting 316 residents into work through an employment support programme by December 2014. Revised date March 2016.

Altogether Better for Children and Young People

- vii. Develop a fixed play policy for the county that optimises opportunity and access to play facilities by September 2012. Revised date March 2013.

Altogether Healthier

- viii. Review the provision of in house day services following the re-procurement of independent sector day services by June 2013. Revised date September 2013.

Altogether Safer

- ix. Develop and embed community resilience across the county by June 2012. Revised date unknown.

Altogether Greener

- x. Develop an open space strategy to incorporate countryside, play events, playing pitches, parks, allotments by April 2013. Revised date December 2013.

Altogether Better Council

- xi. Introduce a 360° appraisal process for managers aligned to the generic managerial and leadership competency framework by April 2012. Revised date September 2012.
- xii. Development of Service Asset Management Plans by September 2012. Revised date April 2013.
- xiii. Manage the Disposal Strategy to ensure delivery of £12m over 3 years by March 2014. Revised date March 2016
- xiv. Internal communications review: through focus groups and survey of staff by May 2012. Revised date October 2012.
- xv. Develop an internal communications strategy incorporating new intranet site and options for social media by August 2012. Revised date November 2012.
- xvi. Develop a social media strategy by August 2012. Revised date November 2012.
- xvii. Implement the results of the AAP Scrutiny review - report to Overview and Scrutiny on action and progress of sub groups by April 2012. Revised date October 2012.
- xviii. Develop a new Sustainable Community Strategy - Report to Cabinet by March 2013. Revised date September 2013.
- xix. Undertake a series of internet improvements including a revamp of DCC website homepage and information pages by October 2012. Revised date January 2013.

Deleted actions

Altogether Wealthier

- xx. Plan for a railway station in East Durham on the Durham Coast Railway – December 2015

Altogether Healthier

- xxi. Working with partners and clinical commissioning groups to review all joint commissioning strategies for County Durham, to ensure they are fit for purpose and designed to achieve strategic health and wellbeing outcomes for local people - long term conditions by March 2014.

Altogether Greener

- xxii. Implement the County Durham Low Carbon Masterplan by March 2016.
- xxiii. Contribute to the development of emerging local area delivery groups and their associated action plans for groups including: the Limestone Landscape Partnership; the Heart of Durham Landscape Partnership; Heart of Teesdale; the Derwent Valley and Pennine Fringe Partnership (2012-2014).

Forecast of Revenue and Capital Outturn 2012/13 for General Fund and Housing Revenue Account – Period to 30 June 2012

Summary

The Cabinet considered a report of the Assistant Chief Executive which provided a forecast of 2012/13 revenue and capital outturn for the period to 30 June 2012 for the Council's General Fund and Housing Revenue Account.

Decision

Cabinet agreed to:

- Note the projected change in the Council's overall financial position for 2012/13.
- Approve the proposed 'sums outside the cash limit'.
- Note the revenue and capital budget adjustments.
- Approve taking a report to MOWG in respect of a revision to the Capital Programme in respect of the £0.475m for recent flood incidents.
- Note the forecast use of Earmarked Reserves.
- Note the forecast end of year position for the Cash Limit underspend reserves.
- Note the position for the Capital Programme,
- Note the position for the Housing Revenue Account.

Social Care Reform

Summary

The Cabinet considered a report of the Corporate Director of Children and Adults Services which provided a summary of the following documents published by the Department of Health on 11th July 2012:

- Reforming Care and Support White Paper
- Draft Care and Support Bill
- Progress Report on Social Care Funding

The Reforming Care and Support White Paper sets out a range of actions which the Government and its partners will take forward, in order to reform care and support.

The draft Care and Support Bill has been published for consultation and pre-legislative scrutiny in Parliament in the coming year.

Following publication of the Progress Report on Social Care Funding, the Government will continue to engage with the sector, with users and carers, and with the Official Opposition on the detail underpinning the principles of the capped cost model.

The government will invest £300m over the period 2013/14 and 2014/15 for integrated care however the detail is yet to be published. In 2010 the Government set out plans for identifying and supporting carers in *Recognised, valued and supported (2010)* including £400 million investment in breaks for carers, funded by the NHS. The White Paper does not identify any additional funding for the new duty on local authorities to provide support to carers. The White Paper places a duty on local authorities to incorporate preventive practice and early intervention in care commissioning and planning, however the Government do not state whether there is any additional funding attached to this new duty.

These reforms are taking place at a time of unprecedented change within public services, alongside other significant pieces of legislation, for example the Health and Social Care Act 2012. This presents significant challenges for the local authority as there is no additional funding available for infrastructure and resourcing of the detailed planning work required to implement the changes.

The next steps to implementing Social Care reforms within the Council are:

- Develop an action plan and further examine the implications based on the information that has been published to date.
- Work with the Association of Directors of Adult Social Services (ADASS) and other partners to respond to other publications including draft regulations relating to the Care and Support Bill.
- The Shadow Health and Wellbeing Board will continue to consider the issues arising from the White Paper and Care and Support Bill in relation to integrated working.
- Adults, Wellbeing and Health Overview and Scrutiny Committee will consider a report on the implications from the White Paper, Care and Support Bill and also on the Progress Report on Funding Reform

Decision

Cabinet agreed:

- To note the content of this report and the timetable of actions.
- That the County Council response to the consultation on the draft Care and Support Bill will be finalised with Portfolio Holders for Healthier and Safer Communities and Adult Services.
- That the regulations relevant to the Care and Support Bill will be implemented in accordance with the Council's Constitution and scheme of delegation in consultation with portfolio holders, where appropriate.

Redesign of County Durham Care and Support Day Services

Summary

The Cabinet considered a report of the Corporate Director of Children and Adults Services which presented findings following the review of County Durham Care & Support (CDCS) in house day services, reported the outcome of a consultation on a proposed re-design and reconfiguration and made recommendations in light of the need to make services more inclusive; ensure value for money; and meet the requirements of the Medium Term Financial Plan (MTFP).

Day services in County Durham provide care and support to a wide range of service users. The total 2012/13 budget for day services across all service user groups in County Durham is £17.04m. This provides day services for 3,787 people, based on the numbers of people receiving a day service over the course of the 2011/12 financial year. Based on the most recently available Institute of Public Finance figures, Durham spends £52 per head of population on day care compared to a national average spend of £34 per head.

The total budget for in house day services is £7.6m. The total budget for independent sector day services is £9.44m, including Direct Payment provisions. The average unit costs for learning disabilities day services are 45% higher than comparable costs in the independent sector. The average unit costs for older persons / physical disabilities day services are 127% higher than comparable costs in the independent sector.

Changes in demand and occupancy and the need to secure value for money, while meeting MTFP requirements, have prompted a review of CDCS day services. The review has focused on a number of factors including occupancy, value for money, the suitability of buildings and carer and service user views.

The Council is forecasting the need to deliver £159.2m of cash savings for the five year period 2011/12 to 2015/16, and savings of approximately £180m when including forecasts for 2016/17. The Adult Social Care element of those savings determined to date totals £46.2m. The MTFP requires the Council to, where possible, make savings against back office costs rather than front line services, and through securing services that represent good value for money.

Changes to CDCS day services will enable ASC to make savings by reducing capacity which is not needed, and to avoid significant future costs maintaining and upgrading unsuitable buildings. Importantly those assessed as needing day services will continue to receive them, in the main alongside the same peer group and staff teams as now. The main changes proposed are to venues, with current care plans remaining the same and arrangements for transport etc. being adjusted to take venue changes into account. This will allow the service to make revenue savings of over £446,000 p.a. and to avoid significant capital expenditure.

Demand for Day Services

The review has identified that demand for day services is falling across all service user groups. Between 1st April 2010 and 1st June 2012 the number of service users in receipt of a day service overall (independent sector and CDCS) has fallen by 25%. In CDCS, large day centres in particular have seen significant reductions in occupancy and are operating with large amounts of spare capacity. For an average week in quarter 4 2011/12, occupancy was running at below 50% in 5 of the 10 large day centres.

The high levels of spare capacity in the service have allowed for some service efficiencies to be made, including reductions in staff numbers. These efficiencies have contributed to the MTFP target for In House Provider Review but further efficiencies are not possible without rationalising services and buildings.

Unit Cost Comparison

Unit costs for CDCS day services, both Older people/ those with physical disabilities (OP/PD) and to people with learning disabilities (LD), are high in comparison to independent sector provision:

- CDCS OP/PD - £77.02 full day (Independent Sector £33.86)
- CDCS LD – £69.00 full day (Independent Sector £47.41)

The high unit costs are partly a result of under use of the services.

DCC Buildings

In most cases, large day centres were built several decades ago and are expensive services to run, in terms of both utility costs and ongoing repairs and maintenance. In addition, such centres are often also situated away from community activity, for example in industrial or business park locations. They were established in a time before direct payments, and the development of the independent sector, when most people received council run building based services.

Some investment has taken place in the buildings over recent years and consequently some premises are considered generally fit for purpose for the future, such as Empower 2 and Aucklandgate, for example. Investment has been limited to essential maintenance in the remaining buildings, and a number are in a poor state of repair. This is particularly apparent in LD services.

A full condition assessment survey (future repairs and maintenance liabilities and accessibility of buildings) of the current building stock has been undertaken, and the defects and repairs identified have been prioritised, using a 'traffic light' system, and costed using industry standard rates.

The cost to bring premises up to an acceptable standard is **£4.69m** over the next 10 years, with priority works over the next 4 years of **£2.76m**. Even with this level of investment, these facilities would not be fit for future need as they are large, old fashioned institutions that do not support a modern, person centred approach to care.

To meet the problems of: decreasing population demand; the cost of bringing buildings up to an acceptable standard; and the need to be more community inclusive and improve value for money; CDC&S has developed plans to reduce the number of its delivery sites.

Detailed proposals for the current stock of large LD and OP/PDSI buildings are set out below. In Peterlee and Durham this work will involve the integration of existing council sites. In Spennymoor, Stanley and Newton Aycliffe, community based accommodation/venue opportunities have been identified in local leisure centres, which would allow services to move from unsuitable buildings within 12 months. Service users and staff will move to the new locations.

A total of 455 service users would be affected by the changes proposed (235 older people / people with physical disabilities and 220 people with a learning disability).

Detailed proposals for each site are as follows:

- Shinwell Centre closes and service transfers to Peterlee Day Centre
- Stanley Day Centre closes and service transfers to Louisa Centre
- Durham Centre closes and service transfers to Abbey Day Centre
- Spennymoor Day Centre closes and service transfers to Spennymoor Leisure Centre
- Oaks Centre closes and service transfers to Newton Aycliffe Leisure Centre.

Properties surplus to the Council's requirements would be placed on the open market for sale.

Staff Savings

As well as significant building cost avoidance being achieved through this approach, further savings will be realised by considering the business case for Early Retirement/ Voluntary Redundancy (ER/VR) expressions of interest. This proposed redesign of CDC&S Day Services within the identified venues will be linked to the 2013/14 MTFP in respect of Management & Support Services/Service Rationalisation. Earlier work related to ER/VR has identified staff members who are interested in this opportunity. No compulsory redundancies will be required.

Integration of Services

Service user client groups (i.e. OP / PDSI and LD) will mix in service delivery locations where, in the past, they have mainly received their service in separate buildings. CDC&S staff would manage this harmonisation carefully with a staged approach to the transition being put in place, giving service users time to adapt to the changes. Some work has been done in services over recent years to integrate service users from differing client groups, with joint activities and limited sharing of venues being introduced. CDC&S staff are experienced in this type of work and would use their knowledge to ensure a sensitive transition for all service users.

Capacity information for the sites to be harmonised shows that the revised service delivery locations have the capacity to meet the needs of the increased number of service users who will be attending.

Projected Savings

ASC will save a total of £446k per annum by consolidating day service buildings. These figures are based on working estimates from CDCS management from individuals who have indicated an informal interest in ER/VR and net savings in building costs once rents of new premises are taken into account.

Completion date for the redesign of day services would be autumn 2013 (dependent upon completion of building alterations). Savings to be taken in financial year 2013 - 14 subject to completion dates for individual sites.

Clearly these changes will have an impact on people who use the services and raise concerns for some of these people and their families. The proposals to amalgamate and relocate some services have been the subject of a consultation exercise. The consultation was carried out from 17th May 2012 to 29th June 2012 (For technical reasons it was extended for a week for a small group of service users at the Oaks Centre). The consultation was targeted at service users and carers at affected day services; both those who might move and those currently using services which would change as a result of integration.

A full consultation report is available in the Members library.

The consultation on the redesign of CDCS day services has identified that a majority of service users believe that the changes proposed would have a negative impact on them (31.9% thought the impact would be major and a further 20.6% thought it would be minor). Their concerns focus largely on the sustainability of the alternative premises; changes to meals arrangements; and the difficulty of changing services for vulnerable people and affecting their established routine.

Adult Social Care staff have extensive experience and expertise in supporting vulnerable service users through change, and every effort would be made to minimise the effect on service users, for example by maintaining existing care plans, retaining service user groups and staff teams, making proposed moves over short distances and adjusting transport arrangements and carefully designing proposed integrated services to deliver increased choice in activities and facilities to users.

Savings of £446k could be made on staffing and property costs by redesigning CDCS day services, and moving some service delivery venues. In addition, a total of £2.497m future revenue cost (repairs, maintenance and accessibility) could be avoided by rationalising building stock. Unless the service is permitted to rationalise its services and buildings, it is likely to continue to offer poor value for money.

Decision

Cabinet agreed to the implementation of the redesign of CDCS day services and noted that further work will be carried out to monitor the changing picture on demand, attendance, staffing requirements and building stock.

As the market changes, further reviews of the viability of in house day services will be undertaken and, as required, detailed proposals will be developed to ensure that CDC&S day services are fit for purpose, represent value for money and are able to fulfil their strategic objectives

Colette Longbottom
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14 September 2012