



## **Local Government Act 1972**

**I Hereby Give You Notice** that an **Ordinary Meeting** of the **Durham County Council** will be held in the **Council Chamber, County Hall, Durham** on **Wednesday 20 February 2013 at 10.00 am** to transact the following business:-

1. To confirm the minutes of the meeting held on 9 January 2013  
(Pages 1 - 6)
2. To receive any declarations of interest from Members
3. Chairman's Announcements
4. Leader's Report
5. Questions from the Public
6. Petitions
7. Report from the Cabinet (Pages 7 - 24)
8. Budget 2013/14 - Report under Section 25 of Local Government Act 2003 - Report of Corporate Director, Resources (Pages 25 - 30)
9. General Fund Medium Term Financial Plan, 2013/14 - 2016/17 and Revenue and Capital Budget 2013/14 - Report of Cabinet (Pages 31 - 142)
10. Council Tax setting in order to meet the County Council's Budget Requirement for 2013/14 - Report of Cabinet (Pages 143 - 162)
11. Housing Revenue Account Medium Term Financial Plan 2013/14 to 2017/18 and 2013/14 Budget - Report of Cabinet (Pages 163 - 180)

12. Council Plan and Service Plans 2013 - 2017 - Report of Assistant Chief Executive (Pages 181 - 274)
13. Interim arrangements for the discharge of functions for the period between the County Council elections and the reconstitution of Council Bodies - Report of Head of Legal and Democratic Services (Pages 275 - 278)
14. Request for Reduction of Council Size - Trimdon Parish Council - Report of Head of Legal and Democratic Services (Pages 279 - 282)
15. Request for Changes to the Boundary between Shincliffe Parish Council and Cassop-Cum-Quarrington Parish - Draft Terms of Reference - Report of Head of Legal and Democratic Services (Pages 283 - 292)
16. Members' Allowances Scheme 2013/14 - Report of Head of Legal and Democratic Services (Pages 293 - 302)
17. Proposed Amendments to the Planning Code of Practice Section of the Constitution - Report of Head of Legal and Democratic Services (Pages 303 - 322)
18. Proposals to Rationalise Committee Functions in Dealing with Planning Applications for Wind Turbines - Report of Corporate Director, Regeneration and Economic Development (Pages 323 - 326)
19. New Byelaws for Acupuncture, Tattooing, Semi-permanent Skin Colouring, Cosmetic Piercing & Electrolysis - Report of Corporate Director, Neighbourhood Services (Pages 327 - 330)
20. Motions on Notice

### **Councillor Wilkes to Move**

*This Council notes:*

- a) *That the Localism Act 2011 permits councils to change from one form of governance to another, including a return to a non-cabinet committee system;*
- b) *That committees are the most democratic form of decision making and enable all councillors to be involved and gain experience in many areas; and*
- c) *That other councils have reverted to a committee system which has ensured both democracy and accountability for all councillors and therefore all electors.*

*This Council believes that:*

- a) Too many elected members of all parties are insufficiently involved in the decision making process, so that the people who voted for them do not have a voice in the council.*
- b) A committee system operated successfully at Durham County Council for over 100 years prior to the introduction of the leader/cabinet arrangements legislated for by Tony Blair's Labour government; and*
- c) Due to the current Cabinet system ordinary councillors of all parties have been denied the right to a public vote on many important decision making processes, and that this is fundamentally undemocratic.*

*This Council therefore urges the new council to change back to a committee system at the earliest opportunity.*

21. Questions from Members

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

Dated this 12th day of February 2013



Colette Longbottom  
Head of Legal and Democratic Services

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

This page is intentionally left blank

**DURHAM COUNTY COUNCIL**

At a Ordinary Meeting of the County Council held in the Council Chamber, County Hall, Durham on **Wednesday 9 January 2013 at 10.00 a.m.**

**Present:**

**Councillor L Marshall in the Chair**

Councillors J Alvey, B Alderson, J Armstrong, B Arthur, J Bailey, A Bainbridge, D Barnett, A Bell, E Bell, J Bell, R Bell, J Blakey, G Bleasdale, D Bowman, D Boyes, P Brookes, D Brown, J Brown, B Brunskill, D Burn, C Carr, P Charlton (Vice-Chairman), J Chaplow, J Cordon, R Crooks, R Crute, K Davidson, J Docherty, N Foster, P Gittins, B Graham, J Gray, B Harrison, N Harrison, S Henig, M Hodgson, G Holland, K Holroyd, A Hopgood, L Hovvells, S Hugill, J Hunter, E Huntington, S Iveson, P Jopling, A Laing, J Lethbridge, R Liddle, D Maddison, D Marshall, N Martin, P May, J Moran, D Morgan, B Myers, D Myers, A Napier, A Naylor, M Nicholls, J Nicholson, L O'Donnell, B Ord, R Ord, M Plews, C Potts, G Richardson, C Robson, A Shield, J Shiell, J Shuttleworth, M Simmons, D J Southwell, W Stelling, B Stephens, P Stradling, P Taylor, T Taylor, O Temple, K Thompson, L Thomson, R Todd, E Tomlinson, J Turnbull, Andy Turner, C Vasey, M Wilkes, J Wilkinson, M Williams, A Willis, M Wood, A Wright, R Yorke, B Young and R Young

Apologies for absence were received from Councillors B Avery, B Bainbridge, A Barker, M Campbell, A Cox, M Dixon, D Farry, D Freeman, D Hancock, G Huntington, O Johnson, J Lee, C Magee, C Marshall, J Maslin, E Mavin, E Murphy, M Potts, J Robinson, S Robinson, J Rowlandson, A Savory, D Stoker, G Tennant, Allen Turner, C Walker, B Wilson, J Wilson, C Woods and S Zair

Prior to the formal start of the meeting the Chairman reported the tragic news of the death of Lesley Caile, a highly respected Team Manager in Children and Adults Services. Lesley was held in great respect and affection by those who knew and worked with her and Members stood in silence as a mark of respect to Lesley.

**1 Minutes**

The minutes of the meeting held on 5 December 2012 were confirmed by the Council as a correct record and signed by the Chairman.

**2 Declarations of interest**

Councillor Hopgood declared an interest in Item No. 8 following advice received from the Head of Legal and Democratic Services on the Local Council Tax Support Scheme and withdrew from the meeting during discussion of this item.

### **3 Chairman's Announcements**

The Chairman reminded the Council that a Special Olympic Service of Thanksgiving was taking place at Durham Cathedral on 19 January, commencing at 11.00 a.m. All Members were welcome to attend.

### **4 Leader's Report**

The Leader of the Council informed the Council that his report would focus on the recently announced Local Government Finance Settlement.

The Local Government Finance Settlement was announced on 19 December 2012, which gave very little time to set the Council budget for 2013/14, which legally had to be set by February 2013. While this very short timescale was not helpful, the Council had been carrying out public consultations while awaiting announcement of the Settlement.

Since 2012, the County Council had achieved budget reductions of more than £90m and this amount was more than the combined budgets of all former District Councils. By 2017 the County Council's disposable budget will have been cut by 40%. These were unprecedented levels of cuts, with SPARSE, the Rural Services Network, saying they were totally unfair and would crucify rural areas.

The spending cuts were not being implemented fairly, and a map produced by Newcastle City Council was shown to illustrate this. Since 2010, areas in the North, Midlands and Inner London had experienced cuts of up to £200 per head of population, whereas other more affluent areas of the Country had experienced cuts of only £50 per head of population. Also, damping arrangements which were in place would result in Durham losing £9m a year to protect southern councils.

The Leader informed Council that he was to be part of a delegation from ANEC which was to meet with the Local Government Minister at DCLG to discuss the Local Government Finance Settlement.

Throughout the budget process the County Council had been consulting with residents. In November 2012 consultation took place at the councils 14 Area Action Partnerships, as well as through the Citizens' Panel and targeted questionnaires. 1,500 people had responded and the results revealed there was a high level of public satisfaction with how the authority had managed the budget process so far.

### **5 Questions from the Public**

There were no questions from the public to receive.

### **6 Petitions**

No petitions had been submitted for debate.

## **7 Report from the Cabinet**

The Council noted a report on issues considered by Cabinet on 12 and 19 December 2012.

Councillor B Ord welcomed the Street Lighting report in general and in particular the reduction of the existing Street Light consumption of 90W to 30W when replaced by the LED energy efficient lights, a reduction of 66%, plus further savings through dimming, which would result in lower carbon omissions and a significant reduction in costs. He had previously called for underground boring for the electric cables to reduce costs and disturbance to the local environment and, having received complaints, sought a guarantee that light columns would be higher than existing ones to reduce dark areas between the columns. He also asked that public consultation take place prior to installation and that main pedestrian routes had adequate lighting. He sought confirmation that entire streets would be replaced with the new LED lights and that there would not be a mix of old with new which was not effective.

Councillor B Young, Cabinet Portfolio Holder for Strategic Environment, thanked Councillor Ord for his support for the project which would produce significant financial savings and reductions in carbon emissions.

Councillor Young confirmed that Highway Services already used an underground boring/drilling system for new underground electrical infrastructure where possible to minimise costs and disruption. However, this technique was not relevant to the Street Lighting Energy Reduction Project. LED lights would be retrofitted to the existing columns and electrical infrastructure and there would be no new underground electrical infrastructure.

The Street Lighting Energy Reduction Project did not involve the installation of new columns. LED lights would be retrofitted to the existing columns and electrical infrastructure. However, all new LED lights would be designed to ensure appropriate uniformity of light between columns in accordance with current British Standards where possible. This would be achieved by varying the light output and dispersion of light.

Councillor Young confirmed that public consultation would take place on the new street lighting policy, which would facilitate this project. This would include presentations at AAPs. Local Members would be provided with the locations of street lights proposed to be removed following a full risk assessment and consulted throughout the process. Main pedestrian routes would continue to be lit as appropriate in accordance with the Council's Street Lighting Policy and current British Standards.

Councillor B Ord asked a supplemental question regarding the squaring off and filling of potholes and the recently announced offer of funding from the Government. Councillor B Young, Cabinet Portfolio Holder for Strategic Environment replied that he understood the offer of funding of £2.8m covered a two year period and was entirely restricted to Capital Projects, which needed to be submitted to the Secretary of State for approval. It was intended to use this funding for areas which

were already prioritised. He added that there was currently a £200m shortfall in funding to upgrade roads and footpaths in the County.

## **8 Local Council Tax Support Scheme 2013/14**

The Council considered a report of the Corporate Director of Resources which sought approval for a Local Council Tax Support Scheme that protected all council tax benefit claimants from 1 April 2013, as agreed by Cabinet at their meeting held on 19 December 2012.

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

**Resolved:**

That the recommendations contained in the report be approved.

## **9 Local Code of Corporate Governance**

The Council considered a report of the Corporate Director of Resources that sought approval of the inclusion of the updated Code of Corporate Governance in the revised Council Constitution.

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

**Resolved:**

That the recommendation contained in the report be approved.

## **10 Delegations of the Corporate Director of Resources - Local Government Pension Scheme Ill Health Retirement Decision Making**

The Council considered a report of the Head of Legal and Democratic Services that sought approval of an amendment to the Constitution to include a delegation to cover decisions made under the Local Government Pension Scheme in relation to ill health retirement under the Local Government Pension Scheme.

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

**Resolved:**

That the recommendation contained in the report be approved.

## **11 Delegations of the Corporate Director of Resources - Revenues & Benefits Issues**

The Council considered a report of the Head of Legal and Democratic Services that sought approval of amendments to the Constitution to provide greater clarity over a number of issues relating to the Revenues and Benefits Service and factor in changes under the Welfare Reform Act 2012 and Local Government Finance Act 2012.

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



**Resolved:**

That the recommendation contained in the report be approved.

**12 Request for Reduction of Council Size - Edmondsley Parish Council**

The Council considered a report of the Head of Legal and Democratic Services regarding a request from Edmondsley Parish Council to reduce the number of Parish Councillors on the Parish Council from 11 to 7.

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

**Resolved:**

That the recommendation contained in the report be approved.

**13 Evaluation of Community Governance**

The Council considered a report of the Head of Legal and Democratic Services that provided details of the evaluation of the Community Governance Review for the unparished areas of Durham and Crook, together with recommendations arising from the evaluation.

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

**Resolved:**

That the recommendations contained in the report be approved.

**14 Review of the Council's Statement of Gambling Policy**

The Council considered a report of the Corporate Director of Neighbourhood Services which sought approval of the adoption of the revised Gambling Act 2005 Statement of Principles.

**Moved** by Councillor B Young, **Seconded** by Councillor Stephens and

**Resolved:**

That the recommendations contained in the report be approved.

**15 Motions on Notice**

There were no Motions for consideration.

**16 Questions from Members**

There were no questions from Members.

This page is intentionally left blank

**20 February 2013**

**Report from the Cabinet**



---

**Purpose of the Report**

To provide information to the Council on issues considered by the Cabinet on 16 January and 6 February 2013 and to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 19 February 2013 in order for them to be displayed on the screens in the Council Chamber.

**Contents**

**16 January**

- Item 1      Revitalising Markets Within County Durham  
Key Decision: NH/06/11
- Item 2      Mid-Year Report for the period to 30 September 2012 on  
Treasury Management Service
- Item 3      NHS reforms and the transfer of public health functions to  
Durham County Council
- Item 4      125 Year Lease to the Woodland Burial Trust CIC at South  
Road Cemetery, Durham

**6 February**

- Item 5      General Fund Medium Term Financial Plan, 2013/14 – 2016/17  
and Revenue and Capital Budget 2013/14  
Key Decision: CORP/A/10/12/1
- Item 6      Contract Award for the Digital Durham Programme  
Key Decision CORP/R/13/01
- Item 7      Housing Revenue Account Medium Term Financial Plan  
2013/14 to 2016/17 and 2013/14 Budget
- Item 8      Council Plan and Service Plans 2013-17

## **1. Revitalising Markets Within County Durham**

**Key Decision: NH/06/11**

**Cabinet Portfolio Holders – Councillors Bob Young and Neil Foster**

**Contact – Joanne Waller 03000 260 924**

We have considered a joint report of the Corporate Director, Neighbourhood Services and the Corporate Director, Regeneration and Economic Development that presented the findings of the public consultation and south approval of the draft strategy for Revitalising Markets within County Durham.

On 30 May 2012 we considered a report on the findings of the Durham Markets Review. The review indicated that the current sustainability of markets was limited and in order to revitalise markets and get the best market offer for County Durham, market provision would need to change. The report presented a draft strategy for the revitalisation of markets within County Durham. A two-stage approach was proposed, the first stage being a consultation exercise and the second stage, soft market testing of the options available for the management of markets within County Durham.

As part of the consultation, the draft strategy was made available on the website from June to August 2012, and the consultation period was extended until 15 September for the Parish and Town Councils. In addition to this, a series of public consultation events were held. However, the number of responses to the consultation was low.

The strategy contained eight key themes and the consultation survey questions were based on these key themes:

- Structured Effective Management
- Engaging Partners
- Supporting Our Town Centres
- Place Shaping
- Supporting Micro-Businesses
- Supporting Communities
- Supporting Local Produce and Speciality Goods
- Marketing and Public Relations

Some of the main observations from the consultation include the following:

- 46% and 66% of market traders were satisfied with the current level of provision
- Market traders and users felt strongly that markets should be of benefit to the local economy
- Market users felt strongly that markets should provide local produce
- Nine out of ten respondents had shopped at at least one of the markets supported by Durham County Council in the last two years
- The majority of traders and users support the use of market places for other activities
- Local food and produce was the most popular speciality market for traders and users

- Market traders' most popular choice future management of markets was to continue the operation of markets as currently operated with different management models and agreements with some markets operated under licence and others maintained by the council

It was proposed that the most appropriate arrangement for each individual market would be determined on the basis of efficiency as well as the potential for future growth. Should proposed management arrangements involve the transfer of management and operational responsibilities to a third party, the Council would seek prospective partners.

Soft market testing has identified interest from local and national operators in the management of the Council's markets.

The Council's existing management arrangements were not sufficient or sustainable to deliver the objectives set out in the proposed strategy and the Council would need to consider alternative management arrangements. Whilst revised management arrangements would seek to promote better market performance, a more realistic income would need to be established to reflect sums payable under contractual agreements.

All existing contracts and/or licenses in place would be extended until 30 June 2013 and may be extended further subject to new arrangements being made. It was proposed to confirm expressions of interest in managing and operating individual markets. These would be assessed and contracts be awarded in accordance with the procurement rules and framework. A review would be undertaken of current management arrangements of markets directly under the Council's control, to determine the most effective management arrangements.

The complexities surrounding market rights and relevant law may impact upon any future agreements, in particular the situation in respect of the market in Durham city due to its ancient origin.

## **Decision**

We have agreed:-

- The final draft strategy.
- To delegate authority to the Corporate Director, Neighbourhood Services and Corporate Director, Regeneration and Economic Development in consultation with the Portfolio Holders for Strategic Environment and Economic Regeneration, the determination and implementation of any revised management arrangements for each market, as appropriate.

**2. Mid-Year Report for the period to 30 September 2012 on Treasury Management Service**  
**Cabinet Portfolio Holder – Councillor Alan Napier**  
**Contact – Ian Small- 03000 261 859**

We have considered a report of the Corporate Director, Resources which provided the Mid-Year Report for the period to 30 September 2012 on the Treasury Management Service. The regulatory framework of treasury management requires the Council to receive a mid year treasury review. The report incorporated the needs of the 'Prudential Code', which can be regarded as being best operational practice, to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators.

Economic sentiment suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months. The UK economy is heavily influenced by worldwide economic developments, particularly in the Euro zone, and it was inevitable that negative sentiment in this area would permeate into the UK's economic performance. Investor confidence in the Euro zone remains weak and uncertainty caused by the Euro zone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. On a positive note, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the European Central Bank bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years. Euro zone growth would remain weak as austerity programmes in various countries curtail economic recovery.

The overall balance of risks is, therefore, weighted to the downside. It is expected that low growth in the UK would continue. The expected longer run trend for borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Euro zone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

Council agreed on 19 September 2012 to delegate power to the Corporate Director, Resources in consultation with the Cabinet Portfolio Holder for Resources, to amend counterparty monetary and time limits. A Revised Time and Monetary Limits Table was appended to the report.

## **Decision**

We noted the report, and approved the time and monetary limits for investments.

- 3. NHS reforms and the transfer of public health functions to Durham County Council**  
**Cabinet Portfolio Holders – Councillors Lucy Hovvels, Morris Nicholls, and Claire Vasey**  
**Contact – Peter Appleton- 03000 267 381**

We have considered a joint report of the Corporate Director, Children and Adults Services, and Director of Public Health County Durham that provided an update on recent developments in relation to NHS reforms, including the transfer of public health functions to Durham County Council from NHS County Durham.

From April 2013, Strategic Health Authorities and Primary Care Trusts would be abolished, Clinical Commissioning Groups would take responsibility for health care budgets for their local communities, a statutory Health and Wellbeing Board would be in place for County Durham and a Local Healthwatch would be established to give local people a say in how health and social care services are provided.

From 1 April 2013, Durham County Council would have a role across the three domains of public health (health improvement, health protection and health services) and, in addition to improving the health of local people, would have new functions to ensure that NHS commissioners are provided with public health advice.

## **Regional Developments**

All local authorities in the North East completed a public health self-assessment, led by the Local Government Association in October 2012. The main message was that implementation was well under way, with transition milestones being met and on target for completion. Concerns were however expressed over the ACRA funding formula and its implications on long term finance, information governance issues, such as access to NHS data, and the role of the North East Commissioning Support Service. Work is in progress across the region regarding arrangements for Emergency Planning, Resilience and Response. Testing took place as part of Operation Silverstone on Teesside on 7 November 2012 and Exercise Sentinel as part of a national testing exercise. A report is awaited from the Department of Health on the results of the testing exercises.

## **Developments in County Durham**

### **County Durham Shadow Health and Wellbeing Board**

A PCT legacy and handover document and a separate public health legacy document are currently being produced; they would be presented to the Shadow Health and Wellbeing Board for agreement on 6 March 2013.

### **Constitutional Arrangements**

The Health and Social Care Act 2012 requires each upper tier local authority to establish a Health and Wellbeing Board, to be treated as a committee appointed by the council under section 102 of the Local Government Act. A report on changes required to the council's Constitution linked to the County Durham Health and Wellbeing Board would be presented to Cabinet on 13 March 2013.

### **Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy**

The Shadow Health and Wellbeing Board agreed the first Joint Health and Wellbeing Strategy for County Durham on 8 November 2012. On 12 December 2012, we received a report on the key messages from the Joint Strategic Needs Assessment 2012 and the Joint Health and Wellbeing Strategy 2013/17.

The Joint Health and Wellbeing Strategy would enable Durham County Council and Clinical Commissioning Groups' commissioning plans / intentions to be developed from April 2013. The Joint Health and Wellbeing Strategy objectives are as follows:

- Children and young people make healthy choices and have the best start in life
- Reduce health inequalities and early deaths
- Improve the quality of life, independence and care and support for people with long term conditions
- Improve mental health and wellbeing of population
- Protect vulnerable people from harm
- Support people to die in the place of their choice with the care and support that they need

### **Clinical Commissioning Groups**

Clear and Credible Plans have been published by Durham Dales, Easington and Sedgefield Clinical Commissioning Group (DDES CCG) and North Durham CCG for a five year period from 2012/13 – 2016/17.

Durham County Council is working collaboratively with DDES CCG and North Durham CCG to develop a system-wide improvement to intermediate care services across the county – Care Closer to Home. The outcome of this



work would be presented to the Shadow Health and Wellbeing Board in early 2013.

### **Local Healthwatch**

Local Healthwatch would give citizens and communities a stronger voice to influence and challenge how health and social care services are provided within their locality.

Updated key milestones in the commissioning of Local Healthwatch in County Durham are as follows:

- Evaluate submissions from potential providers of Local Healthwatch – January 2013
- Award contract to chosen Local Healthwatch provider – February 2013
- Establish Local Healthwatch and decommission the Local Involvement Network (LiNK) by 1 April 2013.

### **NHS complaints advocacy**

The Independent Complaints Advocacy Service (ICAS) is a national service which supports people who wish to make a complaint about their NHS care or treatment. As part of the Health and Social Care Act 2012, local authorities must commission NHS complaints advocacy from any suitable provider (including local Healthwatch) from 1 April 2013. Gateshead Borough Council is taking the lead commissioner role for the North East councils for the NHS complaints advocacy service.

### **Medical Examiner Role**

Following the passing of the Health and Social Care Act 2012, responsibility for the provision of Medical Examiners would transfer from primary care trusts to local authorities from April 2014. A Durham County Council project group has been established, led by Legal and Democratic Services, to take this work forward.

### **Public Health Funding**

On 19 December 2012, the Department of Health announced that it had not yet made a decision about public health budgets for local authorities from April 2013. Durham County Council had expected to receive its public health allocation for 2013/14 in December 2012. Further information is now expected from the Department of Health in early 2013.

### **Review of Public Health Contracts**

Following the public health contract prioritisation process, a review of current contracts is taking place to determine how services would be commissioned from 1 April 2013. A workshop has already taken place with providers of public health services, and a further one was planned.

## **Role and responsibilities of the Director of Public Health within Durham County Council**

In October 2012, the Department of Health issued guidance related to the role and responsibilities of Directors of Public Health from April 2013. A report on delegated powers of authority for the Director of Public Health County Durham and changes to the council's Constitution would be presented to Cabinet in March 2013.

## **Transfer of public health functions and staff to Durham County Council**

As previously agreed by Cabinet in March 2012, the public health functions to be transferred from NHS County Durham to Durham County Council would not take place until 1 April 2013.

A draft public health structure has been developed and would form part of the formal consultation process with staff, so that a final public health operating model can be agreed in early 2013.

Clarification is still awaited from the Department of Health on HR arrangements to be implemented under a 'transfer order' with regard to Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and / or the Cabinet Office Statement of Practice.

In the meantime, an induction programme for public health staff has been agreed and initial induction sessions have taken place. The programme would continue in January 2013 and be completed by the end of March 2013. Transitional arrangements would be put in place during January to March 2013 to prepare for the relocation of public health staff to County Hall.

## **Decision**

We have agreed:

- That a further report regarding NHS reforms, including public health, would be provided to us in April 2013.
- To note the developments relating to community infection prevention and control, to transfer to Durham County Council.
- To note that a report on the revised Constitution, to include public health, would be provided to us in March 2013.

**4. 125 Year Lease to the Woodland Burial Trust CIC at South Road Cemetery, Durham**  
**Cabinet Portfolio Holders – Councillors Neil Foster, and Brian Stephens**  
**Contact – Jenny Gibbs- 03000 267 030**

We have considered a joint report of the Corporate Director Regeneration and Economic Development and the Corporate Director, Neighbourhood Services which sought approval to grant a 125 year lease to the Woodland Burial Trust to occupy Council land for use as a natural burial site.

Prior to Local Government Reorganisation, Durham City Council planned to lease land adjacent to South Road Cemetery to an established community organisation for the purposes of natural burials. The group, now the Community Interest Company (Woodland Burial Trust) have maintained an active interest in the site. The 2011 bereavement services cemetery consultation found 69% of respondents in favour of the scheme with only 5% against.

A range of other options exist, including direct delivery. Working with the group was proposed as the Council would be at no investment risk, the group has expertise in the area and the site would be opened up to income opportunities that would not be available to the Council. The use of the site is limited to burials through a covenant on the land and complies to the requirements of both planning and Environment Agency.

### **Decision**

We have agreed:

- To grant The Woodland Burial Trust a lease of 125 years with the sole permitted use of a natural burial facility for the interment of human remains. This term is required as the burial rights for an individual last for 50 years and maintenance well after the site is full would be required.
- That an annual rent would be payable at the rate of 17.5% of net income generated from the sale of burial plots (for the avoidance of doubt net would be 50% of gross income). The rent would be reviewable every five years. The rent would be reduced to £1.00 (one pound) p.a. once the site has reached capacity. This initial rental period is in line with Council policy for the disposal of land at undervalue.
- That the Woodland Burial Trust would be responsible for the repairs, maintenance, insurance and all outgoings associated with the premises for the term of the lease.
- That the Woodland Burial Trust would be responsible for the payment of the Council's legal and surveyors fees in this matter.

**5. General Fund Medium Term Financial Plan, 2013/14 – 2016/17 and Revenue and Capital Budget 2013/14**  
**Key Decision: CORP/A/10/12/1**  
**Cabinet Portfolio Holder – Councillor Alan Napier**  
**Contact – Jeff Garfoot- 03000 261 946**

We have considered a joint report of the Corporate Director, Resources and the Assistant Chief Executive that provided comprehensive financial information to enable Cabinet to agree a 2013/14 balanced revenue budget; an outline medium term financial plan for 2014/15 to 2016/17 and a fully funded capital programme for recommendation to the County Council meeting on 20 February 2013.

The council has faced unprecedented reductions in Government grants since the 2010 Comprehensive Spending Review (CSR) when the expectation for local government was a 28% cut in Government grant for the period 2011/12 to 2014/15. Since then, the position has deteriorated for local government and in total, it is forecast that Government support for the council over the six year period 2011–2017 will reduce by £139m. This equates to a 36% reduction in Government support over this period.

The December 2012 Autumn Statement reported that public sector expenditure reductions will need to continue until at least 2017/18 which is a further three years of funding reductions beyond the current comprehensive spending review period to 31 March 2015. It is estimated that Government funding to local government will have reduced further by 40% by 2017/18.

The Council's provisional funding baseline for 2013/14 announced by the Government on 19 December 2012 is £249.5m which is £9.2m less than our 2012/13 allocation. The final government settlement is expected by the first week in February.

After also taking into account estimated base budget pressures and growth in some council priority service areas, the medium term financial plan forecast requires the council to deliver £95.1m savings between 2013/14 and 2016/17. This is in addition to the £93m of savings that the council has had to make in 2011/12 and 2012/13 to balance its budgets.

The total savings therefore for the six year period 2011/12 to 2016/17 are estimated to be £188.1m with the figure expected to exceed £200m by 2017/18.

The 2013/14 budget requires savings of £20.9m to achieve a balanced net revenue budget of £457.776m.

The savings to achieve the 2013/14 balanced budget set out in the report are aligned to the council's original budget strategy that was agreed in June 2010, which was supported by the public following extensive consultation. The council's strategy continues to be to protect front line services wherever possible, including reducing management and support services costs; to invest in priority service areas whilst at the same time limiting council tax increases for council tax payers during the continuing period of recession.

The council continues to be successful in delivering savings against its original budget strategy. Although the 2013/14 budget requires the delivery of further savings of £20.9m, there are a number of key service areas that have been protected and some services where the budget has been able to be increased for the benefit of council tax payers including:

- For the fourth consecutive year, the council tax bills for council tax payers will stay the same, should the council accept the Government's Council Tax Freeze Grant of £2m which is the equivalent to the amount of income the council would receive from a 1% council tax increase. Council tax bills may still go up should the Police and Fire authorities increase their precepts and for those payers living in parished areas should their parish council choose to increase their precept.
- Increasing the Adult Social Care budget by £1m in recognition of the increasing demands on the council due to demographic changes and more people becoming dependent upon these services. This is in line with the priorities identified through consultation.
- Protecting all 65,000 households in receipt of council tax benefit under the local council tax support scheme despite a 10% cut in government funding.
- Protecting the highways winter maintenance programme in order to keep our main highways infrastructure open for the public. Again this is in line with public consultation findings.
- A key priority of the capital programme is to stimulate regeneration and job creation across the county. In line with the Council's key priority to stimulate regeneration and job creation across the county, an additional £3.25m of revenue has been allocated to fund prudential borrowing to invest in new and current capital projects amounting to £159m in 2013/14 with a total programme for the period 2013/14 to 2016/17 of £315m.
- A full list of new projects was appended to the report which includes two new household waste recycling centres at Crook and Stainton Grove and a new customer access point in Stanley.

In December 2012, an extensive consultation process led to over 1,500 people giving their views on how the council has managed spending reductions so far, the impact that the reductions have had to date and ideas for making further reductions in the future. The main findings were:

- A high level of satisfaction with how the council has managed a difficult process so far. On a scale of 1 to 10, with 10 being excellent, the mean score from AAP forums was 8 and 7 for the citizen's panel.

- A greater awareness amongst the public of central government cuts rather than the council's financial situation and how it is responding locally.
- 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact.
- The largest response to some of the significant changes that the council has implemented to date was that there had been 'no impact' upon the public. However, there was a net negative impact reported for changes to contracted bus services and home to school transport.
- Suggestions and comments for managing further spending reductions fell into four categories: how we manage the reductions with a strong desire for continued public involvement; improving financial efficiency; council structures and service delivery; and specific service changes and improvements.

## **Decision**

We have agreed to make the following recommendations to Council, under the subject headings listed below:

### **a) 2013/14 Revenue Budget and Council Tax**

- (i) Approve the identified base budget pressures.
- (ii) Approve the 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 2013/14 and thereby leave the County Council Tax level unchanged for the fourth consecutive year.
- (v) Approve the 2013/14 Net Budget Requirement of £457.776m.

### **b) MTFP (3) and Financial Reserves**

- (i) Note the forecast 2013/14-2016/17 MTFP(3) Financial Position.
- (ii) Set aside sufficient sums in Earmarked Reserves as is considered prudent. The Corporate Director Resources will be authorised to establish such reserves as required, to review them for both adequacy and purpose on a regular basis reporting appropriate to the Cabinet Portfolio Member for Resources and to Cabinet.

- (iii) Aim to maintain General Reserves in the medium term at up to 7.5% of the Net Budget Requirement which in cash terms equates to up to 35m.

**c) Capital Budget**

- (i) Approve the revised 2012/13 Capital Budget of £142.171m detailed in Table 9.
- (ii) Approve that the additional schemes detailed in Appendix 7 be included in the Capital Budget. These capital schemes will be financed from the additional capital grants, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.
- (iii) Approve the Capital Budget of £314.78m for the 2013/14 – 2016/17 MTFP (3) period detailed in Table 14.

**d) Savings Proposals**

- (i) Note the approach taken by service groupings to achieve the required savings.

**e) Local Government Finance Settlement – 2013/14**

- (i) Note the confirmation of the BRR Start Up Funding Assessment of £278.375m.
- (ii) Note the reduction in Government support of £9.182m in 2013/14.
- (iii) Note the forecast 9.3% reduction in the Start Up Funding Assessment in 2014/15 including a 17.5% reduction in RSG.
- (iv) Note the utilisation of specific grant increases in 2013/14.

**f) Consultation**

- (i) Note the outcome of the consultation carried out as part of the development process for the 2013/14 budget.
- (ii) Note that the suggestions made by the public to help manage the budget reductions have been considered by the council.
- (iii) Agree that the council continue to engage with the public in future budget setting processes and prior to implementing changes to frontline services.

**g) Equality Impact Assessments 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.

**h) Workforce Considerations**

- (i) Note the position on workforce considerations.

**i) Pay Policy**

- (i) Approve the pay policy statement at Appendix 9.

**j) Risk Assessment**

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

**k) Dedicated Schools Grant**

- (i) Note the position on the Dedicated Schools Grant.

**l) Prudential Code**

- (i) Agree the Prudential Indications and Limits for 2013/14 – 2015/16 contained within the Appendix 10 of the report, including the Authorised Limit Prudential Indicator.
- (ii) Agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 10 which sets out the council's policy on MRP.
- (iii) Agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 10.
- (iv) Agree the Investment Strategy 2013/14 contained in the Treasury Management Strategy (Appendix 10 and the detailed criteria included in Appendix 10).



**6. Contract Award for the Digital Durham Programme**  
**Key Decision CORP/R/13/01**  
**Cabinet Portfolio Holder – Councillor Alan Napier**  
**Contact – Phil Jackman- 07775 025096**

We have considered a report of the Corporate Director, Resources requesting that delegated authority be granted to the Corporate Director, Resources in conjunction with the Portfolio Holder for Resources, to award the Digital Durham contract for the provision of superfast broadband.

Durham County Council, in partnership with Gateshead, Sunderland and the five Tees Valley authorities has started a procurement process to procure an infrastructure delivery partner to provide businesses, homes and communities across the programme areas with much improved broadband services. The programme will provide all areas in County Durham with access to fast speed broadband within the next 5 years.

Following a public consultation exercise during November 2012, the programme issued an Invitation to Tender (ITT) on 19 December 2012 which will allow the programme to meet the Government's Broadband Delivery UK's (BDUK) assurance process and be ready to contract on 1 April 2013. Adherence to this timeline would lead to contract award to the successful bidder by mid-April 2013, which will be during the purdah period due to the election of Durham County Council members on 3 May 2013. To avoid the risk of further delay to the programme and the possibility of losing the slot in the BDUK release schedule, Cabinet was requested to grant delegated authority to award the contract.

**Decision**

We have agreed that delegated authority be granted to the Corporate Director, Resources in consultation with the Portfolio Holder for Resources to award the Digital Durham contract.

**7. Housing Revenue Account Medium Term Financial Plan 2013/14 to 2016/17 and 2013/14 Budget**  
**Cabinet Portfolio Holders – Councillors Alan Napier and Clive Robson**  
**Contact – Azhar Rafiq- 03000 263 480**

We have considered a joint report of the Corporate Director, Resources and Corporate Director, Regeneration and Economic Development that provided information to enable us to make recommendations on the Council's Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) for 2013/14 budget to the County Council meeting on 20 February 2013.

The HRA provides the income and expenditure associated with the management and 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.

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 2013/14, 30 year HRA Business Plan and four-year MTFP are considered in this report.

The headline implications for 2013/14 are summarised below:

- Dwelling rents for 2013/14 to increase in accordance with Government guidelines which results in an overall average increase of 4.04%;
- Average rent per week to increase from £63.13 per week to £65.68 per week – an increase of £2.55 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 2013/14 (on a 52 week basis) are £8.25 (inclusive of VAT) and £6.88 (exclusive of VAT);
- Efficiency savings in housing management costs of £1.65m have been identified for 2013/14, in addition to the £1.35m already delivered in 2012/13 to give a total saving of £3m as required by the HRA MTFP;
- A substantial investment programme of £99m over the next two years - £49m in 2013/14 and £50m in 2014/15.

## **Decision**

We have agreed:

- The 30 Year HRA Business Plan (Appendix 3) and four year HRA Medium Term Financial Plan for 2013/14 – 2016/17 (Appendix 4);
- To set dwelling rents for 2013/14 in accordance with Government guidelines which result in an overall average increase of 4.04%;
- To increase garage rents in line with the overall increase in housing rents;
- To establish a financial inclusion fund of £500,000 to support our tenants in the transition to the Government's Welfare Reforms;
- That approval of service charges proposed by the three service providers be delegated to the Head of Economic Development and Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance;

- An HRA capital programme of £49m in 2013/14 and £50m in 2014/15;
- To authorise the Corporate Director - Resources to make appropriate arrangements on borrowing to finance the capital programme;
- The ALMO/INMO management fee levels as follows;
  - Durham City Homes                      £7,133,000
  - Dale and Valley Homes                £5,406,000
  - East Durham Homes                    £11,063,000

**8. Council Plan and Service Plans 2013-17**  
**Leader of the Council – Councillor Simon Henig**  
**Contact – Tom Gorman- 03000 268 027**

We have considered a report of the Assistant Chief Executive that provided a draft of the Council Plan for 2013-17 for consideration and comment before being submitted for approval by Council on 20 February 2013.

The Council Plan is the overarching high level plan for the County Council. It covers a four year timeframe in line with the Medium Term Financial Plan and it is updated annually. It links closely with the financial planning framework and sets out how the Authority will consider corporate priorities for change and the key actions that will be taken in support of delivering the longer term goals in the Sustainable Community Strategy 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.

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, resources required and reference to relevant risk assessments.

**Decision**

We have:

- Agreed to recommend the Council Plan for approval by full Council on 20 February, subject to any final amendments by the Assistant Chief Executive in consultation with the Leader.
- Agreed 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.

- Noted that Service Plans are now complete and copies are available on the Council's intranet.

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

12 February 2013

**County Council**

**20 February 2013**

**Budget 2013/14**

**Report under Section 25 of Local  
Government Act 2003**



---

**Report of Don McLure, Corporate Director, Resources**

---

**Purpose of the Statement**

- 1 The purpose of this statement is to provide Members with information on the robustness of the estimates and the adequacy of reserves in the Cabinet's Budget for 2013/14, so that all Members have authoritative advice available when they make their final budget decisions at County Council on 20 February 2013.

**Background**

- 2 Local Authorities decide every year how much they are going to raise from Council Tax. Decisions are based on a budget that sets out estimates of what they plan to spend on each of their services in the forthcoming year.
- 3 The decision on the level of the Council Tax is taken before the financial year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by:
  - a) making prudent allowance in the estimates for each of the services;
  - b) ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
- 4 Section 25 of the Local Government Act 2003 requires that an Authority's Chief Financial Officer reports to Full Council when it is considering its Budget and setting its Council Tax for the forthcoming financial year. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so that Members will have authoritative advice available to them when they make their decisions.
- 5 Section 25 also requires Members to have regard to this report in making their decisions.

## **Robustness of Estimates**

- 6 Service Groupings have been building detailed budgets throughout the year. Transfers between Services have been made to reflect more accurately the Service structures and responsibilities. In addition Service pressures have been identified. Reports have been presented to Cabinet and the Overview and Scrutiny Management Board and Corporate Issues Overview and Scrutiny Committee.
- 7 The budget proposals reflect the current position and forecast spend in 2013/14 and is based on extensive work and assurances from Corporate Directors and their finance support staff. Cabinet Members have worked with their respective Directors throughout the process. Overview and Scrutiny members have been able to question Service Groupings on current budgets, performance and proposals. The public, trade unions and the National Non-Domestic Ratepayers have also been consulted on the proposals.
- 8 Extensive work has also been carried out to produce an indicative balanced Medium Term Financial Plan (MTFP). A range of broad assumptions have been utilised and robustly challenged as part of the MTFP(3) process. More work is needed for years 2, 3 and 4 of MTFP(3) to bridge an estimated gap of £51.4m, but in my professional view we have taken all reasonable and practical steps to identify and make provision for the County Council's commitments in 2013/14 in order to achieve a balanced budget.

## **Adequacy of Reserves**

- 9 The Chartered Institute of Public Finance and Accountancy (CIPFA) Local Authority Accounting Panel (LAAP) has a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It is best practice to follow this guidance.
- 10 The guidance however states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of budget. Each Local Authority should take advice from its Chief Financial Officer and base its judgement on local circumstances.
- 11 Reserves should be held for three main purposes:
  - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
  - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
  - A means of building up funds known as 'earmarked reserves', to meet known or predicted requirements.

12 The CIPFA Guidance highlights a range of factors in addition to cash flow requirements that Councils should consider including:

- 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 guidance also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If Members choose to use reserves as part of this budget process, appropriate action will need to be factored into the MTFP(3) to ensure that this is addressed over time.

13 The risk management process has identified a number of key risks which could impact on the Council's resources. The Council continues to face significant Government funding reductions and ongoing budget pressures. In addition there are significant new risks associated with the introduction of Business Rate Retention and the Local Council Tax Support Scheme.

14 With these risks in mind, it is recommended that the County Council adopts a policy for reserves as follows:

- Set aside sufficient sums in earmarked reserves as it considers prudent. The Corporate Director Resources 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.
- Aim to maintain General Reserves in the medium term of up to 7.5% of the Net Budget Requirement which in cash terms equates to up to £35m.

15 Earmarked reserves have been established to provide resources for specific purposes. Of these reserves, the use of schools balances is outside of the control of the Council.

16 In my professional view, if the Council were to accept the Cabinet's recommended freeze of Council Tax by accepting the Government's £2m council tax freeze grant, funding for unavoidable service pressures and investments, proposals for savings and for capital then the level of risks identified in the budget process, alongside the Authority's financial management arrangements suggest that the level of reserves is adequate.

## **Recommendation**

17 It is recommended that:

- a) Members have regard to this statement when approving the budget and the level of Council Tax for 2013/14.

---

**Contact: Don McLure**

**Tel: 03000 261943**

---



---

**Appendix 1: Implications**

---

**Finance** – This report sets out the view of the Council's Section 151 Officer in relation to the robustness of estimates and the adequacy of reserves determined in the 2013/14 budget build.

**Staffing** – None.

**Risk** – All relevant risks have been considered by the Section 151 Officer in coming to this view.

**Equality and Diversity** – None.

**Accommodation** – None.

**Crime and Disorder** - None.

**Human Rights** – None.

**Consultation** – None.

**Procurement** – None.

**Disability Discrimination Act** – None.

**Legal Implications** – Section 25 of the 2003 Local Government Act requires the Authority's Chief Financial Officer to provide assurance upon the robustness of estimates and the adequacy of reserves.

This page is intentionally left blank

## County Council

20 February 2013



### General Fund Medium Term Financial Plan, 2013/14 – 2016/17 and Revenue and Capital Budget 2013/14

---

## Report of Cabinet

(Councillor Simon Henig, Leader of the Council)

---

### Purpose of the Report

- 1 To provide County Council with the financial details of the Cabinet's budget recommendations for the 2013/14 Revenue and Capital Budget and Medium Term Financial Plan (MTFP3) 2013/14 to 2016/17.

### Executive Summary

- 2 The council has faced unprecedented reductions in Government grants since the 2010 Comprehensive Spending Review (CSR) when the expectation for local government was a 28% cut in Government grant for the period 2011/12 to 2014/15. Since then, the position has deteriorated for local government and in total, we are now forecasting that Government support for the council over the six year period 2011 to 2017 will reduce by £139m. This equates to a 36% reduction in Government support over this period.
- 3 The December 2012 Autumn Statement reported that public sector expenditure reductions will need to continue until at least 2017/18 which is a further three years of funding reductions beyond the current comprehensive spending review period to 31 March 2015. It is estimated that Government funding to local government will have reduced by 40% by 2017/18.
- 4 The Council's provisional funding baseline for 2013/14 was announced by the Government on 19 December 2012 with the final settlement being announced on 4 February 2013. The funding baseline for 2013/14 is £249.5m which is £9.1m less than our 2012/13 allocation.
- 5 After also taking into account estimated base budget pressures and growth in some council priority service areas, the medium term financial plan forecast requires the council to deliver £95m savings between 2013/14 and 2016/17. This is in addition to the £93m of savings that the council has had to make in 2011/12 and 2012/13 to balance its budgets.
- 6 The total savings therefore for the six year period 2011/12 to 2016/17 are estimated to be £188m with the figure expected to exceed £200m by 2017/18.
- 7 The 2013/14 budget requires savings of £20.9m to achieve a balanced net revenue budget of £457.814m.

- 8 The savings to achieve the 2013/14 balanced budget are set out in Appendix 2 and are aligned to the council's original budget strategy that was agreed in June 2010, which was supported by the public following extensive consultation. The council's strategy continues to be to protect front line services wherever possible, including reducing management and support services costs; to invest in priority service areas whilst at the same time limiting council tax increases for council tax payers during the continuing period of recession.
- 9 Although difficult decisions have needed to be taken in order to balance budgets in 2011/12 and 2012/13, the council continues to be successful in delivering savings against its original budget strategy. Although the 2013/14 budget requires the delivery of further savings of £20.9m, there are a number of key service areas that have been protected and some services where the budget has been increased for the benefit of council tax payers including:
- For the fourth consecutive year, council tax bills for council tax payers will stay the same, should the council accept the Government's Council Tax Freeze Grant of £2m which is the equivalent to the amount of income the council would receive from a 1% council tax increase. Council tax bills will however still go up as the Police and Crime Commissioner has increased their council tax precept by 2% and for those payers living in parished areas should their parish council choose to increase their precept. The Fire authority is proposing a zero increase in council tax.
  - Increasing the Adult Social Care budget by £1m in recognition of the increasing demands on the council due to demographic changes and more people becoming dependent upon these services. This is in line with the priorities identified through consultation.
  - Protecting all 65,000 households in receipt of council tax benefit under the local council tax support scheme despite a 10% cut in government funding.
  - Protecting the highways winter maintenance programme in order to keep our main highways infrastructure open for the public. Again this is in line with public consultation findings.
  - A key priority of the capital programme is to stimulate regeneration and job creation across the county. In line with the Council's key priority to stimulate regeneration and job creation across the county, an additional £3.25m of revenue has been allocated to fund prudential borrowing to invest in new and current capital projects amounting to £159m in 2013/14 with a total programme for the period 2013/14 to 2016/17 of £315m.
  - A full list of new projects is shown at Appendix 7 and includes two new household waste recycling centres at Crook and Stainton Grove, near Barnard Castle and a new customer access point in Stanley.
- 10 In December 2012, an extensive consultation process led to over 1,500 people giving their views on how the council has managed spending

reductions so far, the impact that the reductions have had to date and ideas for making further reductions in the future. The main finds were:

- A high level of satisfaction with how the council has managed a difficult process so far. On a scale of 1 to 10, with 10 being excellent, the mean score from AAP forums was 8 and 7 for the citizen's panel.
- A greater awareness amongst the public of central government cuts rather than the council's financial situation and how it is responding locally.
- 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact.
- The largest response to some of the significant changes that the council has implemented to date was that there had been 'no impact' upon the public. However, there was a net negative impact reported for changes to contracted bus services and home to school transport.
- Suggestions and comments for managing further spending reductions fell into four categories: how we manage the reductions with a strong desire for continued public involvement; improving financial efficiency; council structures and service delivery; and specific service changes and improvements.

### **Changes in Government Funding Methodology**

11 The continuing unprecedented reductions in local government are set against the backdrop of fundamental change in the Government's methodology for financing local authorities from 2013/14.

12 The two key changes introduced from 2013/14 are:

- **Business Rate Retention (BRR) Scheme**

Under the new BRR scheme, the council will retain 50% of all business rates collected across the county – an estimated £53m in 2013/14. The council will therefore also be able to retain 50% of any increase in business rate yield from any growth in businesses being set up in Durham, but there will also be some risk under the new system because the council will have to bear 50% of any reduction in business rate yield. The council is also required to pay for 50% of the cost of all successful, backdated business rate appeals that are still outstanding on 31 March 2013 and will be not be settled until 2013/14 or later.

- **Local Council Tax Support Scheme (LCTSS)**

The Government has transferred the responsibility for council tax benefit to local authorities from 2013/14 with a funding reduction of 10%, which equates to a funding loss of £5.5m. From 1 April 2013, the council is responsible for setting a new local council tax support scheme which will mean 100% of the costs of any additional council tax

support, should the number of benefit claimants increase, will be paid for by the council.

- 13 The government's intention in introducing these fundamental changes in the method of financing local authorities is to provide an incentive to grow local economies.
- 14 It should be recognised however that in a period of recession or intermittent growth in local economies, the government's new local government policy is transferring a significant risk to local authorities and especially those in deprived areas like County Durham.
- 15 The change in funding methodology is also a significant shift away from the former formula methodology which was based upon an assessment of 'need' for the people living in County Durham, including deprivation assumptions for all areas across the county.
- 16 From April 2013, any variation of need will not change the funding of individual local authorities until the government's business rates retention reset date of 2020.
- 17 The Government also continues to utilise a concept of 'spending power analysis' to indicate the level of funding reductions to local authorities. Spending power includes formula grant, specific grants, council tax income and NHS funding. In this regard, spending power in practice is masking the actual level of Government grant reductions.
- 18 The council's spending power will reduce by 5.2% over the two year period 2013/14 and 2014/15 compared to a national average of 4.7%. This is in addition to the above average spending power reductions experienced by the council in 2011/12 and 2012/13.

#### **Revenue Budget for 2013/14**

- 19 The initial strategy report on the 2013/14 – 2016/17 MTFP (3) and 2013/14 Budget was agreed by Cabinet on 11 July 2012. This report detailed the expectation that Government funding reductions for 2013/14 and beyond were likely to exceed forecasts and that reviews were being carried out to identify the additional savings required to balance the 2013/14 budget.

#### **Base Budget Pressures in 2013/14**

- 20 The MTFP (2) agreed by Council on 22 February 2012, identified a range of forecast base budget pressures in 2013/14. Throughout the intervening period, cabinet has approved updated MTFP (3) reports which have reviewed and updated estimates. The table overleaf details the final forecasted position on the 2013/14 Base Budget pressures:

**Table 1 – 2013/14 Base Budget Pressures**

| <b>Pressures</b>                     | <b>Amount</b> |
|--------------------------------------|---------------|
|                                      | <b>£m</b>     |
| Pay Inflation (1%)                   | 1.980         |
| Price Inflation (2.5%)               | 3.087         |
| Corporate Risk Contingency           | 0.440         |
| Landfill Tax to 31 May 2013          | 0.171         |
| Highways Operations                  | 0.600         |
| Carbon Reduction Commitment          | 0.100         |
| Employee Pension Contributions       | 1.300         |
| Community Governance Review          | (0.050)       |
| Adult Services Demographic Pressures | 1.000         |
| <b>TOTAL</b>                         | <b>8.628</b>  |

**Additional Investment**

- 21 The council continues to invest in capital infrastructure. An additional £3.25m of revenue will be provided in the budget to finance Prudential Borrowing to continue to support the capital programme. A key priority of the capital programme is to stimulate regeneration and job creation within the local economy.

**Savings Methodology**

- 22 The council's approach to achieving savings for the previous MTFP (2) period 2012/13 – 2015/16 was set out in the approved Budget report to Council on 22 February 2012. At that time the council was estimating Government grant cuts of £108.7m over the five years 2011/12 – 2015/16 and savings of £159.2m for the same period.
- 23 To date the council has delivered the savings required on schedule. The £66.4m 2011/12 savings target was achieved whilst the £26.6m savings for 2012/13 is on target for delivery. In total, £93m of savings have been achieved in 2011/12 and 2012/13.
- 24 During 2012/13 a range of factors have impacted upon the forecast level of Government cuts and subsequently the level of savings required. These factors are detailed below:
- (i) The Government's March 2012 Budget and December 2012 Autumn Statement detailed the continuing deterioration in forecasts for public finances. It was clear that forecast levels of cuts to local government would be higher in 2015/16 and 2016/17 than originally estimated.
  - (ii) The December 2012 Autumn Statement announced an additional 2% funding cut for local authorities in 2014/15. The Statement also announced that public sector funding reductions would continue until 2017/18.
  - (iii) The Government has announced a reduction in the Council Tax Referendum level for council tax increases from 3.5% to 2%.

- (iv) The Local Government Finance Settlement highlights higher than forecast funding reductions for the council in 2014/15. The council's funding reduction in 2014/15 is also higher than the national average with southern shire councils being the major beneficiaries.

- 25 The savings plans for each service grouping for the 2013/14 – 2016/17 period are detailed in Appendix 2. The table below summarises the savings targets for each service grouping across the MTFP (3) period. The table also shows the forecasted shortfall in savings which will need to be identified to achieve financial balance from 2014/15 onwards, due to the deterioration in the financial outlook as detailed above.

**Table 2 – Service Grouping Savings Plan 2013/14 – 2016/17**

| <b>Service Grouping</b>  | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> | <b>TOTAL</b>  |
|--------------------------|----------------|----------------|----------------|----------------|---------------|
|                          | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>     |
| ACE                      | 0.653          | 0.261          | 0.220          | 0              | 1.134         |
| CAS                      | 11.212         | 9.353          | 4.454          | 0              | 25.019        |
| NS                       | 4.419          | 2.845          | 1.356          | 0              | 8.620         |
| RED                      | 0.970          | 0.776          | 0.480          | 0              | 2.226         |
| RES                      | 2.137          | 2.510          | 0.564          | 0              | 5.211         |
| Other                    | 1.475          | 0              | 0              | 0              | 1.475         |
| Savings to be identified | 0              | 12.122         | 23.309         | 15.845         | 51.276        |
| <b>TOTAL</b>             | <b>20.866</b>  | <b>27.867</b>  | <b>30.383</b>  | <b>15.845</b>  | <b>94.961</b> |

- 26 The total saving for the period 2011/12 – 2016/17 is detailed below.

**Table 3 – Total Savings 2011/12 – 2016/17**

| <b>Period</b>     | <b>Saving</b> |
|-------------------|---------------|
|                   | <b>£m</b>     |
| 2011/12 – 2012/13 | 93.0          |
| 2013/14 – 2016/17 | 95.0          |
| <b>TOTAL</b>      | <b>188.0</b>  |

### **2013/14 Net Budget Requirement**

- 27 After taking into account base budget pressures, additional investment and savings, the council's recommended Council Net Budget Requirement for 2013/14 is £457.814m. The financing of the net budget requirement is detailed overleaf:



**Table 4 – Financing of the 2013/14 Budget**

| <b>Financing Method</b>      | <b>Amount</b>  |
|------------------------------|----------------|
|                              | <b>£m</b>      |
| Revenue Support Grant        | 167.162        |
| Top Up Grant                 | 58.223         |
| Business Rates – Local Share | 52.985         |
| Council Tax                  | 164.469        |
| Council Tax Freeze Grant     | 2.033          |
| New Homes Bonus              | 4.799          |
| New Homes Bonus Top Slice    | 0.943          |
| Education Services Grant     | 7.200          |
| <b>TOTAL</b>                 | <b>457.814</b> |

- 28 The Gross and Net Expenditure Budget for 2013/14 for each service grouping is detailed in Appendix 3. Appendix 4 provides a summary of the 2013/14 budget by service expenditure type, based upon the Chartered Institute of Public Finance and Accountancy (CIPFA) classification of costs.

### **Council Tax in 2013/14**

- 29 The Government has confirmed that local authorities will receive a Council Tax Freeze Grant equivalent to a 1% increase in Council Tax, if they agree to not increase Council Tax in 2013/14. This grant is valued at £2m for County Durham and will be payable for each year from 2013/14.
- 30 The 2013/14 Council Tax Base was approved by Cabinet on 19 December 2012 as 128,205.0 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.
- 31 The 2013/14 budgeted council tax income has taken the following factors into account:
- (i) The increase in the tax base due to additional Band D equivalents associated with new build will generate additional council tax income of £1.1m.
  - (ii) The tax base reductions associated with the loss of council tax benefit subsidy. The subsidy has been replaced by the Local Council Tax Support Grant which now forms part of the Business Rate Retention and Start Up Funding Assessment.
  - (iii) The changes in council tax discounts for empty properties and second homes which have offset the loss of income associated with the Government's 10% reduction in council tax benefit funding.
- 32 The Government has announced that any local authority setting a council tax increase in excess of 2% would require council tax payer approval through a referendum.

## Recommendations

- 33 It is recommended that Members:
- (i) Approve the identified base budget pressures.
  - (ii) Approve the 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 2013/14 and thereby leave the County Council Tax level unchanged for the fourth consecutive year.
  - (v) Approve the 2013/14 Net Budget Requirement of £457.814m.

### Medium Term Financial Plan (MTFP 3) – 2013/14 to 2016/17

- 34 The following assumptions have been utilised in developing the MTFP (3) model.
- (i) Government grant reductions for the MTFP (3) period have been developed utilising information from both the 2013/14 Local Government Finance Settlement and the December 2012 Autumn Statement. The estimated reductions are as follows:

**Table 5 – Forecast Government Grant Reductions**

| Year    | Basis                                   | Grant Reduction<br>£m |
|---------|---|-----------------------|
| 2014/15 | Revenue Support Grant reduction         | 29.086                |
| 2015/16 | Net Reduction in all Government Funding | 15.600                |
| 2016/17 | Net Reduction in all Government Funding | 9.530                 |

- (ii) The following estimates have been included for increased income in 2014/15 to offset the £29.086m (17.4%) reduction in Revenue Support Grant.

**Table 6 – Increased Income Forecast for 2014/15**

| Increased Income                              |               |
|---|---------------|
|   | 2014/15<br>£m |
| New Homes Bonus                               | 1.250         |
| New Homes Bonus Top Slice Reimbursement       | 0.750         |
| Top Up Grant – RPI Increase (3%)              | 1.785         |
| Business Rate Local Share – RPI Increase (3%) | 1.600         |

- (iii) Forecast Pay and Price Inflation levels have taken into account the 1% pay increase cap for 2013/14 and 2014/15. They have also taken into

account the continuing high levels of price inflation in the economy with the Consumer Price Index (CPI) currently standing at 2.7% and Retail Price Index (RPI) currently standing at 3.1%. These levels are reflected in the 2013/14 Price Inflation allowance.

**Table 7 – Pay and Price Inflation Assumptions**

| <b>Year</b> | <b>Pay Inflation</b> | <b>Price Inflation</b> |
|-------------|----------------------|------------------------|
| 2013/14     | 1%                   | 2.5%                   |
| 2014/15     | 1%                   | 1%                     |
| 2015/16     | 1.5%                 | 1.5%                   |
| 2016/17     | 1.5%                 | 1.5%                   |

- (iv) Continuing budget pressures in relation to Carbon Tax, Employer Pension Contributions, Concessionary Fares, Energy price increases and Adult Services demographic pressures.
  - (v) Continuing need to support both the current and additional capital programmes.
  - (vi) Council Tax increases for 2014/15 – 2016/17 are assumed to be 2% per annum.
  - (vii) There is a need for additional savings to be identified for the 2014/15 – 2016/17 period of £51.3m to achieve a balanced position across the MTFP (3) period.
- 35 The council will face two new risks in future years which do not presently feature in MTFP modelling as detailed below:
- (i) **Variation in Business Rate Local Share Income** – at this stage, the 2013/14 local share income is budgeted for at the baseline level set by the Government in the SUFA. It is expected however that actual income in the future could be higher or lower dependent upon the health of the economy in the county. This will need to be closely monitored for both budgetary control purposes and MTFP planning. Regeneration and Economic Development and Resources are working together to develop a framework which can model the movement of the business rate tax base within the county. If local share income reduces, the council will need to find additional savings to replace the income lost.
  - (ii) **Localisation of County Tax Support (LCTSS)** – from 2013/14 the council will be responsible for financing the LCTSS. Any variation in benefit claimants will change the levels of council tax income received by the council. This variation will again be linked very closely with the health of the local economy in the county.

## Financial Reserves

36 Reserves are held:

- (i) As a working balance to help cushion the impact of uneven cash flow 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.

37 The council's current reserves policy is:

- (i) To set aside sufficient sums in earmarked reserves as is considered prudent for anticipated known areas of future expenditure.
- (ii) Aim to maintain General Reserves of between at least 3% to 4% of the council's net budget requirement which equates to between £13m to £17m.

38 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.

39 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".

40 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 so that the base budget is not reliant on a continued contribution from general reserves.

41 The setting of the level of reserve is an important decision not only for the 2013/14 budget but for MTFP (3). The Quarter 2 Forecast of Outturn for 2012/13 agreed by Cabinet on 14 November 2012 forecast an increase of £4.5m in the General Reserve Balance to £26.4m. This balance will be above the council's current reserves policy but in times of ongoing austerity, the recommended level of General Reserve should be reviewed in the light of the two new key risks identified in paragraph 35, in addition to the many associated uncertainties for local authorities in the coming years. It is therefore felt prudent for the council to consider maintaining a higher level of

General Reserve in the medium term until such a time when the impact of the Business Rates Retention scheme and the Local Council Tax Support Scheme are more fully understood and Government funding reductions have ended.

- 42 All things considered, it is recommended that the council's Reserve Policy should be as follows:
- (i) Set aside sufficient sums in Earmarked Reserves as is considered prudent. The Corporate Director Resources should be authorised to establish such reserves as required, to review them for both adequacy and purpose on a regular basis reporting appropriate to the Cabinet Portfolio Member for Resources and to Cabinet.
  - (ii) Aim to maintain General Reserves in the medium term of up to 7.5% of the Net Budget Requirement which in cash terms equates to up to £35m.
- 43 A balanced MTFP (3) model has been developed after taking into account the assumptions detailed in this report. The MTFP model is summarised below with full detail attached at Appendix 5.

**Table 8 – MTFP Summary Position**

|                                 | 2013/14       | 2014/15       | 2015/16       | 2016/17       | TOTAL         |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                 | £m            | £m            | £m            | £m            | £m            |
| Reduction in Resource Base      | 9.852         | 19.411        | 20.445        | 6.958         | 56.666        |
| Budget Pressures                | 11.014        | 8.455         | 9.937         | 8.887         | 38.293        |
| <b>Savings required</b>         | <b>20.866</b> | <b>27.866</b> | <b>30.382</b> | <b>15.845</b> | <b>94.959</b> |
| <b>Savings to be identified</b> | <b>0</b>      | <b>12.122</b> | <b>23.309</b> | <b>15.845</b> | <b>51.276</b> |

## Recommendations

- 44 It is recommended that Members:
- (i) Note the forecast 2013/14 – 2016/17 MTFP (3) financial position.
  - (ii) Set aside sufficient sums in Earmarked Reserves as is considered prudent. The Corporate Director Resources will be authorised to establish such reserves as required, to review them for both adequacy and purpose on a regular basis reporting appropriate to the Cabinet Portfolio Member for Resources and to Cabinet.
  - (iii) Aim to maintain General Reserves in the medium term at up to 7.5% of the Net Budget Requirement which in cash terms equates to up to 35m.

## Capital Budget

- 45 The 2012/13 Capital Budget of £190.321m was approved by Cabinet on 14 November 2012. Since that date the Capital Member Officer Working Group (MOWG) has approved a number of revisions to the capital budget. The table

below details the latest revised capital budget for the period 2012/13 – 2015/16 including the revisions approved by MOWG whilst also providing details of the financing. Further details of the current capital programme can be found in Appendix 6.

**Table 9 – Revised 2012/13 – 2015/16 Capital Programme**

| <b>Service Grouping</b>        | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>TOTAL</b>   |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| ACE                            | 1.867          | 3.959          | -              | -              | 5.826          |
| CAS                            | 70.041         | 55.143         | 24.005         | -              | 149.189        |
| Neighbourhoods                 | 26.403         | 23.228         | 1.054          | -              | 50.685         |
| RED                            | 40.244         | 41.493         | 11.710         | 725            | 94.172         |
| Resources                      | 3.463          | 15.598         | -              | -              | 19.061         |
| Other                          | 153            | 9.924          | 30.000         | 30.000         | 70.077         |
| <b>TOTAL</b>                   | <b>142.171</b> | <b>149.345</b> | <b>66.769</b>  | <b>30.725</b>  | <b>389.010</b> |
| Financed by:                   |                |                |                |                |                |
| Grants and Contributions       | 65.187         | 61.178         | 7.789          | 271            | 134.426        |
| Revenue and Reserves           | 3.978          | 987            | 807            | -              | 5.772          |
| Capital Receipts               | 18.610         | 10.000         | 10.000         | 10.000         | 48.610         |
| Capital Receipts – BSF/Schools | 1.200          | 9.744          | 3.000          |                | 13.974         |
| Borrowing                      | 53.196         | 67.406         | 45.173         | 20.454         | 186.229        |
| <b>TOTAL</b>                   | <b>142.171</b> | <b>149.345</b> | <b>66.769</b>  | <b>30.725</b>  | <b>389.010</b> |

- 46 When setting the Capital Budget in MTFP (2) in February 2012, the council agreed to approve a capital programme that included the following level of additional capital schemes.

**Table 10 – Additional Capital Programme Approved in MTFP (2)**

| <b>Year</b> | <b>£m</b> |
|-------------|-----------|
| 2012/13     | 60.158    |
| 2013/14     | 43.344    |

- 47 In agreeing the 2013/14 £43.344m programme, Council estimated the following levels of capital grant:

**Table 11 – Estimated Level of Capital Grant for 2013/14**

| <b>Grant</b>                             | <b>Source</b> | <b>Estimated Grant</b> |
|--|---------------|------------------------|
|  |               | <b>£m</b>              |
| LTP – Core Funding                       | DfT           | 13.310                 |
| School Capitalised Maintenance (non DSG) | DfE           | 8.000                  |
| Broadband UK                             | Broadband UK  | 1.100                  |
| Gypsy & Travellers                       | HCA           | 0.850                  |
| <b>TOTAL</b>                             |               | <b>23.260</b>          |

## Capital Consideration in the MTFP (3) Process

48 Service groupings developed capital bid submissions during the summer 2012 alongside the development of revenue MTFP (3) proposals. MOWG have considered the Capital bid submissions taking the following into account:

- (i) Service grouping assessment of priority.
- (ii) Affordability based upon the availability of capital financing. This process takes into account the impact of borrowing upon the revenue budget.
- (iii) Whether schemes could be self-financing i.e. capital investment would generate either revenue savings or additional income to repay the borrowing costs to fund the schemes.

49 Whilst considering Capital bid proposals, MOWG recognised the benefits of committing to a longer term capital programme to aid effective planning and 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.

## Capital Grant Allocations

50 The capital grants allocated in support of the 2013/14 and 2014/15 budget are detailed in the table below:

**Table 12 – Capital Grants Utilised to Support the Capital Programme**

| Capital Grant                             | Source       | 2013/14<br>£m | 2014/15<br>£m |
|---|--------------|---------------|---------------|
| <b>Grants assumed in MTFP (2)</b>         |              |               |               |
| LTP – Core Funding                        | DfT          | 13.310        | -             |
| Schools Capitalised Maintenance – non DSG | DfE          | 8.000         | -             |
| Broadband UK                              | Broadband UK | 1.100         | -             |
| Gypsy and Travellers                      | HCA          | 0.850         | -             |
| <b>TOTAL</b>                              |              | <b>23.260</b> | <b>-</b>      |
| <b>Grants not previously utilised</b>     |              |               |               |
| LTP – Core Funding                        | DfT          | -             | 14.255        |
| LTP – Additional Highways Funding         | DfT          | 1.836         | 1.007         |
| General Social Care                       | DoH          | 1.518         | 1.548         |
| Two Year Early Education Placements       | DfE          | 0.903         | -             |
| School Capitalised Maintenance – non DSG  | DfE          | -             | 8.000         |
| School Capitalised Maintenance – DSG      | DfE          | *x.xxx        | x.xxx         |
| School Devolved Capital                   | DfE          | x.xxx         | x.xxx         |
| <b>TOTAL</b>                              |              | <b>x.xxx</b>  | <b>x.xxx</b>  |

\* Figures still awaited

- 51 The capital grant funding identified above as ‘not previously utilised’ is available to support the inclusion of additional funding within the capital programme. The 2013/14 and 2014/15 non DSG Schools Capitalised Maintenance capital allocation of £8m is estimated at this stage. This allocation, the DSG Capitalised Maintenance allocation and the Schools Devolved Capital allocation are yet to be confirmed by the DfE. Once approved these allocations will be fully invested in schools.

### Capital Receipts Forecast

- 52 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 Building Schools for the Future and new school builds in Stanley and Consett). This is deemed to be a reasonable target based upon prevailing market conditions.

### Self Financing Schemes

- 53 In many circumstances, capital investment will generate revenue efficiencies. To finance these programmes should they be approved by Full Council, service groupings will transfer sufficient sums to the capital financing budget to cover the relevant borrowing costs.
- 54 In total, it is recommended that £1.645m of schemes are approved in 2013/14 and that £1.925m of schemes are approved in 2014/15.

### Approval of Additional Capital Schemes

- 55 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.
- 56 After considering all relevant factors, MOWG have recommended that the following value of schemes be approved for inclusion in the Capital Programme. Full details of these schemes can be found in Appendix 6.

**Table 13 – Additional Capital Schemes for 2013/14 and 2014/15**

| <b>Service Grouping</b> | <b>2013/14</b> | <b>2014/15</b> |
|-------------------------|----------------|----------------|
|                         | <b>£m</b>      | <b>£m</b>      |
| ACE                     | 0              | 1.260          |
| CAS                     | 0.903          | 8.000          |
| Neighbourhoods          | 9.305          | 20.730         |
| RED                     | 6.825          | 14.168         |
| Resources               | 1.362          | 1.220          |
| Self Financing          | 1.645          | 1.925          |
| <b>TOTAL</b>            | <b>20.040</b>  | <b>47.303</b>  |

- 57 The additional 2013/14 schemes can be afforded by utilising unapplied capital grants and utilising the 2013/14 prudential borrowing allowance not committed in MTFP (2). The new 2014/15 schemes can be afforded by utilising capital



grants, capital receipts and prudential borrowing. The approval of the 2014/15 schemes will leave £10.5m of prudential borrowing still to utilise. This availability of financing in 2014/15 can be considered as part of the development of MTFP (4).

- 58 The new investments detailed in Appendix 6 will ensure the council continues to invest in priority projects and key maintenance programmes. Examples of the additional investments recommended are detailed overleaf:

(i) **Highways Maintenance and Structural Patching (2013/14 - £1.836m; 2014/15 - £14.586m)**

In addition to the £11.632m programme already approved for 2013/14, an additional £16.422m is to be invested over the next two years. This includes grant funding provided by the Government, and also includes £1.5m of council resourced funding in 2014/15. The additional funding is being provided in recognition of the need to invest and repair the highway infrastructure.

(ii) **Provision of a New Household Waste Recycling Centre in Crook and Replacement of the Stainton Grove Facility (2013/14 - £1.715m; 2014/15 - £0.6m)**

Major operation and service benefits will be created by the development of a site in the Crook area, whilst Stainton Grove does not presently meet required standards, whilst size and traffic flows will result in non-compliance with legislation in the future.

(iii) **Newton Aycliffe Customer Access Point (CAP) and Library (2014/15 - £1m)**

Cabinet approved the requirement for a CAP in Newton Aycliffe in September 2011. The plan is to include the CAP in the Leisure Centre and to relocate the Library into the same premises. The budget will be supplemented by £0.4m which is currently available within the Accommodation Strategy capital budget.

(iv) **Stanley CAP/Library (2013/14 - £1m; 2014/15 - £0.4m)**

Cabinet approved the requirement for a CAP in Stanley in September 2011. The current facility operates from Stanley Front Street which is not fit for purpose. It is planned to relocate the Library in with the CAP, with the budget supplemented by £0.4m from the Accommodation Capital Budget.

(v) **Empty Homes Cluster (2013/14 - £1.13m; 2014/15 - £1.13m)**

The council has been successful in receiving £2.12m from HCA to deliver a scheme to bring a minimum of 120 empty homes back into use. The sums approved by MOWG provide the required match funding. The scheme will bring empty properties back into use through a purchase, repair and rental process. Rental income will be used to reinvest in the programme.

59 The 2013/14 – 2016/17 Capital Budget will be as follows:

**Table 14 – New MTFP (3) Capital Programme**

| <b>Service Grouping</b>            | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> | <b>TOTAL</b>   |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                    | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| ACE                                | 3.959          | 1.260          | -              | -              | 5.219          |
| CAS                                | 56.046         | 32.005         | -              | -              | 88.051         |
| Neighbourhoods                     | 32.533         | 21.784         | -              | -              | 54.317         |
| RED                                | 49.318         | 27.379         | 0.725          | 0.027          | 77.449         |
| Resources                          | 17.605         | 1.645          | -              | -              | 19.250         |
| Other                              | -              | 10.494         | 30.000         | 30.000         | 70.494         |
| <b>TOTAL</b>                       | <b>159.461</b> | <b>94.567</b>  | <b>30.725</b>  | <b>30.027</b>  | <b>314.780</b> |
| Financed by                        |                |                |                |                |                |
| Grants and Contributions           | 66.498         | 33.661         | 0.271          | -              | 100.430        |
| Revenue and Reserves               | 0.987          | 0.807          | -              | -              | 1.794          |
| Capital Receipts                   | 10.000         | 10.000         | 10.000         | 10.000         | 40.000         |
| Capital Receipts – BSF and Schools | 9.774          | 3.000          | -              | -              | 12.774         |
| Borrowing                          | 72.202         | 47.099         | 20.454         | 20.027         | 159.782        |
| <b>TOTAL</b>                       | <b>159.461</b> | <b>94.567</b>  | <b>30.725</b>  | <b>30.027</b>  | <b>314.780</b> |

## Recommendations

60 It is recommended that Members:

- (i) **Approve the revised 2012/13 Capital Budget of £142.71m detailed in Table 9.**
- (ii) **Approve that the additional schemes detailed in Appendix 7 be included in the Capital Budget. These capital schemes will be financed from the additional capital grants, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.**
- (iii) **Approve the Capital Budget of £314.78m for the 2013/14 – 2016/17 MTFP (3) period detailed in Table 14.**

## Savings Proposals

- 61 The savings proposals within the within the 2013 – 2017 MTFP (3) are substantially made up of proposals developed last year. The approach taken during this budget process 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 for savings, as have efficiency and value for money reviews in service areas created from local government review. In addition, services continue to maximise income wherever feasible
- 62 The following paragraphs give an overview of the recommended key savings proposals across the new MTFP (3) period by service grouping and supplement the equality impact assessment process detailed in paragraphs 179 to 211.

## **Assistant Chief Executive**

- 63 The MTFP includes proposals to save c£1.1m over the lifetime of the 2013 – 2017 MTFP period, the majority of which relate to the continuation or extension of savings proposals already factored into MTFP(2). This is in addition to the £2.69m of savings achieved in 2011/12 and 2012/13. Members will recall that the MTFP savings in this service grouping were substantially front loaded in the original MTFP and the majority of savings have been delivered from management and support services.
- 64 The major saving initiative in 2013/14 relates to a 33% reduction in Member Neighbourhood Revenue Budgets, where discretionary spend per member will reduce from £15,000 to £10,000, resulting in savings of £0.63m. It should be noted however that Member Neighbourhood budgets also comprise of £10,000 capital per Member. Therefore Neighbourhood budgets will reduce by 20% overall.
- 65 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.
- 66 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 average.

## **Children and Adult Services**

- 67 The MTFP includes proposals to save c£25m over the lifetime of the 2013 – 2017 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the MTFP(2). This is in addition to the £51.3m of savings achieved in 2011/12 and 2012/13, which included the impact of reductions in Area Based Grants relevant to this service grouping.
- 68 In considering proposals to achieve the required savings, Children and Adults Services have needed to assess and respond to the impact of Government policies on Adult Social Care; Academies; School Funding Reform; learners with high educational needs; and changes to the Dedicated Schools Grant to reflect new responsibilities for providing a free early education entitlement to the 20% most disadvantaged two year olds from September 2013.
- 69 MTFP savings in 2013/14 target savings within management and support services wherever possible. This includes targeting savings in administration and the effective management of vacancies across the service grouping. Where any proposals impact on front line services these will be subject to full consultation exercises before any final decisions are made and changes implemented
- 70 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.
- 71 The service will continue to review non statutory service provision; continue to implement existing policy changes in respect of fees and charges; continue to

target the commissioning services that provide value for money and de-commission where appropriate; continue to work in partnership to commission services on a joint basis; continue to build on consistent application of eligibility criteria; undertake a review of the One Point management structure, including family support and the Youth Offending Service; and target reductions in non-staffing budgets, plus increased income generation opportunities.

72 The policy changes introduced in 2011 with regards to Home to School Transport will continue to deliver savings from September 2013, which is the second year of savings applying to new intakes of Primary and Secondary age pupils.

73 As part of a planned process to ensure savings are delivered in line with realistic operational timescales, one-off use of cash limit amounting to £1.1m will be required for 2013/14, though this is offset by the unwinding of £0.93m of cash limit reserve used in setting the 2012/13 budget.

### **Neighbourhood Services**

74 The MTFP includes proposals to save £8.6m over the lifetime of the 2013 – 2017 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the MTFP(2). This is in addition to approximately £15.5m of savings in 2011/12 and 2012/13, which included the impact of reductions in Area Based Grants relevant to this service grouping.

75 In considering proposals to achieve the required savings, the service has placed an emphasis on protecting front line services as far as possible. This has been achieved through savings proposals that focus on efficiencies and increased value for money across all areas of the service grouping, including the continued rationalisation of back office support functions, reviewing arrangements for the management of Council buildings, and the introduction of new contract arrangements for the disposal and treatment of Waste.

76 Savings will be achieved through the continued harmonisation of service provision, as well as changes to operational delivery to achieve more efficient and streamlined ways of working. These proposals include further reviews of grounds maintenance and street cleaning, the introduction of a Culture and Sport Trust, further savings from initiatives that began in 2012/13 such as Alternate Weekly Collections and the introduction of Pest Control charges.

77 In addition to the savings outlined above, the service grouping will also be responsible for making savings of £0.490m in respect of the repairs and maintenance of County Council buildings.

78 As part of a planned process to ensure savings are delivered in line with realistic operational timescales, one-off use of cash limit amounting to £0.14m will be required for 2013/14.

### **Regeneration and Economic Development**

79 The MTFP includes proposals to save c£2.2m over the lifetime of the 2013 – 2017 MTFP period, the majority of which relates to the continuation or

extension of savings proposals already factored into the MTFP(2). This is in addition to the £17m of savings achieved in 2011/12 and 2012/13, which included the impact of reductions in Area Based Grants relevant to this service grouping.

- 80 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 further staffing savings through vacancy management and restructuring, a review of the CCTV service and reductions in supplies and services.
- 81 Opportunities identified for additional income generation include proposals to increase income within the transport and planning services.

## **Resources**

- 82 The MTFP includes proposals to save c£5.2m over the lifetime of the 2013 – 2017 MTFP period, the majority of which relates to the continuation or extension of savings proposals already factored into the MTFP(2). This is in addition to the £5.82m of savings achieved in 2011/12 and 2012/13
- 83 In considering proposals to achieve the required savings the focus within Resources has 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.
- 84 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. In 2014/15 the service will be undertaking a restructure within the Revenues and Benefits Service to save £0.465m, this will include the realisation of savings from system enhancements and process reviews currently underway to maximise the use of the CIVICA system e.g. electronic service delivery and automated workflow.
- 85 The savings proposals are consistent with the feedback from the budget consultation which identified the Resources Service Grouping as an area where savings should be prioritised. As Members will be aware, the original MTFP (1) savings targets for this service grouping were higher than other service groupings.

## **Recommendations**

- 86 **It is recommended that Members:**
- (i) **Note the approach taken by service groupings to achieve the required savings.**

## **Budget Pressures 2013/14**

- 87 The 2013/14 budget needs to absorb several significant cost pressures including:
- Additional employer pension contributions of £1.3m due to a 5.3% increase on the sum required to recover the forecast deficit for County Council employees on the Pension Fund.
  - A 1% pay inflation allowance has been included in the budget along with a 2.5% price inflation allowance. Retail and Consumer Price Index levels continue to exceed the Government's target level of 2%. Current levels are 3.1% and 2.7% respectively.

## **Capital Funding 2013/14**

- 88 The council continues to strive to attract grant funding from external sources and was recently successful in receiving £2.1m of funding from the Homes and Communities Association (HCA) to address empty home problems within the county where the number of empty homes is increasing.
- 89 After taking into account external grants, forecasted income from capital receipts and prudential borrowing, there will be enough funding for the council to be able to make new investments of £20m in 2013/14. This sum is in addition to the £43.3m 2013/14 capital programme agreed by Council in MTFP (2) on 22 February 2012. In addition, sufficient funding is available to commit to an additional capital programme for 2014/15 of £47.3m. This would result in the council having a total capital programme across the 2013/14 to 2016/17 period of £314m.
- 90 The additional approvals will enable the council to increase investment in highways infrastructure, invest in school buildings, modernise libraries and invest in town centres.

## **Development of the 2013/14 to 2016/17 Medium Term Financial Plan (MTFP3)**

- 91 The Cabinet's recommended Medium Term Financial Plan (MTFP 3) integrates corporate service and financial planning over a four-year budgeting period – 2013/14 to 2016/17.
- 92 The MTFP (3) 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.
- 93 The MTFP (3) provides the resource envelope that has allowed the Cabinet to set out the policy framework and service and financial planning leading up to this Budget and Council Tax setting report.
- 94 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 (3), 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.
- To ensure the council can demonstrate value for money in the delivery of its priorities.

95 Looking forward beyond the 2013/14 Budget, the council faces a number of significant risks including:

- (i) The council will retain 50% of business rates collected locally and be responsible for all backdated, successful business rate appeals from 1 April 2013. Any reduction in business rate yield below 2013/14 baseline levels will need to be borne by the council.
- (ii) The council is responsible for all costs associated with council tax benefit. The council must bear the cost of any increase in council tax benefit claimant numbers.
- (iii) Since the initial funding cuts announced in the 2010 Comprehensive Spending Review, every Government Budget and Autumn Statement has announced increased levels of funding reductions for local authorities extending over longer periods. The Government has announced a Comprehensive Spending Review for 2015/16 which will take place by 30 June 2013. The outcome of this review will need to be analysed carefully.

96 After taking into account the risks detailed above and further risks detailed in paragraph 222 of this report, it is felt prudent to increase the council's contingency budget by £0.44m in 2013/14.

### **Local Government Finance Settlement – 2013/14**

97 The methodology by which Government funds local authorities fundamentally changes from 2013/14 with the introduction of the Business Rate Retention (BRR) scheme. Within this scheme 50% of business rates collected will be retained by the local authority (the local share). The remaining 50% is paid over to Government (the central share). Of the 50% retained by the council, 1% must be paid over to the Durham and Darlington Fire and Rescue Service.

98 In addition to the above, the key elements of the BRR scheme are as follows:

- (i) Local authorities will be responsible for the funding of all successful rateable value appeals by businesses, including backdated amounts.
- (ii) The BRR safety net is set at 7.5% of the council's Baseline Funding level.

- (iii) A number of former specific grants along with the funding associated with the Local Council Tax Support Scheme (LCTSS) have been absorbed into BRR from 1 April 2013.
- (iv) The needs assessments which underpin the baseline position in BRR will not be reset until 2020/2021.

99 The Government has forecast how much local share income local authorities will collect in 2013/14 to estimate the national Business Rate Baseline. For 2013/14 this figure is £10.9bn. Each local authority's Baseline Funding level is calculated by multiplying the national local share estimate by each local authority's 2012/13 proportion of Formula funding. The council's apportioned sum is as follows:

**Durham Baseline Funding Level      £111.208m**

100 The Government has also calculated what share of business rate each council collects by averaging this over the last two years (the proportionate share). This figure is multiplied by the national local share estimate to calculate the council's estimated 2013/14 Business Rate Baseline. The figure for the council is as follows:

**Durham Business Rate Baseline      £52.985m**

101 The council will receive the difference between its Baseline Funding Level and Business Rate Baseline as a 'Top Up' grant from the government. The Top Up grant for the council is detailed below:

**Table 15 – Top Up Grant Calculation**

|                        | <b>£m</b>     |
|------------------------|---------------|
| Baseline Funding       | 111.208       |
| Business Rate Baseline | (52.985)      |
| <b>Top Up Grant</b>    | <b>58.223</b> |

102 Within the BRR scheme the Government also calculates a Start Up Funding Assessment (SUFA) for each local authority. The SUFA is determined by building in the range of grants transferring into BRR and reducing this for the austerity funding reduction. The 2013/14 SUFA for the council is as follows:

**SUFA      £278.370**

103 The Department for Communities and Local Government (DCLG) announced the core elements of the settlement for 2013/14 with indicative figures for 2014/15 on 19 December 2012. Although the Final Settlement was received on 4 February 2013, confirmation will not be received until March on the Education Services Grant. At this stage, it is forecast that the grant will be £7.2m.

104 To fully understand the reduction in funding for the council in 2013/14, it is necessary to identify the 2012/13 funding streams to be included within BRR. The table overleaf identifies the funding schemes included:



**Table 16 – Total Fund Transferring into BRR**

|  | £m           | £m                    |
|--|--------------|-----------------------|
| <b>2012/13 Formula Grant</b>                         |              |                       |
| Re-distributed Business Rates                        | 219.007      |                       |
| Revenue Support Grant                                | <u>4.245</u> | 223.252               |
| <b>2012/13 Specific Grants transferring into BRR</b> |              |                       |
| Early Intervention Grant                             | 24.788       |                       |
| Learning and Disability Reform Grant                 | 10.009       |                       |
| Preventing Homelessness Grant                        | 0.510        |                       |
| Local Lead Flood Authorities Grant                   | <u>0.130</u> |                       |
|  |              | <u>35.437</u>         |
| <b>TOTAL FUNDING TRANSFERRING INTO BRR</b>           |              | <b><u>258.689</u></b> |

- 105 The table above identifies that funding received in 2012/13 of £258.689m is now included in the BRR.
- 106 The council receives the difference between SUFA and its Baseline Funding level as Revenue Support Grant (RSG). This will be the funding stream which continues to be reduced by the Government in future years to action austerity funding cuts. The 2013/14 RSG figure for the council is as follows:

**Table 17 – 2013/14 Revenue Support Grant**

|                       | £m             |
|-----------------------|----------------|
| SUFA                  | 278.370        |
| less Baseline Funding | (111.208)      |
| <b>RSG</b>            | <b>167.162</b> |

- 107 The council's baseline position within the BRR scheme is therefore as follows:

**Table 18 – 2013/14 Start Up Funding Assessment (SUFA)**

|                        | £m             |
|------------------------|----------------|
| Business Rate Baseline | 52.985         |
| Top Up Grant           | 58.223         |
| Baseline Funding       | 111.208        |
| RSG                    | 167.162        |
| <b>SUFA</b>            | <b>278.370</b> |

- 108 In addition to the SUFA the council will also receive new funding streams within BRR as detailed below:
- **Two Year Old Early Education Funding in the Dedicated Schools Grant (DSG) - £5.017m.** This funding was previously paid as part of the Early Intervention Grant but has now been transferred into the ring-fenced DSG.

- **LACSEG Reimbursement - £7.2m (estimate).** The Government has confirmed that £9.616m has been transferred from the council's baseline funding to the DfE in relation to LACSEG. This sum represents the cost to the council of providing certain levels of support to schools. The funding (Education Services Grant) is then paid back to local authorities and academies on the following basis:
  - Local authorities receive £15 for all pupils in their area.
  - Local authorities/academy schools then receive £116 per pupil in their respective schools.
  - Based upon the above it is estimated that the council will receive circa £7.2m from the DfE for the Education Services Grant. This figure should be confirmed by 31 January 2013.
- **New Homes Bonus 'Top Slice' Reimbursement - £0.943m.** The Government has top sliced £300m nationally from local authority control totals to cover the cost of the 2013/14 New Homes Bonus payments. After allocating New Home Bonus to authorities, a sum of £81.66m is available for redistribution. The council will receive £0.943m of this sum as a non ring fenced New Homes Bonus Adjustment Grant.

109 In addition to the above there are further key adjustments which need to be factored into the budget as detailed below:

- **Reduction in Council Tax due to Local Council Tax Support Scheme (LCTSS) - £37.318m.** The LCTSS report to Cabinet on 19 December 2012 detailed the reduction in Council Tax yield due to the introduction of LCTSS. This is offset by an increase in the SUFA in recognition of the reduced council tax income.
- **LCTSS funding to be paid to Town and Parish Council - £2.333m.** The Council receives in the SUFA, a sum which reflects the impact of the LCTSS upon Town and Parish Councils. The council agreed on 9 January 2013 to pass on this sum to Town and Parish Councils in 2013/14.
- **Two Year Olds Early Education additional statutory requirement - £2.334m.** The council is required to pay for the provision of additional two year old early education placements in 2013/14. This is the next phase of the continued roll out of additional placements. The cost of the roll out was previously financed from the Early Intervention Grant. Although £5.017m of funding has been transferred into the ring fenced Dedicated Schools Grant, the need to fund the additional £2.334m must still be reflected in the overall funding comparison.

110 The funding streams and budget adjustments detailed in this report enable a comparative funding position for 2013/14 to be developed. The baseline position for 2013/14 is detailed overleaf.

**Table 19 – 2013/14 Funding Baseline**

|   | £m              | £m             |
|---|-----------------|----------------|
| <b>Funding streams within BRR</b>                 |                 |                |
| Baseline Business Rates                           | 52.985          |                |
| Top Up Grant                                      | 58.223          |                |
| Revenue Support Grant                             | <u>167.162</u>  |                |
| <b>START UP FUNDING ASSESSMENT</b>                |                 | 278.370        |
| <b>Additional BRR Related Funding Allocations</b> |                 |                |
| DSG – New Grant for Two Year Olds                 | 5.017           |                |
| LACSEG – Education Services Grant (Estimate)      | 7.200           |                |
| New Homes Bonus – Top Slice Reimbursement (Est)   | <u>0.943</u>    |                |
| <b>TOTAL ADDITIONAL BRR ALLOCATIONS</b>           |                 | 13.160         |
| <b>Required Budget Adjustments</b>                |                 |                |
| Reduction in Council Tax due to LCTSS             | (37.318)        |                |
| LCTSS Grant paid to Town and Parish Councils      | ( 2.333)        |                |
| Two Year Old Early Education                      | <u>( 2.334)</u> |                |
| <b>TOTAL ADJUSTMENTS</b>                          |                 | (41.985)       |
| <b>2013/14 FUNDING BASELINE</b>                   |                 | <b>249.545</b> |

- 111 The calculation enables a comparison to be drawn with the 2012/13 baseline as detailed below:

**Table 20 – 2013/14 Government Funding Reduction**

|                                     | £m           |
|-------------------------------------|--------------|
| 2012/13 Funding Baseline            | 258.689      |
| 2013/14 Funding Baseline            | 249.545      |
| <b>GOVERNMENT FUNDING REDUCTION</b> | <b>9.144</b> |

- 112 The table above identifies that the net funding reduction for 2013/14 will be £9.182m – a 4.2% reduction from the 2012/13 Formula Grant.
- 113 The DCLG have also published indicative settlement figures for 2014/15. The baseline forecast SUFA for the council are as follows.

**Table 21 – 2014/15 Government Funding Reductions**

|  | <b>Baseline Funding</b> | <b>RSG</b>      | <b>SUFA</b>     |
|--|-------------------------|-----------------|-----------------|
|  | £m                      | £m              | £m              |
| 2013/14                                  | 111.208                 | 167.162         | 278.370         |
| 2014/15                                  | 114.621                 | 138.076         | 252.695         |
| <b>Difference - increase/(reduction)</b> | <b>3.413</b>            | <b>(29.086)</b> | <b>(25.675)</b> |
| <b>Percentage Change</b>                 | <b>+ 3.07%</b>          | <b>- 17.4%</b>  | <b>- 9.2%</b>   |

- 114 The Government is forecasting that the Top Up grant will increase by the estimated retail price index (RPI) factor of 3.07% in 2014/15. Similarly the Government is forecasting that business rate yield will also increase by 3.07% in 2014/15 due to the annual RPI increase on business rates.
- 115 To achieve the Government's austerity cuts, RSG is forecast to reduce by 17.4% in 2014/15. Overall this results in a SUFA reduction in 2014/15 of 9.2%.
- 116 For 2015/16 and 2016/17 the Government's forecasted grant reductions are calculated utilising DCLG control totals published in the 2012 Autumn Statement. These sums are very much estimates at this stage due to the following:
- (i) There is no clarity as to the level of savings the Government plan to make via Welfare Reform which could increase or decrease the savings required by DCLG.
  - (ii) There is no clarity as to the level of protection the Government will give to areas such as Health, Education and International Development.
  - (iii) There is no clarity as to the future level of control total top up slices for the New Homes Bonus or how much New Homes Bonus the council will generate.
- 117 The Government announced that they will carry out a one year Comprehensive Spending Review (CSR) by 30 June 2013 which should provide some clarity in relation to 2015/16 funding. At this stage the council is forecasting the following net reductions in Government funding in 2015/16 and 2016/17.

**Table 22 – 2015/16 and 2016/17 Forecast Grant Reduction**

|         | <b>Forecast Reduction in Government Funding</b> |
|---------|---|
|         | <b>£m</b>                                       |
| 2015/16 | 15.600  |
| 2016/17 | 9.530   |

### **Specific Grants**

- 118 The number of specific grants received continues to reduce as the Government transfers funding streams into BRR. The council will receive a new specific grant in 2013/14 in relation to the transfer of Public Health functions to the council. The grant is ring fenced and must be spent on Public Health related functions. The grant allocations for 2013/14 and 2014/15 are detailed overleaf:

**Table 23 – 2013/14 and 2014/15 Public Health Grant Allocation**

|         | <b>Public Health Grant Allocation</b> |                 |
|---------|---------------------------------------|-----------------|
|         | <b>£m</b>                             | <b>Increase</b> |
| 2013/14 | 44.533                                | 2.8%            |
| 2014/15 | 45.780                                | 2.8%            |

- 119 Although the 2.8% annual increase is welcome, the increase is lower than the national average of 5.5%. This lower level increase arises as the Department of Health (DoH) has assessed that some redistribution of funds between local authorities is required, based upon an assessment of need. Durham has been assessed by the DoH as a high spend area, and as such, they have redistributed a proportion of the overall national funding allocation to lower spend areas. For 2013/14 and 2014/15 this redistribution results in a lower than average increase for the council. The concern at this stage is that funding could be reduced from 2015/16 onwards.
- 120 In line with previous budgets, the increase in the New Homes Bonus will be utilised to support the 2013/14 budget whilst service groupings retain any other increases in specific grants which are often associated with additional duties and responsibilities. The council is awaiting confirmation of a new DfE grant in relation to Adoption. The allocation is expected to be circa £1.5m. The increases in specific grants for 2013/14 are detailed below:

**Table 24 – 2013/14 Specific Grants**

| <b>Supporting the Overall 2013/14 Budget</b>                  |           |
|---|-----------|
|   | <b>£m</b> |
| Additional New Homes Bonus                                    | 2.248     |
| <b>Specific Grant Increases Utilised by Service Groupings</b> |           |
|   | <b>£m</b> |
| Local Reform and Community Voices                             | 0.494     |
| Local Council Tax Support Transition (one off)                | 1.031     |
| Local Council Tax Support New Burdens                         | 0.350     |
| Social Fund   | 1.592     |
| Social Fund Administration                                    | 0.336     |
| Community Right to Bid/Challenge                              | 0.016     |

**Recommendations**

- 121 **It is recommended that Members:**
- (i) **Note the confirmation of the BRR Start Up Funding Assessment of £278.370m.**
  - (ii) **Note the reduction in Government support of £9.144m in 2013/14.**
  - (iii) **Note the forecast 9.2% reduction in the Start Up Funding Assessment in 2014/15 including a 17.4% reduction in RSG.**

**(iv) Note the utilisation of specific grant increases in 2013/14.**

**Medium Term Financial Plan and Budget Consultation**

- 122 This year's budget consultation builds on the on-going approach of involving local people in the council's decision making processes. Details on the consultation methodology and findings are presented at Appendix 8. The consultation provided a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire.
- 123 The first phase took place in November to December 2012 and sought the views of the wider community to provide direction to the council's proposals and the approach to developing budget plans. The second phase was intended to take place in January 2013 following receipt of all financial information in order to finalise proposals for MTFP(3). As set out earlier in this report, full information on the provisional financial settlement for the council was only received on 19 December 2012 with final detail received throughout January. This delay has impacted on the scope of the second phase, which has in practice entailed feeding back the consultation findings to date and appraising partners on progress in developing the MTFP (3).

**Key Questions and Methodology**

- 124 During the first stage of the consultation in late 2012, a range of consultation methods were used to encourage wide participation and to gather the views of local people on three key questions.
- How well has the council managed the budget reductions to date?
  - What impact these reductions have had on them personally
  - How should we approach making further reductions?

**Q. How well has the Council managed the budget reductions to date?**

- 125 The approach in seeking the public's views was to set out the ways in which the council has managed the challenging task of identifying and implementing £93m of reductions over the last two years. In seeking views on the council's decisions, the information accompanying the consultation set out the scale of the reductions made to date as well as explaining the key principles that have underpinned the council's approach, including:
- Protect priority services identified by the public;
  - Continue to listen to the public;
  - Work with local communities to develop new ways of working;
  - Try to maintain a countywide presence and a wide spread of local facilities and only consider a total withdrawal of a service as a last resort;
  - Protect frontline/public services.
- 126 This question was used when consulting with the AAPs as well as in the survey with the wider public and Citizens' Panel.

**Q. What impact these reductions have had on them personally**

127 Feedback was sought on the impact that a number of reductions have had on the public to date. The examples selected were those that had already been implemented and had resulted in relatively large savings, potentially affecting a broad range of the community. Respondents were therefore able (in some cases) to offer a comment from first-hand experience. These included:

- Alternative weekly refuse collection;
- Review of indoor leisure facilities;
- Non-public facing services and senior management posts;
- Changes to grounds maintenance;
- Changes to contracted bus services;
- Increased fees and charges;
- Review of adult care provision to support people to live independently for longer;
- Home to school transport.

128 This question was included in the online survey as well as the survey with the Citizens' Panel. It was not included within the AAP consultation workshops as it would have been inappropriate and difficult to measure personal impact within a group discussion format.

**Q. How should we approach making further reductions?**

129 This open question was applied across all the consultation methods as it offered an opportunity for group discussion and individual responses on areas for reductions as well as our future approach. The accompanying information provided as part of the consultation explained that the council projected having to identify a further £46m of additional reductions over the term of the MTFP. It also highlighted that although outline plans were in place for 2013/14, given the financial settlement had yet to be received at the time of the consultation, further reductions may be needed for the next financial year.

**Targeted Consultation Plan**

130 A consultation and communications plan was developed and monitored to ensure robust consultation. The consultation involved the following:

- Presentations and workshops at each of the 14 AAP Forum Meetings,
- Engaging the County Durham Citizens' Panel,
- An on-line questionnaire,
- Seeking views from other representative groups by encouraging views, opinions and concerns to be expressed either online or via other correspondence. This has included targeted correspondence to the Lesbian, Gay, Bisexual or Transgender Steering Group and Disability Partnership as well as an agenda item on the December 2012 meeting of the Local Council Working Group to raise awareness of the consultation, and regular briefings to the Voluntary Sector Working Group.

131 During January 2013 we fed back and updated all major stakeholders including the Police and Fire Services, CDALC, the VCS Working Group and

protected characteristic groups through our regular meetings and/or targeted correspondence.

## **Participation**

132 The consultation process engaged over 1500 people:

- 835 attended AAP Forums where they received a presentation and took part in round table discussions and provided feedback.
- Over 2000 members of the County Durham Citizens' Panel were invited to take part in Budget Consultation either through a web or paper based questionnaire this questionnaire was also promoted through the County Durham Website. Overall 673 residents responded.

## **Consultation Outcomes**

133 From the different methods employed, the key responses to each of the questions are as summarised below.

### **Q. How well have the Council managed the budget reductions to date?**

134 Participants were asked to rank their responses on a scale of 1 to 10, with 10 being excellent.

135 The question about how we managed the budget reductions to date was discussed on 105 tables across the 14 AAP Forum meetings. The analysis clearly indicates a high level of satisfaction with the way the council has managed the process. On a scale of 1 to 10, with 10 being excellent, the mean score was 7. The scores across tables ranged from 3 to 10, with the most occurring score being 8.

136 Comments indicated a high level of satisfaction with consultation and the involvement of local people in shaping decisions. A strong view was that the council had managed the process well given the difficult circumstances and the tough decisions necessary; but that it is essential that the involvement of local people remains central to this process.

137 Responses from the questionnaire about how the council has managed the budget reductions gave an average score of 6.2. They were supportive of the council's approach to managing its budget reductions.

138 Overall participants at AAP forums were more positive than respondents to the questionnaire. The overall average of all AAP participants was seven out of ten with over 80% of returned scores between five and eight. The most commonly returned score, however, was eight with almost one in three groups returning this score (32.4%).

139 Questionnaire respondents were slightly less positive returning an overall average of 6.2. There was also slightly more variation in the questionnaire results with around 75% of responses returning a score between five and eight. One in ten groups (10.5%) at AAP forums and more than one in twenty individuals (6.2%) rated the council very highly (with a score of nine or ten) in managing budget reductions.



140 Charts 1 and 2 are included below to provide an indication of how scores are distributed across the two exercises.

### Rating the council in managing budget process

Chart 1 AAP responses

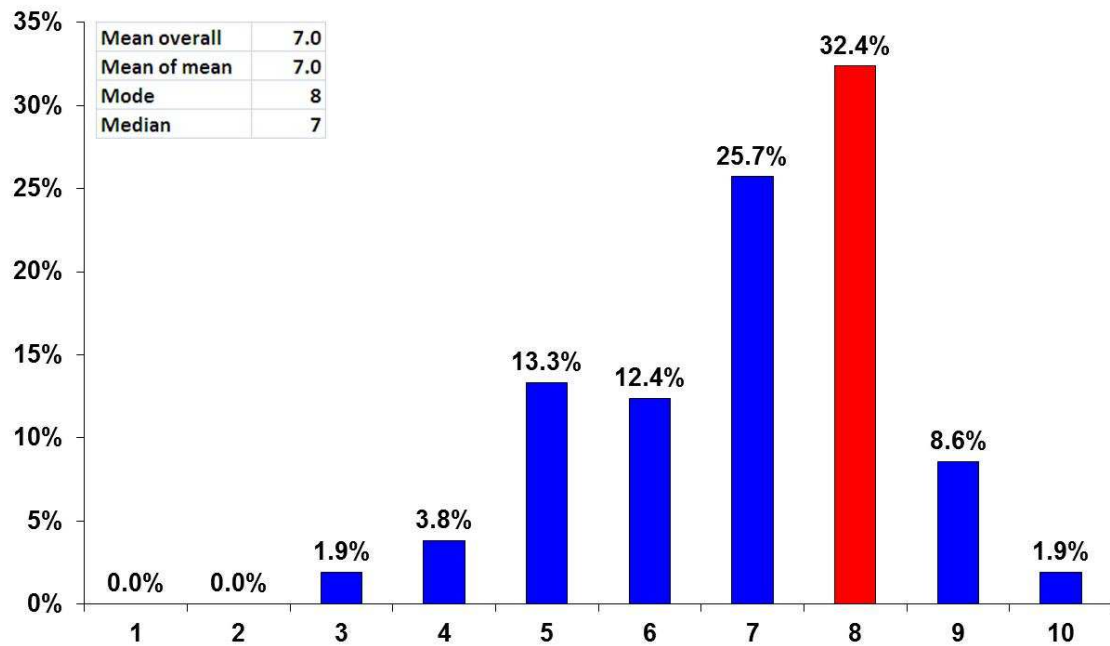
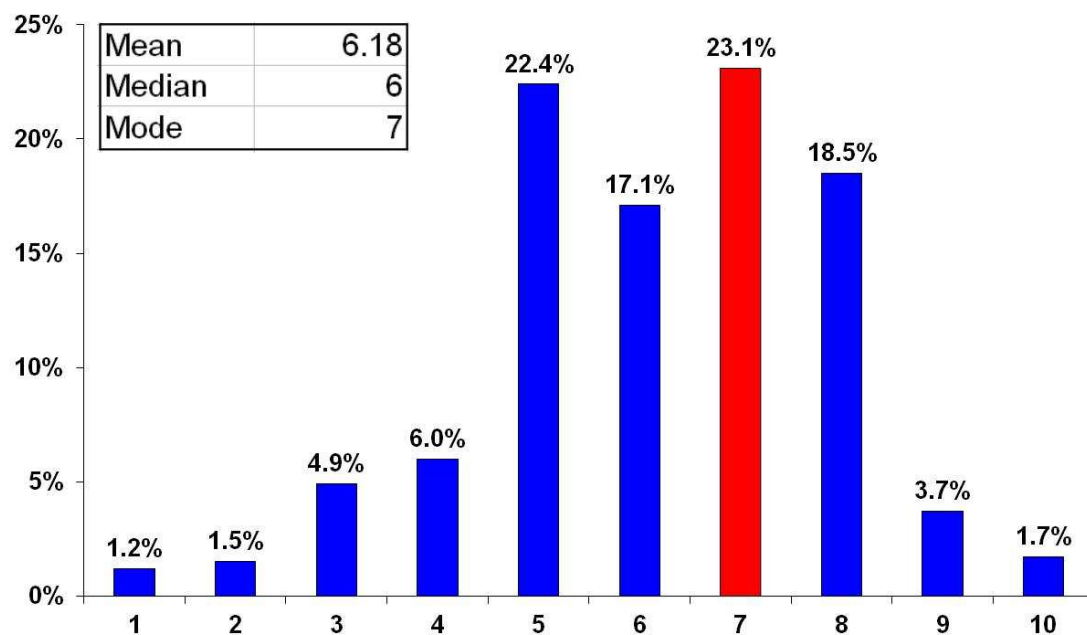


Chart 2 Questionnaire responses



**Q. Do you have any comments or suggestions to help us manage further budget reductions?**

141 This question was designed to help us identify how best to make future savings. There was a wide and varied range of views for managing future reductions. As part of the analysis, these were categorised in four broad areas and are detailed fully in Appendix 8.

The most recurring suggestion under each category is listed below.

**(i) Managing the Approach to Reductions**

Responses reflected a strong appreciation of the in-depth, on-going engagement and consultation of local people in shaping decisions. A recurring theme was to seek opportunities for collaborative working and sharing resources across sectors including the community and voluntary sector, Local Councils, other North East Councils and the private sector.

**(ii) Improving Financial Efficiencies**

Increasing effective management was viewed as very important and focused in particular on procurement and reviewing council land and property. This included reviewing the use of accommodation, selling council assets and better management of council premises in terms of energy efficiency and usage. Attention focused on the monitoring of procurement and ensuring that all contracts are efficient and represent value for money.

**(iii) Council Structures and Service Delivery**

Suggestions under this heading covered references to both staff and Elected Members where respondents felt that the council should continue to review staffing at all levels and minimise associated costs, whilst remembering that re-structures can be costly.

**(iv) Service Specific changes and improvements**

There was a wide range of suggestions for reviews and savings across services. These included: transport, environmental services (waste, recycling) and street lighting.

**Q. What impact these reductions have had on them personally?**

142 The surveys asked participants to tell us what impact the reductions have had on them personally. The main findings were that:

- There is a greater awareness of central government's cuts on local government rather than being aware of the council's financial situation and how it is responding locally.
- 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact. The remainder felt there had been no impact.

- With regard to the impact of the changes that have been implemented to date, the largest response for each service area included in the questionnaire was 'no impact'. For example 72.3% had not been impacted by 'increased fees and charges'. Notwithstanding the fact that the largest response was 'no impact' negative impact outweighed positive for all areas except alternate weekly collection. Net negative impact was most pronounced for contracted bus services and home to school transport.

## **Council Response to Consultation Findings**

- 143 The findings of the consultation have been considered as part of the budget setting process and an initial response setting out an analysis of their potential to assist with the council's approach to the MTFP is set out below.

## **Managing Approach to Reduction**

- 144 The council made a major commitment to the community during the initial consultation on the MTFP efficiencies in 2010 to ensure that their views and suggestions would be taken into account at every stage. The 2010 consultation provided the council with a steer from the community about how they wanted us to implement savings. This year's budget consultation builds on that on-going approach to involve local people in the council's decision making processes.
- 145 Within the framework set up to manage the MTFP programme the council established a consultation plan to ensure the consultation is undertaken in a timely and comprehensive manner.
- 146 There have been consultations this year on the library services review including individual library opening hours, day care provision, parking charges at Hardwick Park, street markets and houses in multiple occupations.
- 147 In identifying the final recommendations, feedback from consultations is considered and changes made wherever possible. A recent example is the final recommendations considered on the proposal to change the mobile library service.
- 148 Consultations have, in some cases, endorsed the council's proposals and helped plan the way forward; for example the consultation on the Community Building Strategy. Support for the council's preferred option was very strong and feedback also helped develop a framework of support for community buildings over the next two years.
- 149 In some other circumstances, contributions from the public and partners led to new proposals being identified. For example in the Leisure Centre consultation where there was a possibility of six Leisure Centres closing, suggestions from stakeholders led to options of alternative ownership and resulted in four being transferred to alternative service providers.
- 150 In the case of the Household Waste Recycling Centres consultation, initial proposals to close six centres were altered as a result of consultation with a final recommendation to close two with the rest on reduced hours.

- 151 We have managed to continue to subsidise bus routes in the climate of council funding reductions. In line with the consultation results, funding continues for bus companies to be provided to support weekday daytime bus services in order that users can access employment and shopping opportunities, with reductions being made to Sunday, and some evening services.
- 152 Given the need to make challenging budget reductions, it was not always possible to act upon the consultation findings particularly where no alternative proposals were identified that could deliver savings. Even in these areas, consultation enabled decisions to be made on a detailed understanding of their potential impact.
- 153 In relation to partnership working, the council has set up two regular working groups with the voluntary sector and Local Councils. The main focus of this work to date has been to understand how both can play a larger role in our procurement process. The council is also part of a North East Procurement Network with other councils that aims to ensure we maximise our potential through joint procurement exercises and local government initiatives. In terms of links with the private sector, over recent years we have significantly improved our relationship through joint forums such as the County Durham Economic Partnership.

#### **Improve Financial Efficiency (raise income and spend less)**

- 154 All service areas have considered fees and charges and where appropriate (to bring our charges in line with others or to ensure we are covering costs) charges have been increased. This includes car parking, planning fees, school transport and charges across neighbourhood services (pest control, waste permits, removal of bulky waste, burial fees).
- 155 Regeneration and economic development was established as a key priority for the new council when it was established in 2009 and throughout the planning for the savings required, this has remained in place. This includes supporting business development and encouraging growth in tourism. Although the economic climate has been challenging we have had some major success in this area including the decision by Hitachi to establish its new train building operation in Newton Aycliffe. Underpinning this has been the establishment of a strong programme of culture which includes Lumiere (the third event is to be held in 2013), the Lindisfarne Gospels coming to Durham and events like Brass and the 'Streets Of' festival. The county has also benefited from a number of high profile sports events including the torch relay, the Halfords Tour cycling and Etape and the Ashes Series coming to the Riverside in 2013. The County Plan, the overarching plan is complemented by a number of Master Plans for the County's key settlement areas that set out how the council will promote business across the area.
- 156 As we move forward over the next few years we will increasingly look at other ways of saving money and work in partnership with others to deliver services. This builds on existing practice e.g. we have also established One Point centres with the NHS which bring to together a range of services under one roof, whilst also allowing us to reduce our costs. We will also be increasing the range of services that can be accessed on line.

- 157 Work is also planned to move Leisure Services and Libraries into a trust to enable the council to reduce its costs whilst maintaining the levels of service.
- 158 The council's approach to making savings was to aim for more than half of the reductions to be generated through reductions in management, support services, efficiencies and increases to fees and charges, so that the impact of reductions on frontline services could be minimised. To date the council is delivering against this aim.
- 159 The council's land and property, as well as its IT infrastructure have been subject to a number of reviews over the last two years. As part of the Asset Management Plan, the council has significantly reduced the size of its estate in order to generate income and reduce running costs.

### **Review Council Structures and Service Delivery**

- 160 In line with all consultation to date, the council's approach to making savings was to aim for more than half of the reductions to be generated through reductions in management, support services, efficiencies and increases to fees and charges, so that the impact of reductions on frontline services could be minimised. We also committed to reducing our management costs by 30%.
- 161 All service areas have continued to review their structures. Further reviews are also planned over the next few years. One major change has been to reduce the number of service groupings by bringing together Adult and Children Services.
- 162 The number of senior managers (Directors and Heads of Service) in post has been reduced from 38 to 29 posts which has delivered annual savings of more than £1m. The number of managers at the next level of the organisation has also been reduced.
- 163 The number of Elected Members serving on the council was addressed as part of the Boundary Review that was carried out independently of the council by the Local Government Boundary Commission for England (LGBCE) which commenced in 2008 and ended in 2012. The review concluded that given the size and geographical make-up of the County the number of Elected Members should remain unchanged and that this would provide for effective and convenient local government in the context of the council's internal political management structure and facilitates the representational role of councillors.
- 164 The Local Authorities (Members' Allowances) (England) Regulations 2003 require each Local Authority to decide a Members Allowances Scheme and the amounts to be paid under the scheme. Councils are required to establish and maintain an Independent Remuneration Panel to provide advice on its scheme and the amounts to be paid, amongst other things. Local authorities must have regard to this advice. The council's scheme was reviewed in 2009 when the council assumed its full duties and responsibilities of a Unitary Authority. Subsequent reviews by the Independent Remuneration Panel took place in 2011 and 2012 where the Panel recommended no change to the allowances paid.

## **Service Specific Changes and Improvements**

- 165 The scale of savings required means that frontline services have had to be reviewed. Many of the changes implemented have been to improve efficiency whilst maintaining service levels, for example the introduction of alternate weekly refuse collections which was rolled out across the county from April 2012. This built on experience gained from its earlier introduction in the Derwentside area.
- 166 Recently we have commenced a review of street lighting which will involve investing in more efficient schemes as well as reducing unnecessary lighting. The review will include de-illumination of signs, retrofitting with more energy efficient light sources and the use of Central Management System or fixed settings to facilitate dimming.
- 167 We are also currently consulting on a new play strategy which includes the provision of play grounds. This strategy aims to make gradual changes to the distribution and type of play grounds so that they are shared more fairly, and better meet community needs throughout County Durham.
- 168 Whilst recognising the importance of keeping residents informed we have reviewed Durham County News which has resulted in a reduction from ten editions a year to just four.
- 169 With regard to Adult Care we have reorganised the way we provide home care for people, and helped many people regain their independence as well reviewing services for some people with learning difficulties. The level of savings needed to balance our budgets has unfortunately also meant the closing of some respite and day care re-provision.
- 170 The withdrawal of home to school transport for children over sixteen years of age and for pupils living within three miles of their school has also been necessary to save money which has caused inconvenience and cost to affected families.
- 171 It is clear that the council has undertaken a broad range of reviews during the period of the MTFP to meet the financial savings required. Over the forthcoming years and with further reductions to find, the council will explore further efficiency measures and will consider those suggestions made during this and future consultations.

## **Conclusions from Consultation**

- 172 The key findings from the consultation responses to date indicate that the public feel the council has managed the difficult process of making budget reductions well. The level of satisfaction with our approach increases for those members of the public who have been involved in AAPs. This perhaps is unsurprising given that AAP Forums have played a key role in the council's budget setting process since their inception, so their knowledge and understanding of the process is greater. They have also played a major role in consultations relating to specific services and policies during the past few years. CDALC responded to the consultation with the following statement:

*“The County Durham Association of Local Councils (CDALC) is aware of the current financial pressures being experienced by Durham County Council. CDALC supports the current financial strategy being implemented by Durham County Council as they strive to meet reductions in central government funding. CDALC is pleased to see that all efforts are being made to protect frontline services wherever possible.*

*At first tier level (parish and town councils) we will continue to work with DCC to see that adverse effects of the current and future cuts are minimised for local communities.*

- 173 In addition Durham Rural Community Council issued the following statement:

*“Durham Rural Community Council (DRCC) works closely with Durham County Council and through the County Durham Partnership to provide representation about Voluntary and Community sector issues in County Durham. The Voluntary and Community sector in the County is aware of the current financial pressures being experienced by Durham County Council and is working alongside officers and Members to provide services for local communities and individuals in the context of increasing financial constraint. DRCC supports Durham County Council in their implementation of the current financial strategy, particularly in the context of striving to meet reductions in central government funding. We fully support all efforts which are being made to protect frontline services wherever possible.*

*On behalf of the sector, we will continue to work with the council towards minimising and managing the adverse impacts of the cuts in resources for local communities.”*

- 174 Whilst suggestions have been made to improve our future approach, such as building on our partnership approach and sharing of resources, the overwhelming response was to carry on engaging the public in our decision making process. This supports our current approach of consultation and on-going engagement using a wide range of methods and groups including those representing protected characteristic groups, residents groups, local councils and user/focus groups.
- 175 With regard to the impact of the changes that have been implemented to date, the largest response for each service area included in the questionnaire was ‘no impact’. This finding reflects positively on the approach the council has taken to minimise impact on frontline services.
- 176 The analysis set out in this section makes it clear that many of the suggestions made through the consultation process have already been actioned with savings delivered as a result. Where this has not been the case, the analysis has also shown that the majority of the proposals have been incorporated within the proposals for future reductions made by service groupings set out elsewhere in this report. In a small number of cases, suggestions have been considered in the past, and on reviewing the situation, it has been concluded not to progress with a proposal. In summary, the analysis of the suggestions to help manage further reductions reaffirm that the

council has been managing the process well and the service reductions are generally in line with the views of the public.

- 177 As with all consultations, feedback will be provided via the council's website under the 'You Said, We Did' section and through briefings with partners.

## **Recommendations**

### **178 It is recommended that Members**

- (i) Note the outcome of the consultation carried out as part of the development process for the 2013/14 budget.**
- (ii) Note that the suggestions made by the public to help manage the budget reductions have been considered by the council.**
- (iii) Agree that the council continue to engage with the public in future budget setting processes and prior to implementing changes to frontline services.**

## **Equality Impact Assessment of the Medium Term Financial Plan (3)**

- 179 This section updates Members on the outcomes of the equality impact assessment of the MTFP (3) and summarises the potential cumulative impact of the 2013/14 proposals.

- 180 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.

- 181 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.



- 182 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."
- 183 A number of successful judicial reviews have 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.
- 184 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.
- 185 The process for identifying and completing impact assessments in relation to the MTFP is consistent with previous years. Services, with support from the corporate Equalities Team, were asked to consider all Year 3 proposals to identify the level of assessment required – either 'screening' or 'full' depending on the extent of impact and the deadline for the final decision. Some of the key proposals are subject to further consultation and further decisions, the relevant impact assessments will be updated as further information becomes available.

### **Progress on Completing Impact Assessments**

- 186 A total of 43 assessments will be made available for Members to inform their decisions on individual proposals. Some are existing assessments from previous years where there is a continuation of a savings proposal, some are new assessments and a small number of proposals do not require an assessment, for example those involving use of cash limits or savings in supplies and services.

| Assessments received: |    |
|-----------------------|----|
| ACE                   | 4  |
| CAS                   | 16 |
| Neighbourhoods        | 14 |
| RED                   | 3  |
| Resources             | 6  |

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

### **Summary of Cumulative Equality Impacts**

- 188 There are ongoing cumulative impacts as a result of MTFP decisions made by Council in the last two years. The examples below detail ongoing impacts in terms of increased costs, transport changes, loss of or reduction in services, move to alternative provision and reduction in social opportunities.
- 189 Reductions in contracted bus services introduced in April 2011 lead to changes in evening and weekend services which may have disproportionately affected those who need to travel on evenings or weekends to provide care, for social or faith activities, weekend or shift working and visiting relatives or friends in hospital or care. In addition the changes to concessionary travel introduced new flat rate charges before 9.30am which increase costs for disabled people who may be travelling to work, training or further education.
- 190 The review of home to school transport which was implemented for new students from September 2012 meant that some pupils would need to walk further, use alternative transport or be charged for transport. Whilst the main impact is age related for children and young people there are potential impacts from the introduction of up front charges, particularly on low income households such as younger or disabled or lone parents. Women are more likely to be primary carers or lone parents so may be specifically affected by changes to school transport. Disabled parents highlighted practical issues of accompanying or transporting children and changes to benefits which would affect household incomes.
- 191 The review of leisure facilities in 2011 led to the transfer of four local leisure centres and the closure of another. The impacts identified included potential negative effects of increased charges on low income groups which often include older and younger people, lone parents and disabled people; reduction in access to indoor leisure services and community facilities for social events; alternative provision in other locations could limit access to specialist provision including facilities for disabled users; additional travel would impact most on those with limited access to transport including older and younger people or disabled people.
- 192 Changes to library opening hours and mobile library services introduced in January 2013 identified similar potential impacts. The library service review found potential equality impacts across all protected groups to varying degrees, the main impacts were those related to age, gender and disability due to reduced access and increased travel to alternatives. Reduced access

to information, learning opportunities and computers could affect those on low incomes or looking for employment, particularly disabled people and younger people. There was also evidence to show impacts on families with children using libraries for leisure and activities.

- 193 The review of community buildings has also meant that some local facilities have closed during 2012 and others are still under review. Community buildings often provide local meeting spaces, social opportunities and activities which support health and wellbeing so loss of the facility affects the whole community but is more likely to have a negative effect on younger and older or disabled people who may have difficulties travelling to alternative venues or rely on others for support.
- 194 The recent budget consultation included questions about the impact of the key changes already implemented. The responses indicated that in terms of negative impacts:
- 195 **Gender** – women were more likely to highlight negative impact in relation to the review of leisure facilities and changes to grounds maintenance whilst men were more likely to identify the alternate weekly refuse collections, changes to bus services and fees and charges as having a negative impact. There was no difference in relation to the review of adult care or changes to school transport.
- 196 **Age** - there were variations in responses across age groups with under 24 year olds most concerned about changes to fees and charges; 25 to 64 year olds the highest proportion for changes to adult care, leisure, school transport, bus services, refuse collection and grounds maintenance. Overall people aged over 65 reported negative impact less frequently than other age groups, the highest responses on negative impact from over 65s were in relation to grounds maintenance and bus service changes.
- 197 **Disability** – disabled people were twice as likely to indicate negative impacts as a result of the review of adult care and slightly more likely as a result of changes to leisure facilities, fees and charges and bus services. Non-disabled people highlighted negative impacts in relation to school transport, alternate weekly refuse collections and grounds maintenance. Those providing care were significantly more likely to highlight negative impacts from changes to fees and charges, the review of adult care, changes to bus services and grounds maintenance. Non-carers were more likely to highlight school transport changes.
- 198 **Ethnicity, religion or belief and sexual orientation** – the number of responses for these categories was too small to provide valid comparisons.

### **Summary of Equality Impact of 2013/14 MTFP Proposals**

- 199 Services were required to identify any disproportionate impact likely to arise from implementing each savings proposal. The main equalities impacts in relation to new savings proposals are summarised below for each service grouping. In some cases the effect of the saving would apply to all service users but could have a greater impact for some, for example, charges for pest control would affect all users but could impact more on lower income groups which is related to age, gender and disability. Other proposals relate to

targeted services which would have a more focused impact, for example, the review of non-statutory services for adults is likely to impact specifically on people with protected characteristics.

- 200 ACE proposals are continuations of previous savings except for the reduction in Member Neighbourhood Budgets which support local projects and therefore could potentially impact on any of the protected characteristics, for example projects for young people or improvements to the local area to provide better access for disabled people. The impact assessment identifies an increased focus on attracting match funding which will potentially minimise the overall impact.
- 201 CAS proposals include impacts on age, disability and gender:
- (i) The annual review of social care charges and ongoing application of eligibility criteria deliver fairer charging and access to services overall but mean that some people may contribute more towards service costs or experience a change in the level of service they receive. This could impact on many service users who are older people, women, and disabled people.
  - (ii) The review of non-statutory services will include efficiencies from some contracted services which provide tailored support or information for particular groups. There is potential for impact on all protected characteristics given the range of services provided, there are also specific potential impacts in relation to age and disability.
  - (iii) Outdoor education centre – closure of the centre would result in a loss of access to facilities within the county for school aged children, this may mean that some children are no longer able to benefit from outdoor education due to increased costs, travel or availability of accessible alternatives.
  - (iv) Neighbourhood Services proposals mainly relate to staffing restructures, ongoing savings or income from previous years such as the library service review and introduction of pest control charges along with more efficient ways of working and savings from supplies and services. There is one new proposal with a potential impact on age and disability. School crossing patrols may have a potential impact on road safety for school aged children and may have a greater impact for disabled children but will be targeted to areas where patrols have low usage which also exceed the national recommended standard. The potential impact may be mitigated where patrols are removed at lunchtimes if children are not allowed out of school or where schools decide to fund crossing patrols themselves.
- 202 RED proposals mainly relate to ongoing savings as a result of staffing restructures.
- 203 Resources proposals also relate to ongoing staffing restructures along with support and back office functions.
- 204 Cumulative impacts on service users are once again most likely in relation to increased costs or charges, loss of or reduced access to a particular service

or venue and travel to alternative provision. Overall this is more likely to affect those on low income, people without access to personal transport and those reliant on others for support, with particular impacts on disability, age and gender. There are no specific impacts identified in relation to race, religion or belief and sexual orientation which is mainly due to the fact that few council services are provided solely on the basis of these characteristics. However there is also less data and evidence available to show potential impact on these groups.

- 205 Mitigating actions are considered where the individual MTFP assessments have identified negative impacts on protected groups. These generally include ensuring service users can make informed choices or find alternatives, implementing new or improved ways of working, working with partners and providing transition arrangements to reduce the initial impact.

### **Summary of Impacts on Staff**

- 206 There are a number of 2013/14 proposals relating to staffing restructures and changes, the impacts are comparable to those reported in previous years. In summary those impacts are:
- (i) 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, and they may also find it difficult to obtain alternative employment due to lower levels of experience.
  - (ii) Gender – potential impact on both men and women, for example where reviews relate to senior posts or technical roles they are more likely to affect male employees whilst administrative or support roles are more likely to be female employees.
  - (iii) 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 of those affected are low which reflects the broader workforce profile data.
  - (iv) 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, due to the low numbers, this information is not routinely included in equality impact assessments so that people cannot be identified. To date there is no evidence of specific negative impacts on these characteristics.
- 207 Across the workforce as a whole there are more women than men so statistically more women are likely to be affected. Where possible the assessments have included profile information to help understand the broader staff implications, in many cases any final reductions will be affected by early retirement, voluntary redundancy and redeployment.
- 208 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.

## **Key Findings and Next Steps**

- 209 The equality impact assessments are vital in order to understand potential outcomes for protected groups and mitigate these where possible.
- 210 The main equalities impacts of the 2013/14 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. These cumulative impacts can increase costs for individuals and affect their participation in employment, social activities and caring responsibilities. There will be continued focus on equalities issues as we move into future years 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**

- 211 **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**

- 212 The original MTFP indicated in February 2011 that after taking into account the estimated deletion of 350 vacant posts from the council's establishment, it was expected that a further reduction in full time equivalent posts of around 1,600 would be necessary across the MTFP (1) period. This forecasted decrease equated to a 20% reduction in posts, excluding schools. Forecast post reductions are broadly in line with these initial estimates.
- 213 A range of actions have taken place during 2012/13 to mitigate the potential for compulsory redundancies and ensure that voluntary mechanisms, wherever possible, have been used to achieve this, and that the workforce is supported and is aware of the council's objectives in this regard, for example:
- (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) Many employees who were at risk of compulsory redundancy have secured new employment within the council after successful trial periods in the new roles.

## **Recommendations**

**214 It is recommended that Members:**

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

## **Pay Policy**

- 215 The Localism Act requires the council to prepare and publish a pay policy statement annually which sets out the authority's policy relating to the remuneration of its Chief Officers, and how this compares with the policy on the remuneration of its lowest paid employees.
- 216 The first policy document was approved by a resolution of the council prior to 31 March 2012 and a policy must then be published by the end of March for each subsequent year, although the policy can be amended by a resolution of the council during the year.
- 217 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.

- 218 In May 2013, the local elections for the council will take place. Budgetary provision has been made for the costs of administering the election. The Parish Council elections will take place at the same time and Parish Councils will continue to be charged the actual costs attributed to them and half the costs of any expenses which can be shared with the costs of the County Council.
- 219 There will be no change to the current process where Parish Councils meet the full costs of their individual by-elections. The pay policy statement presented at Appendix 9 caps the fees of the Returning Officer and deputies at half the national rate, previously used as the basis of Returning Officer fees in previous council elections.
- 220 The Pay Policy Statement at Appendix 9 is for County Council's consideration and outlines the details for the authority for 2013/14, in line with the above requirements.

### **Recommendations**

- 221 **It is recommended that Members:**

- (i) **Approve the pay policy statement at Appendix 9.**

### **Risk Assessment**

- 222 The council had previously recognised that a wide range of financial risks needed to be managed and mitigated across the medium term. The risks faced have now been exacerbated by the localisation of business rates and the localisation of council tax support. All risks will be assessed continually throughout the MTFP (3) period. Some of the key risks identified include:
- (i) Ensure the achievement of a balanced budget and financial position across the MTFP (3) period.
  - (ii) Ensure the savings are risk assessed across a range of factors e.g. impact upon customers, stakeholders, partners and staff.
  - (iii) The Government funding reductions are based upon Government national control total data from the December 2012 Autumn Statement. Further analysis of the content of the March 2013 Budget and the expected 2015/16 Comprehensive Spending Review in the spring of 2013 will be required to ensure estimates are updated. Recent experience would indicate that each Government financial forecast includes additional savings for local government.
  - (iv) The localisation of council tax support passes the risk for any increase in council tax benefit claimants onto the council. Activity in this area will need to be monitored carefully with medium term projections developed in relation to estimated volume of claimant numbers.
  - (v) The MTFP (3) model builds in estimates for pay and price inflation. At the present time price inflation levels remain well above Government targets which could place significant pressure upon budgets.



## **Recommendations**

**223 It is recommended that Members:**

- (i) Note the key risks to be managed over the MTFP (3) period.**

### **Dedicated Schools Grant (DSG) and School Funding – 2013/14**

- 224 The Government is implementing wide ranging reforms to the school funding formula from 2013/14. The council's discretion in terms of funding allocations to individual schools has been much reduced under the new simplified formula factors, which is now much more pupil number driven. The reforms will affect all schools and academies and are the precursor to a national funding formula from 2015/16 onwards.
- 225 The School Funding Reforms have required the council to delegate funding that had previously been retained centrally in the Dedicated Schools Grant (DSG) to fund behavioural Support Services; Looked After Children; and Trade Union Facility Time.
- 226 Consultation has been undertaken with individual schools and through the Schools Forum throughout the summer and autumn to understand the impact of these changes and to develop the formula factors such that the changes produce as little as possible turbulence in the funding arrangements for schools in County Durham. Subsequent decisions taken by the schools forum have meant the withdrawal of certain services to schools including the anti-bullying service.
- 227 Transitional protection from the impact of the formula changes is available through the Minimum Funding Guarantee (MFG), which caps the increase to those that gain and restricts the impact on those that lose out through the new formula factors. The MFG only protects schools from the impact of the formula changes, not from the impact of falling roll numbers. It is unknown at this stage whether the MFG will continue when the national funding formula is implemented in 2015/16.
- 228 In 2013/14 and 2014/15 funding through the DSG and under the new distribution formula should remain stable, with variations being due to changes in pupil numbers and planned places in specialist settings in the main.
- 229 Under the new system the DSG has been split into three 'blocks': Early Years, High Needs and Schools. The High Needs Block provides for pupils with high cost Special Educational Needs (requiring provision costing more than £10,000/year). The Schools Block includes all retained funding and funding for primary and secondary schools in respect of the education of pupils from Reception to Year 11. DSG funding for 2013-14 is as follows:

**Table 25 – DSG Funding**

| <b>DSG Block</b>  | <b>Amount per pupil £/pupil</b> | <b>Pupils</b> | <b>DSG Allocated £m</b> | <b>Additional Funding £m</b> | <b>Total DSG Allocation £m</b> |
|-------------------|---------------------------------|---------------|-------------------------|------------------------------|--------------------------------|
| Schools Block     | 4,572.50                        | 61,692        | 282.087                 | 0.094                        | 282.181                        |
| Early Years Block | 3,866.10                        | 4,288         | 16.578                  | 5.068                        | 21.646                         |
| High Needs Block  | -                               | -             | 43.393                  | -                            | 43.393                         |
| <b>TOTAL</b>      |                                 |               | <b>342.058</b>          | <b>5.162</b>                 | <b>347.220</b>                 |

- 230 Primary and secondary formula funding for Academies total £71m. This funding is recouped by the Education Funding Agency.
- 231 Funding, previously provided through the Early Intervention Grant, is now provided through the DSG. This provides £5m of funding to enable the council to provide free early education places for 2-year-olds from lower income households.
- 232 Pupil premium for schools and academies in Durham for 2012-13 was just over £13m. For 2013-14 the premium per pupil is increasing from £623 to £900. Pupil numbers for 2013-14 are not yet confirmed, but it is likely that the premium for schools and academies in Durham will be in the region of £18-19m for 2013-14.

### **Recommendations**

- 233 **It is recommended that Members:**
- (i) **Note the position on the Dedicated Schools Grant.**

### **Prudential Code**

- 234 This section outlines the council's prudential indicators for 2013/14 to 2015/16 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 10.
  - 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 10.
  - 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 10.

- 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 10.

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

## **Recommendations**

236 **It is recommended that Members:**

- (i) **Agree the Prudential Indications and Limits for 2013/14 – 2015/16 contained within the Appendix 10 of the report, including the Authorised Limit Prudential Indicator.**
- (ii) **Agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 10 which sets out the council's policy on MRP.**
- (iii) **Agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 10.**
- (iv) **Agree the Investment Strategy 2013/14 contained in the Treasury Management Strategy (Appendix 10 and the detailed criteria included in Appendix 10).**

## **Summary of Recommendations**

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

238 **It is recommended that Members:**

- a) **2013/14 Revenue Budget and Council Tax**
  - (i) **Approve the identified base budget pressures.**
  - (ii) **Approve the 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 2013/14 and thereby leave the County Council Tax level unchanged for the fourth consecutive year.**
  - (v) **Approve the 2013/14 Net Budget Requirement of £457.814m.**

- b) MTFP (3) and Financial Reserves**
  - (i) Note the forecast 2013/14 – 2016/17 MTFP (3) financial position.**
  - (iv) Set aside sufficient sums in Earmarked Reserves as is considered prudent. The Corporate Director Resources will be authorised to establish such reserves as required, to review them for both adequacy and purpose on a regular basis reporting appropriate to the Cabinet Portfolio Member for Resources and to Cabinet.**
  - (iii) Aim to maintain General Reserves in the medium term at up to 7.5% of the Net Budget Requirement which in cash terms equates to up to 35m.**
- c) Capital Budget**
  - (i) Approve the revised 2012/13 Capital Budget of £142.171m detailed in Table 9.**
  - (ii) Approve that the additional schemes detailed in Appendix 7 be included in the Capital Budget. These capital schemes will be financed from the additional capital grants, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.**
  - (iii) Approve the Capital Budget of £314.78m for the 2013/14 – 2016/17 MTFP (3) period detailed in Table 14.**
- d) Savings Proposals**
  - (i) Note the approach taken by service groupings to achieve the required savings.**
- (e) Local Government Finance Settlement – 2013/14**
  - (i) Note the confirmation of the BRR Start Up Funding Assessment of £278.370m.**
  - (ii) Note the reduction in Government support of £9.144m in 2013/14.**
  - (iii) Note the forecast 9.2% reduction in the Start Up Funding Assessment in 2014/15 including a 17.4% reduction in RSG.**
  - (iv) Note the utilisation of specific grant increases in 2013/14.**
- (f) Consultation**
  - (i) Note the outcome of the consultation carried out as part of the development process for the 2013/14 budget.**
  - (ii) Note that the suggestions made by the public to help manage the budget reductions have been considered by the council.**

- (iii) Agree that the council continue to engage with the public in future budget setting processes and prior to implementing changes to frontline services.
- (g) Equality Impact Assessments 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.
- (h) Workforce Considerations
  - (i) Note the position on workforce considerations.
- (i) Pay Policy
  - (i) Approve the pay policy statement at Appendix 9.
- (j) Risk Assessment
  - (i) Note the key risks to be managed over the MTFP (3) period.
- (k) Dedicated Schools Grant
  - (i) Note the position on the Dedicated Schools Grant.
- (l) Prudential Code
  - (i) Agree the Prudential Indications and Limits for 2013/14 – 2015/16 contained within the Appendix 10 of the report, including the Authorised Limit Prudential Indicator.
  - (ii) Agree the Minimum Revenue Provision (MRP) Statement contained within Appendix 10 which sets out the council's policy on MRP.
  - (iii) Agree the Treasury Management Strategy and the treasury Prudential Indicators contained within Appendix 10.
  - (iv) Agree the Investment Strategy 2013/14 contained in the Treasury Management Strategy (Appendix 10 and the detailed criteria included in Appendix 10).

---

|                 |                       |                          |
|-----------------|-----------------------|--------------------------|
| <b>Contact:</b> | <b>Jeff Garfoot</b>   | <b>Tel: 03000 261946</b> |
|                 | <b>Jenny Haworth</b>  | <b>Tel: 03000 268071</b> |
|                 | <b>Gordon Elliott</b> | <b>Tel: 03000 263605</b> |

---

---

## **Appendix 1: Implications**

---

**Finance** – The report sets out the Cabinet's recommendations on the 2013/14 Budget and 2013/14 – 2016/17 MTFP

**Staffing** – The impact of the MTFP upon staffing is detailed within the report.

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

**Equality and Diversity / Public Sector Equality Duty** – 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 the report.

**Consultation** – This year's budget consultation builds on the on-going approach of involving local people in the council's decision making processes. The consultation provided a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire.

**Procurement** – Wherever possible procurement savings are reflected in service groupings savings plans.

**Disability Issues** – All requirements will be assessed in Equality Impact Assessments.

**Legal Implications** – The council has a statutory responsibility to set a balanced budget for 2013/14. It also has a fiduciary duty not to waste public resources.

---

**APPENDIX 2: MTFP Budget Saving 2013/14 to 2015/16**


---

**ASSISTANT CHIEF EXECUTIVE**

| <b>Saving Ref</b> | <b>Description</b>                     | <b>2013/2014</b> | <b>2014/2015</b> | <b>2015/2016</b> | <b>TOTAL</b>     |
|-------------------|--|------------------|------------------|------------------|------------------|
|                   |  | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| ACE3              | Management Review within ACE           | 0                | 186,642          | 16,358           | 203,000          |
| ACE5              | Reduce research activity               | 0                | 0                | 26,000           | 26,000           |
| ACE8              | Review AAP Administration              | 35,745           | 0                | 0                | 35,745           |
| ACE9              | Review Partnership Support             | 41,019           | 35,745           | 0                | 76,764           |
| ACE11             | Reduce Member Neighbourhood Budgets    | 630,000          | 0                | 0                | 630,000          |
| ACE14             | Review of the Civil Contingencies Unit | 15,561           | 4,439            | 20,000           | 40,000           |
| ACE15             | Repayment of cash limit reserve        | -69,325          | 0                | 0                | -69,325          |
| ACE16             | Review community building grant        | 0                | 0                | 35,039           | 35,039           |
| ACE18             | Review of locality budgets             | 0                | 0                | 122,640          | 122,640          |
| ACE19             | Review of parish budget                | 0                | 34,650           | 0                | 34,650           |
| <b>TOTAL ACE</b>  |  | <b>653,000</b>   | <b>261,476</b>   | <b>220,037</b>   | <b>1,134,513</b> |

**CHILDREN AND ADULTS SERVICE**

| <b>Saving Ref</b> | <b>Description</b>  | <b>2013/2014</b>  | <b>2014/2015</b> | <b>2015/2016</b> | <b>TOTAL</b>      |
|-------------------|---|-------------------|------------------|------------------|-------------------|
|                   |   | £                 | £                | £                | £                 |
| AWH3              | Review of in-house social care provision  | 400,000           | 490,000          | 0                | 890,000           |
| AWH5              | Eligibility criteria - consistent and effective use of existing criteria and reablement   | 1,450,000         | 1,325,000        | 0                | 2,775,000         |
| AWH6              | Review of Adult Social Care Charging  | 400,000           | 400,000          | 0                | 800,000           |
| AWH7              | Commissioning (Reduction in Adult Care service level contracts)   | 40,000            | 40,000           | 40,000           | 120,000           |
| AWH19             | Review Grant Support to Citizens Advice Bureau  | 26,500            | 0                | 0                | 26,500            |
| AWH20             | Review Community Safety Services  | 86,000            | 0                | 0                | 86,000            |
| AWH22             | Management and support services, staffing restructures and service reviews / rationalisation                                      | 1,580,600         | 3,855,500        | 3,822,000        | 9,258,100         |
| AWH23             | Review of all non statutory services  | 2,591,000         | 0                | 0                | 2,591,000         |
| AWH24             | Review of service user surveys  | 30,000            | 0                | 0                | 30,000            |
| AWH25             | Review capacity to support Safe Durham Partnership  | 69,000            | 0                | 0                | 69,000            |
| CYPS2b            | Music service to become self financing - other than free school meals pupils  | 70,000            | 91,000           | 0                | 161,000           |
| CYPS3a            | Review of integrated teams- including health services   | 50,000            | 0                | 0                | 50,000            |
| CYPS5a            | Outdoor education to rationalise and become self financing (other than for Free School Meals pupils) - or closure if not feasible | 50,000            | 60,000           | 0                | 110,000           |
| CYPS8             | Review of Specialist and Safeguarding Services  | 15,000            | 0                | 0                | 15,000            |
| CYPS11            | Reduced management and operating costs - Youth Offending Team   | 100,000           | 0                | 0                | 100,000           |
| CYPS13            | Reduce spend on admin support function and training   | 70,000            | 73,415           | 0                | 143,415           |
| CYPS15b           | Review home to school/college transport policies  | 1,300,000         | 1,300,000        | 0                | 2,600,000         |
| CYPS19            | Management and support services, staffing restructures and service rationalisation  | 2,743,128         | 2,131,350        | 1,242,000        | 6,116,478         |
| CAS               | Use of repayment of cash limit reserve  | 140,635           | -413,415         | -650,000         | -922,780          |
| <b>TOTAL CAS</b>  |   | <b>11,211,863</b> | <b>9,352,850</b> | <b>4,454,000</b> | <b>25,018,713</b> |



# NEIGHBOURHOODS SERVICE

| REF                         | Description  | 2013/2014        | 2014/2015        | 2015/2016        | TOTAL            |
|-----------------------------|--|------------------|------------------|------------------|------------------|
| NS1                         | Rationalisation of Sports Development activities   | 20,000           | £ 0              | £ 80,000         | £ 100,000        |
| AWH10                       | Library Service Review   | 230,000          | 328,000          | 0                | 558,000          |
| AWH12                       | Review of Funding for arts development and external arts organisations including contributions to The Forge, Highlights and Durham City Arts | 30,000           | 0                | 0                | 30,000           |
| AWH22.3                     | Reduced contributions to Museums & Subsidised Partners   | 37,500           | 53,500           | 0                | 91,000           |
| AWH23.3                     | Review of Heritage & Culture   | 379,000          | 0                | 0                | 379,000          |
| NS2                         | Review of Technical Support / Depots and Fleet   | 157,012          | 0                | 26,907           | 183,919          |
| NS3                         | Structural reviews/Back Office rationalisation/Deletion of vacant posts/More efficient ways of working                                       | 829,287          | 670,172          | 376,257          | 1,875,716        |
| RES1                        | Assets disaggregation (former Corporate Estates team)  |                  |                  | 31,443           | 31,443           |
| RES4                        | Review of Projects Team  | 47,289           | 0                | 17,724           | 65,013           |
| NS4                         | Review of Grounds Maintenance  | 54,277           | 146,602          | 0                | 200,879          |
| NS5                         | Waste Collection Savings   | 238,526          | 103,500          | 11,732           | 353,758          |
| NS6                         | Waste Disposal Savings   | 1,509,073        | 95,200           | 220,924          | 1,825,197        |
| NS7                         | Review of Facilities Management  | 102,301          | 53,400           | 0                | 155,701          |
| NS11                        | Review of Technical Services / School Crossing Patrols / Street Lighting   | 50,605           | 408,750          | 254,470          | 713,825          |
| NS12                        | Review of Street Cleaning  | 56,004           | 76,224           | 0                | 132,228          |
| NS13                        | Review of Household Waste Recycling Centres  | 0                | 458,139          | 222,000          | 680,139          |
| NS14                        | Review sampling of water, food, products (Environment, Health and Consumer Protection)   | 2,000            | 15,000           | 15,000           | 32,000           |
| NS16                        | Review contributions to Leisure Partners   | 100,000          | 100,000          | 0                | 200,000          |
| NS17                        | Additional income from Waste Charges, Pest Control charges and Leisure   | 190,346          | 475,000          | 100,000          | 765,346          |
| NS20                        | Review of Governance and Management Arrangements in Leisure  | 247,233          | 0                | 0                | 247,233          |
| NS                          | Use of repayment of cash limit reserve   | 138,750          | -138,750         | 0                | 0                |
| <b>TOTAL NEIGHBOURHOODS</b> |  | <b>4,419,203</b> | <b>2,844,737</b> | <b>1,356,457</b> | <b>8,620,397</b> |

**REGENERATION AND ECONOMIC DEVELOPMENT SERVICE**

| REF              | Description   | 2013/2014      | 2014/2015      | 2015/2016      | TOTAL            |
|------------------|---|----------------|----------------|----------------|------------------|
| RED1             | Restructure in RED - this includes of all service teams within the Service Grouping   | 229,450        | £ 144,630      | £ 250,000      | £ 624,080        |
| RED2             | Reduction in Supplies and Services - Economic Development (a reduction in all areas of expenditure in line with restructure. In addition the levels of consultancy support will reduce as external grants have reduced. | 250,972        | 248,625        | 0              | 499,597          |
| RED4             | Reduction in Supplies and Services - Transport (a reduction in all areas of expenditure in line with restructure)   | 10,000         | 57,500         | 0              | 67,500           |
| RED8             | Income Generation - Planning - review existing and new areas of charging  | 25,000         | 16,000         | 0              | 41,000           |
| RED9             | Income Generation - Transport - review existing and new areas of charging   | 24,360         | 50,000         | 0              | 74,360           |
| RED11            | Planning - Deletion of S215 budget (blight works)   | 75,000         | 0              | 0              | 75,000           |
| RED13            | Reduction in Supplies and Services - Transport (CCTV Savings in Supported Housing Service)  | 240,000        | 30,000         | 0              | 270,000          |
| RED14            | Review of supplies & services Across Red Service Grouping   | 0              | 0              | 211,000        | 211,000          |
| RES1             | (from RES1) Assets disaggregation (former Corporate Estates team)   | 97,063         | 114,249        | 0              | 211,312          |
| RES3             | (from RES3) Assets disaggregation (former Planning and Investment team)   |                | 115,130        | 19,195         | 134,325          |
| RES4             | (from RES4) Assets disaggregation (former Projects team)  | 18,370         | 0              | 0              | 18,370           |
| <b>TOTAL RED</b> |   | <b>970,215</b> | <b>776,134</b> | <b>480,195</b> | <b>2,226,544</b> |

## RESOURCES

| REF                    | Description  | 2013/2014        | 2014/2015        | 2015/2016      | TOTAL            |
|------------------------|--|------------------|------------------|----------------|------------------|
|                        |  |                  | £                | £              | £                |
| RES2                   | Corporate Procurement - Rationalisation of Staffing Structures | 75,040           | 85,405           | 8,137          | 168,582          |
| RES13                  | Legal and Democratic - Review of Service Delivery              | 343,996          | 343,995          | 84,894         | 772,885          |
| RES14                  | HR - Review of Service Delivery                                | 428,406          | 641,482          | 107,371        | 1,177,259        |
| RES15                  | Finance - Review Structure in Resources and Strategic Finance  | 423,134          | 0                | 0              | 423,134          |
| RES16                  | ICT - Review of Service Delivery                               | 826,847          | 826,824          | 204,690        | 1,858,361        |
| RES17                  | Finance - Review of Service Delivery                           | 0                | 0                | 141,152        | 141,152          |
| RES19                  | Finance Review of Service Delivery in Revenues and Benefits    | 0                | 465,000          | 0              | 465,000          |
| RES20                  | Finance Phase III of Finance Unitisation                       | 0                | 106,999          |                | 106,999          |
| RES21                  | Restructure of Audit and Risk                                  | 40,000           | 40,000           | 17,393         | 97,393           |
| <b>TOTAL RESOURCES</b> |  | <b>2,137,423</b> | <b>2,509,705</b> | <b>563,637</b> | <b>5,210,765</b> |

**CORPORATE**

| <b>Saving Ref</b>      | <b>Description</b>   | <b>2013/2014</b> | <b>2014/2015</b> | <b>2015/2016</b> | <b>TOTAL</b>     |
|------------------------|--|------------------|------------------|------------------|------------------|
|                        |  | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| COR1                   | Reduction in Supplies and Services Budget                          | 635,000          |                  |                  | 635,000          |
| COR2                   | Reduction in Repairs and Maintenance Budget                        | 490,000          |                  |                  | 490,000          |
| COR3                   | Withdrawal of Double Taxation payments to Parish and Town Councils | 250,000          |                  |                  | 250,000          |
| COR4                   | Withdrawal of Essential Car User                                   | 100,000          |                  |                  | 100,000          |
| <b>TOTAL CORPORATE</b> |  | <b>1,475,000</b> | <b>0</b>         | <b>0</b>         | <b>1,475,000</b> |

**SUMMARY OF MTFP BUDGET SAVING 2013/2014 TO 2015/2016**

| <b>Saving</b>                                      | <b>Description</b>   | <b>2013/2014</b>  | <b>2014/2015</b>  | <b>2015/2016</b> | <b>TOTAL</b>      |
|--|--|-------------------|-------------------|------------------|-------------------|
| ACE  | <b>TOTAL ASSISTANT CHIEF EXECUTIVES SAVINGS</b>              | 653,000           | 261,476           | 220,037          | 1,134,513         |
| CAS  | <b>TOTAL CHILDREN AND ADULTS SERVICES SAVINGS</b>            | 11,211,863        | 9,352,850         | 4,454,000        | 25,018,713        |
| NS   | <b>TOTAL NEIGHBOURHOOD SERVICES SAVINGS</b>                  | 4,419,203         | 2,844,737         | 1,356,457        | 8,620,397         |
| RED  | <b>TOTAL REGENERATION &amp; ECONOMIC DEVELOPMENT SAVINGS</b> | 970,215           | 776,134           | 480,195          | 2,226,544         |
| RES  | <b>TOTAL RESOURCES SAVINGS</b>                               | 2,137,423         | 2,509,705         | 563,637          | 5,210,765         |
| <b>TOTAL MTFP SAVINGS (ALL SERVICE GROUPINGS)</b>  |  | <b>19,391,704</b> | <b>15,744,902</b> | <b>7,074,326</b> | <b>42,210,932</b> |
| COR  | <b>TOTAL CORPORATE SAVINGS</b>                               | <b>1,475,000</b>  | <b>0</b>          | <b>0</b>         | <b>1,475,000</b>  |
| <b>TOTAL MTFP SAVINGS (INC CORPORATE SERVICES)</b> |  | <b>20,866,704</b> | <b>15,744,902</b> | <b>7,074,326</b> | <b>43,685,932</b> |

### Appendix 3: Budget Summary – By Service Grouping

| 2012/13<br>Original<br>Budget<br>£000 | 2012/13<br>Projected<br>Outturn<br>£000 |  | 2013/14                      |                         |                            |
|---------------------------------------|---|--|------------------------------|-------------------------|----------------------------|
|                                       |   |  | Gross<br>Expenditure<br>£000 | Gross<br>Income<br>£000 | Net<br>Expenditure<br>£000 |
|                                       |   | <b><u>Council Controlled Budgets</u></b>     |                              |                         |                            |
| 11,369                                | 11,002                                  | Assistant Chief Executive                    | 14,398                       | 3,220                   | 11,178                     |
| 273,278                               | 260,258                                 | Children and Adults Service                  | 440,611                      | 148,796                 | 291,815                    |
| 98,176                                | 111,324                                 | Neighbourhood Services                       | 241,310                      | 132,534                 | 108,776                    |
| 42,513                                | 43,115                                  | Regeneration and Development                 | 65,702                       | 23,901                  | 41,801                     |
| 20,369                                | 21,034                                  | Resources                                    | 82,262                       | 59,936                  | 22,326                     |
| 0                                     | 0                                       | Corporate Costs                              | 6,311                        | 6,311                   | 0                          |
| 11,248                                | 10,447                                  | Contingencies                                | 7,852                        |                         | 7,852                      |
| <b>456,953</b>                        | <b>457,180</b>                          |  | <b>858,446</b>               | <b>374,698</b>          | <b>483,748</b>             |
|                                       |   | <b><u>Non Council Controlled Budgets</u></b> |                              |                         |                            |
| 0                                     | 0                                       | Schools                                      | 275,706                      | 275,706                 | 0                          |
| 0                                     | 0                                       | Benefits                                     | 196,202                      | 196,202                 | 0                          |
| <b>0</b>                              | <b>0</b>                                |  | <b>471,908</b>               | <b>471,908</b>          | <b>0</b>                   |
| <b>456,953</b>                        | <b>457,180</b>                          | <b>NET COST OF SERVICES</b>                  | <b>1,330,354</b>             | <b>846,606</b>          | <b>483,748</b>             |
| -49,115                               | -49,115                                 | Reversal of Capital Charges                  |                              |                         | -51,723                    |
| 30,715                                | 27,791                                  | Interest payable and similar charges         |                              |                         | 35,148                     |
| -577                                  | -1,425                                  | Interest and investment income               |                              |                         | -1,441                     |
| <b>437,976</b>                        | <b>434,431</b>                          | <b>NET OPERATING EXPENDITURE</b>             |                              |                         | <b>465,732</b>             |
| -219,006                              | -219,006                                | Re-distributed Non Domestic Rates            |                              |                         | -                          |
| -                                     | -                                       | Business Rates - local share                 |                              |                         | -52,985                    |
| -                                     | -                                       | Top up Grant                                 |                              |                         | -58,223                    |
| -4,245                                | -4,245                                  | Revenue Support Grant                        |                              |                         | -167,162                   |
| -201,788                              | -201,788                                | Amount Required from Precepts                |                              |                         | -164,469                   |
| 0                                     | 0                                       | Estimated net surplus on Collection Fund     |                              |                         | 0                          |
| -4,989                                | -4,989                                  | Council Tax Freeze Grant                     |                              |                         | -2,033                     |
| -2,551                                | -2,551                                  | New Homes Bonus                              |                              |                         | -4,799                     |
|                                       |   | New Homes Bonus - re-imbursement             |                              |                         | -943                       |
|                                       | -637                                    | Education Services Grant                     |                              |                         | -7,200                     |
| -2,633                                | -5,826                                  | Use of Earmarked Reserves                    |                              |                         | -4,399                     |
| -2,764                                | 123                                     | Use of Cash Limit Reserves                   |                              |                         | -3,519                     |
| 0                                     | 4,488                                   | Use of General Reserve                       |                              |                         | 0                          |
| <b>0</b>                              | <b>0</b>                                | <b>SURPLUS (-) / DEFICIT FOR THE YEAR</b>    |                              |                         | <b>0</b>                   |

## Appendix 4: Budget Summary – By Expenditure and Income Type

|  | Original<br>Budget 2012/13 | 2012/13<br>Projected<br>Outturn<br>Position | Original<br>Budget 2013/14 |
|--|----------------------------|---|----------------------------|
|  | £'000                      | £'000                                       | £'000                      |
| Employees                                | 516,357                    | 515,106                                     | 474,689                    |
| Premises                                 | 55,146                     | 52,325                                      | 49,325                     |
| Transport                                | 52,657                     | 52,799                                      | 50,097                     |
| Supplies & Services                      | 120,544                    | 128,146                                     | 113,512                    |
| Agency & Contracted                      | 228,245                    | 226,132                                     | 269,898                    |
| Transfer Payments                        | 258,751                    | 259,231                                     | 210,685                    |
| Central Costs                            | 83,997                     | 92,721                                      | 101,308                    |
| Other                                    | 1,133                      | 1,521                                       | 1,265                      |
| Capital Charges                          | 49,115                     | 49,115                                      | 51,723                     |
| Contingencies                            | 11,248                     | 10,447                                      | 7,852                      |
| <b>GROSS EXPENDITURE</b>                 | <b>1,377,193</b>           | <b>1,387,543</b>                            | <b>1,330,354</b>           |
| <b>Income</b>                            |                            |   |                            |
| - Specific Grants                        | 596,919                    | 607,971                                     | 528,182                    |
| - Other Grants & contributions           | 26,232                     | 29,941                                      | 25,319                     |
| - Sales                                  | 8,397                      | 7,517                                       | 6,720                      |
| - Fees & charges                         | 101,590                    | 105,404                                     | 108,122                    |
| - Recharges                              | 171,172                    | 165,286                                     | 169,661                    |
| - Other                                  | 15,930                     | 14,244                                      | 8,602                      |
| <b>Total Income</b>                      | <b>920,240</b>             | <b>930,363</b>                              | <b>846,606</b>             |
| <b>NET COST OF SERVICES</b>              | <b>456,953</b>             | <b>457,180</b>                              | <b>483,748</b>             |
| Capital charges                          | -49,115                    | -49,115                                     | -51,723                    |
| Interest and Investment income           | -577                       | -1,425                                      | -1,441                     |
| Interest payable and similar charges     | 30,715                     | 27,791                                      | 35,148                     |
| <b>Net Operating Expenditure</b>         | <b>437,976</b>             | <b>434,431</b>                              | <b>465,732</b>             |
| Less:                                    |                            |   |                            |
| Use of Reserves:                         |                            |   |                            |
| Earmarked Reserves                       | -2,633                     | -5,826                                      | -4,399                     |
| Cash Limit                               | -2,764                     | 123   | -3,519                     |
| General                                  |                            | 4,488                                       | 0                          |
| <b>Net Budget Requirement</b>            | <b>432,579</b>             | <b>433,216</b>                              | <b>457,814</b>             |
| Financed by:-                            |                            |   |                            |
| Re-distributed Non Domestic Rates        | -219,006                   | -219,006                                    | -                          |
| Business Rates - local share             | -                          | -   | -52,985                    |
| Top up Grant                             | -                          | -   | -58,223                    |
| Revenue Support Grant                    | -4,245                     | -4,245                                      | -167,162                   |
| Amount required from council tax payers  | -201,788                   | -201,788                                    | -164,469                   |
| Estimated net surplus on Collection Fund | 0                          | 0   | 0                          |
| Council Tax Freeze Grant                 | -4,989                     | -4,989                                      | -2,033                     |
| New Homes Bonus                          | -2,551                     | -2,551                                      | -4,799                     |
| New Homes Bonus - re-imbursement         | -                          | -   | -943                       |
| Education Services Grant                 |                            | -637  | -7,200                     |
| <b>Total Financing</b>                   | <b>-432,579</b>            | <b>-433,216</b>                             | <b>-457,814</b>            |

**Appendix 5: Medium Term Financial Plan (MFTP3) 2013/14 – 2016/17 Model**

|   | 2013/14        | 2014/15        | 2015/16       | 2016/17       |
|---|----------------|----------------|---------------|---------------|
|   | £'000          | £'000          | £'000         | £'000         |
| <b>Overall Government Grant Reductions</b>  | 9,144          | 0              | 15,600        | 9,530         |
| <b>Revenue Support Grant Reduction</b>  | 0              | 29,086         | 0             | 0             |
| <b>Council Tax Freeze Grant for 13/14 at 1%</b>   | -2,033         | 0              | 0             | 0             |
| <b>Council Tax Increase (2% each year from 2014/15)</b>                                     | 0              | -3,290         | -3,355        | -3,422        |
| <b>Impact of CTax Freeze Grant for 12/13 Being One Off</b>                                  | 4,989          | 0              | 0             | 0             |
| PCT Social Care Funding   | 0              | 0              | 5,900         | 0             |
| New Homes Bonus   | -2,248         | -1,250         | 0             | 0             |
| New Homes Bonus - Re-imbursement of Top Slice (Est)   | 0              | -750           | 0             | 0             |
| Top Up Grant - RPI increase (Estimated 3%)  | 0              | -1,785         | 0             | 0             |
| Business Rates - RPI increase (Estimated 3%)  | 0              | -1,600         | 0             | 0             |
| Use of Earmarked/Cash Limit Reserve in CAS  | 0              | -1,000         | 2,300         | 850           |
| <b>Estimated Variance in Resource Base</b>  | <b>9,852</b>   | <b>19,411</b>  | <b>20,445</b> | <b>6,958</b>  |
| <b>Pay inflation (1% - 1% - 1.5% - 1.5%)</b>  | 1,980          | 1,950          | 2,850         | 2,850         |
| <b>Price Inflation (2.5% - 1.0% - 1.5% - 1.5% - Waste Contract at RPI from 1 June 2013)</b> | 3,087          | 1,475          | 2,137         | 2,137         |
| <b>Corporate Risk Contingency Budget</b>  | 440            | -1,000         | -1,300        | -1,000        |
| <b>Base Budget Pressures</b>  |                |                |               |               |
| Landfill Tax up to 31 May 2013  | 171            | 0              | 0             | 0             |
| Highways Operations Trading Surplus Adjustment  | 600            | 0              | 0             | 0             |
| Carbon Reduction Commitment - 'Carbon Tax'  | 100            | 280            | 0             | 0             |
| Disturbance Allowances re Accommodation Strategy  | 0              | -220           | 0             | 0             |
| Additional Employer Pension Contributions   | 1,300          | 1,100          | 1,000         | 1,000         |
| Concessionary Fares   | 0              | 400            | 400           | 400           |
| Energy Price Increases  | 0              | 500            | 500           | 500           |
| Community Building running costs  | 0              | -180           | 0             | 0             |
| Housing Benefit Lost Admin Grant  | 0              | -100           | -100          | 0             |
| AWH Demographic and Hyper Inflationary Pressures  | 1,000          | 1,000          | 1,000         | 1,000         |
| Community Governance Reviews  | -50            | 0              | -50           | 0             |
| <b>Prudential Borrowing to fund new Capital Projects</b>                                    | 2,000          | 2,000          | 2,000         | 2,000         |
| <b>Capital Financing for current programme</b>  | 1,250          | 1,250          | 1,500         | 0             |
| <b>Investment Income</b>  | -864           | 0              | 0             | 0             |
| <b>TOTAL PRESSURES</b>  | <b>11,014</b>  | <b>8,455</b>   | <b>9,937</b>  | <b>8,887</b>  |
| <b>SUM TO BE MET FROM SAVINGS</b>   | <b>20,866</b>  | <b>27,866</b>  | <b>30,382</b> | <b>15,845</b> |
| <b>Savings</b>  |                |                |               |               |
| MFTP 3 Savings  | -20,866        | -15,744        | -7,073        | 0             |
| <b>TOTAL SAVINGS</b>  | <b>-20,866</b> | <b>-15,744</b> | <b>-7,073</b> | <b>0</b>      |
| <b>Surplus(-)/Deficit</b>   | <b>0</b>       | <b>12,122</b>  | <b>23,309</b> | <b>15,845</b> |

SHORTFALL 14/15 - 16/17

51,276

## Appendix 6: Current Capital Programme 2012/13 to 2015/16

| Service          | Scheme   | 2012/13           | 2013/14           | 2014/15           | 2015/16 | Total              |
|------------------|--|-------------------|-------------------|-------------------|---------|--------------------|
|                  |  | £                 | £                 | £                 | £       | £                  |
| <b>ACE</b>       | Assets to Communities                          | 20,000            | 2,130,000         |                   |         | 2,150,000          |
| <b>ACE</b>       | Members Neighbourhoods Budgets                 | 1,677,252         | 1,260,000         |                   |         | 2,937,252          |
| <b>ACE</b>       | Community Facilities in Crook                  | -                 | 568,636           |                   |         | 568,636            |
| <b>ACE</b>       | Leadgate Community Centre                      | 170,000           |                   |                   |         | 170,000            |
| <b>ACE Total</b> |  | <b>1,867,252</b>  | <b>3,958,636</b>  | -                 | -       | <b>5,825,888</b>   |
| <b>CAS</b>       | Adult Care in-house Day Care Services          | 300,000           | 353,008           |                   |         | 653,008            |
| <b>CAS</b>       | Learning Disability Shared Living Contribution | 3,796             |                   |                   |         | 3,796              |
| <b>CAS</b>       | Residential Homes for the Elderly              | 107,309           | 1,150,000         | 4,583,873         |         | 5,841,182          |
| <b>CAS</b>       | Mental Health Grants                           | 192,527           | 150,000           |                   |         | 342,527            |
| <b>CAS</b>       | ICT Infrastructure                             | 200,000           | 425,581           |                   |         | 625,581            |
| <b>CAS</b>       | Community Safety - RIEP                        | 18,276            | 24,292            |                   |         | 42,568             |
| <b>CAS</b>       | Stop Over Site Blackie Boy                     | 8,925             |                   |                   |         | 8,925              |
| <b>CAS</b>       | Short Breaks for Disabled Children             | 295,956           | 219,609           |                   |         | 515,565            |
| <b>CAS</b>       | Basic Need                                     | 2,423,323         | 1,927,024         |                   |         | 4,350,347          |
| <b>CAS</b>       | BSF - Consett Academy                          | 375,000           | 24,609,067        | 18,336,381        |         | 43,320,448         |
| <b>CAS</b>       | BSF - North Durham Academy                     | 15,290,538        | 7,020,063         |                   |         | 22,310,601         |
| <b>CAS</b>       | Building Schools for the Future - Wave 3       | 25,859,218        | 4,244,150         | 532,697           |         | 30,636,065         |
| <b>CAS</b>       | Capital Maintenance                            | 4,677,765         | 12,393,093        |                   |         | 17,070,858         |
| <b>CAS</b>       | Catchgate Children's Home                      | 370,727           |                   |                   |         | 370,727            |
| <b>CAS</b>       | Devolved Formula Capital                       | 5,996,667         | 1,300,000         |                   |         | 7,296,667          |
| <b>CAS</b>       | Primary Capital and Modernisation              | 9,870,512         | 777,455           | 551,600           |         | 11,199,567         |
| <b>CAS</b>       | Durham Studio School - DCBC                    | 642,160           |                   |                   |         | 642,160            |
| <b>CAS</b>       | DSG Structural Maintenance                     | 2,858,640         |                   |                   |         | 2,858,640          |
| <b>CAS</b>       | Schools Access                                 | 500,000           | 500,000           |                   |         | 1,000,000          |
| <b>CAS</b>       | Residential Children's Homes improvements      | 50,000            | 50,000            |                   |         | 100,000            |
| <b>CAS Total</b> |  | <b>70,041,339</b> | <b>55,143,342</b> | <b>24,004,551</b> | -       | <b>149,189,232</b> |



|            |  |                  |                  |                  |  |                  |
|------------|--|------------------|------------------|------------------|--|------------------|
| <b>NEI</b> | Capitalised Maintenance - Cemeteries           | <b>86,300</b>    |                  |                  |  | <b>86,300</b>    |
| <b>NEI</b> | Bereavement Improvements                       | <b>100,000</b>   | <b>310,000</b>   |                  |  | <b>410,000</b>   |
| <b>NEI</b> | Durham Crematorium Redevelopment               | <b>570,490</b>   |                  |                  |  | <b>570,490</b>   |
| <b>NEI</b> | Environmental Improvements                     | <b>200,000</b>   | <b>400,000</b>   |                  |  | <b>600,000</b>   |
| <b>NEI</b> | Flooding Incidents                             | <b>400,000</b>   | <b>100,000</b>   |                  |  | <b>500,000</b>   |
| <b>NEI</b> | LiveTrack System                               | <b>330,000</b>   | <b>60,000</b>    |                  |  | <b>390,000</b>   |
| <b>NEI</b> | Members Budget transferred from ACE            | <b>1,089,423</b> |                  |                  |  | <b>1,089,423</b> |
| <b>NEI</b> | Oracle Projects Module                         | <b>150,000</b>   |                  |                  |  | <b>150,000</b>   |
| <b>NEI</b> | Replacement of Queen Street depot (Crook)      | <b>148,000</b>   | <b>3,024,780</b> |                  |  | <b>3,172,780</b> |
| <b>NEI</b> | Vehicle Plant and Maintenance                  | <b>2,039,694</b> | <b>4,261,123</b> | <b>1,053,765</b> |  | <b>7,354,582</b> |
| <b>NEI</b> | Waste Infrastructure Capital                   | <b>42,541</b>    | <b>465,000</b>   |                  |  | <b>507,541</b>   |
| <b>NEI</b> | Wheeled bins (Green Waste Collection)          | <b>817,388</b>   |                  |                  |  | <b>817,388</b>   |
| <b>NEI</b> | ICT - Single Back Office System/Mobile Working | <b>30,478</b>    |                  |                  |  | <b>30,478</b>    |
| <b>NEI</b> | Apollo   | <b>11,041</b>    |                  |                  |  | <b>11,041</b>    |
| <b>NEI</b> | Cultural Programme/Killhope Museum             | <b>178,693</b>   |                  |                  |  | <b>178,693</b>   |
| <b>NEI</b> | Gala Theatre and Cinema - Digitisation scheme  | <b>143,110</b>   |                  |                  |  | <b>143,110</b>   |
| <b>NEI</b> | Library Modernisation & Maintenance Backlog    | <b>273,832</b>   | <b>225,000</b>   |                  |  | <b>498,832</b>   |
| <b>NEI</b> | Public Arts Project                            | <b>4,000</b>     |                  |                  |  | <b>4,000</b>     |
| <b>NEI</b> | Arts Centre (Sedgefield)                       | <b>57,680</b>    |                  |                  |  | <b>57,680</b>    |
| <b>NEI</b> | Freemans Quay Leisure Centre                   | <b>36,350</b>    |                  |                  |  | <b>36,350</b>    |
| <b>NEI</b> | Hardwick Park                                  | <b>400,272</b>   | <b>144,000</b>   |                  |  | <b>544,272</b>   |
| <b>NEI</b> | Healthy Eating café at Freeman's Quay          | <b>57,000</b>    | -                |                  |  | <b>57,000</b>    |
| <b>NEI</b> | Hownsgill Viaduct                              | <b>141,379</b>   |                  |                  |  | <b>141,379</b>   |
| <b>NEI</b> | Louisa Centre, Stanley                         | <b>16,379</b>    |                  |                  |  | <b>16,379</b>    |
| <b>NEI</b> | Mitigation to facility closures                | <b>200,000</b>   |                  |                  |  | <b>200,000</b>   |
| <b>NEI</b> | Other Allotments                               | <b>20,869</b>    |                  |                  |  | <b>20,869</b>    |
| <b>NEI</b> | Play Areas                                     | <b>47,816</b>    |                  |                  |  | <b>47,816</b>    |
| <b>NEI</b> | Playbuilder 1 - Richmond Road, Newton Hall     | <b>11,359</b>    |                  |                  |  | <b>11,359</b>    |
| <b>NEI</b> | Playbuilder 1 - South Moor Play Park           | <b>17,190</b>    |                  |                  |  | <b>17,190</b>    |
| <b>NEI</b> | Playbuilder 2 - Ebchester                      | <b>49,397</b>    |                  |                  |  | <b>49,397</b>    |
| <b>NEI</b> | Playbuilder 2 - Hawthorne, East Durham         | <b>11,937</b>    |                  |                  |  | <b>11,937</b>    |
| <b>NEI</b> | Playbuilder 2 - Jubilee Park, Howden           | <b>50,000</b>    |                  |                  |  | <b>50,000</b>    |
| <b>NEI</b> | Demolition of Leisure Centres                  | <b>24,284</b>    |                  |                  |  | <b>24,284</b>    |
| <b>NEI</b> | Refurbishment of Outdoor Facilities            | <b>250,000</b>   | <b>100,000</b>   |                  |  | <b>350,000</b>   |
| <b>NEI</b> | Structural Maintenance                         | <b>400,617</b>   |                  |                  |  | <b>400,617</b>   |
| <b>NEI</b> | Shadforth Play Area                            | <b>22,411</b>    |                  |                  |  | <b>22,411</b>    |
| <b>NEI</b> | Soft play area at Freeman's Quay               | <b>150,000</b>   | -                |                  |  | <b>150,000</b>   |
| <b>NEI</b> | Waskerley Way                                  | <b>245,000</b>   |                  |                  |  | <b>245,000</b>   |

|                  |   |                   |                   |                  |                |                   |
|------------------|---|-------------------|-------------------|------------------|----------------|-------------------|
| <b>NEI</b>       | Wayside Play Area, Croxdale                       | <b>109</b>        |                   |                  |                | <b>109</b>        |
| <b>NEI</b>       | Community Spaces                                  | <b>78,818</b>     |                   |                  |                | <b>78,818</b>     |
| <b>NEI</b>       | ICT Infrastructure                                | <b>20,000</b>     |                   |                  |                | <b>20,000</b>     |
| <b>NEI</b>       | Area Programmes - Chester Le Street               | <b>21,041</b>     |                   |                  |                | <b>21,041</b>     |
| <b>NEI</b>       | Area Programmes - Derwentside                     | <b>54,102</b>     |                   |                  |                | <b>54,102</b>     |
| <b>NEI</b>       | Area Programmes - Durham                          | <b>63,967</b>     |                   |                  |                | <b>63,967</b>     |
| <b>NEI</b>       | Area Programmes - Easington                       | <b>40,340</b>     |                   |                  |                | <b>40,340</b>     |
| <b>NEI</b>       | Area Programmes - Sedgfield                       | <b>39,011</b>     |                   |                  |                | <b>39,011</b>     |
| <b>NEI</b>       | Area Programmes - Teesdale                        | <b>61,173</b>     |                   |                  |                | <b>61,173</b>     |
| <b>NEI</b>       | Area Programmes - Wear Valley                     | <b>67,004</b>     |                   |                  |                | <b>67,004</b>     |
| <b>NEI</b>       | B6300 Browney Lane (Burnigill Bank)               | <b>200,000</b>    | <b>250,000</b>    |                  |                | <b>450,000</b>    |
| <b>NEI</b>       | Drainage Works Including SUDS                     | <b>481,999</b>    | <b>200,000</b>    |                  |                | <b>681,999</b>    |
| <b>NEI</b>       | Highway Capitalised Maintenance - Bridges         | <b>2,705,173</b>  | <b>10,132,000</b> |                  |                | <b>12,837,173</b> |
| <b>NEI</b>       | Highway Capitalised Maintenance - Highway Maint.  | <b>7,293,575</b>  |                   |                  |                | <b>7,293,575</b>  |
| <b>NEI</b>       | Highway Capitalised Maintenance - Street Lighting | <b>1,059,182</b>  |                   |                  |                | <b>1,059,182</b>  |
| <b>NEI</b>       | Local Area Members Allowance - Area 1             | <b>708,644</b>    | <b>360,000</b>    |                  |                | <b>1,068,644</b>  |
| <b>NEI</b>       | Local Area Members Allowance - Area 2             | <b>739,720</b>    | <b>396,000</b>    |                  |                | <b>1,135,720</b>  |
| <b>NEI</b>       | Patching of Roads                                 | <b>1,500,000</b>  | <b>1,500,000</b>  |                  |                | <b>3,000,000</b>  |
| <b>NEI</b>       | Re-Floodlighting of Durham Cathedral and Castle   | <b>342,455</b>    |                   |                  |                | <b>342,455</b>    |
| <b>NEI</b>       | Replacement of Gully Covers following theft       | <b>468,934</b>    | <b>400,000</b>    |                  |                | <b>868,934</b>    |
| <b>NEI</b>       | River Erosion Remedial Works                      | <b>250,000</b>    | <b>250,000</b>    |                  |                | <b>500,000</b>    |
| <b>NEI</b>       | Seaham Harbour                                    | <b>260,000</b>    |                   |                  |                | <b>260,000</b>    |
| <b>NEI</b>       | Structural Maintenance of Footways                | <b>400,000</b>    | <b>400,000</b>    |                  |                | <b>800,000</b>    |
| <b>NEI</b>       | Technical Services Bearpark/ Heart of the City    | <b>50,000</b>     | <b>50,000</b>     |                  |                | <b>100,000</b>    |
| <b>NEI</b>       | Tindale Crescent Depot                            | <b>280,000</b>    |                   |                  |                | <b>280,000</b>    |
| <b>NEI</b>       | Rechargeable Works                                | <b>46,157</b>     |                   |                  |                | <b>46,157</b>     |
| <b>NEI</b>       | Unadopted Footways Countywide                     | <b>346,818</b>    | <b>200,000</b>    |                  |                | <b>546,818</b>    |
| <b>NEI Total</b> |   | <b>26,403,152</b> | <b>23,227,903</b> | <b>1,053,765</b> | <b>-</b>       | <b>50,684,820</b> |
| <b>RED</b>       | Accommodation Strategy                            | <b>889,320</b>    | <b>4,326,132</b>  | <b>489,650</b>   |                | <b>5,705,102</b>  |
| <b>RED</b>       | Land at Woodham                                   | <b>750,000</b>    |                   |                  |                | <b>750,000</b>    |
| <b>RED</b>       | Barnard Castle Vision                             | <b>2,324,143</b>  | <b>1,750,000</b>  | <b>310,000</b>   | <b>290,000</b> | <b>4,674,143</b>  |
| <b>RED</b>       | Durham City Plus                                  | <b>338,772</b>    | <b>304,000</b>    | <b>113,695</b>   |                | <b>756,467</b>    |
| <b>RED</b>       | Durham City Vision                                | <b>1,057,125</b>  | <b>200,000</b>    |                  |                | <b>1,257,125</b>  |
| <b>RED</b>       | Durhamgate  | <b>533,290</b>    |                   |                  |                | <b>533,290</b>    |
| <b>RED</b>       | Eastgate  | <b>-</b>          |                   | <b>524,831</b>   |                | <b>524,831</b>    |
| <b>RED</b>       | Industrial Estates                                | <b>3,347,565</b>  | <b>3,465,414</b>  |                  |                | <b>6,812,979</b>  |
| <b>RED</b>       | North Dock Seaham                                 | <b>701,043</b>    | <b>50,000</b>     |                  |                | <b>751,043</b>    |

|                  |   |                   |                   |                   |                |                   |
|------------------|---|-------------------|-------------------|-------------------|----------------|-------------------|
| <b>RED</b>       | Town Centres                              | <b>2,366,906</b>  | <b>1,040,000</b>  |                   |                | <b>3,406,906</b>  |
| <b>RED</b>       | CCTV                                      | <b>682,749</b>    |                   |                   |                | <b>682,749</b>    |
| <b>RED</b>       | Disabled Facilities Grants (DFG's)        | <b>3,571,466</b>  | <b>1,000,000</b>  | <b>1,000,000</b>  |                | <b>5,571,466</b>  |
| <b>RED</b>       | Financial Assistance Policy (FAP)         | <b>812,704</b>    | <b>1,200,000</b>  | <b>500,000</b>    |                | <b>2,512,704</b>  |
| <b>RED</b>       | Gypsy Traveller Sites                     | <b>352,000</b>    | <b>3,526,000</b>  | <b>2,079,400</b>  |                | <b>5,957,400</b>  |
| <b>RED</b>       | Housing Renewal Programme                 | <b>4,054,242</b>  | <b>3,312,407</b>  | <b>120,000</b>    |                | <b>7,486,649</b>  |
| <b>RED</b>       | Biomass Boilers                           | <b>10,000</b>     | <b>740,000</b>    |                   |                | <b>750,000</b>    |
| <b>RED</b>       | Biomass Boilers - Killhope                | <b>50,000</b>     |                   |                   |                | <b>50,000</b>     |
| <b>RED</b>       | Energy Schemes (Efficiency/Renewable)     | <b>1,943,000</b>  | <b>750,000</b>    |                   |                | <b>2,693,000</b>  |
| <b>RED</b>       | Solar Photovoltaics                       | <b>100,000</b>    | <b>1,400,000</b>  | <b>1,828,454</b>  |                | <b>3,328,454</b>  |
| <b>RED</b>       | Structural Capitalised Maintenance        | <b>5,359,970</b>  | <b>6,000,000</b>  | <b>1,729,378</b>  |                | <b>13,089,348</b> |
| <b>RED</b>       | Urban Rural Renaissance                   | <b>940,153</b>    |                   |                   |                | <b>940,153</b>    |
| <b>RED</b>       | Flooding Incidents                        | <b>300,000</b>    |                   |                   |                | <b>300,000</b>    |
| <b>RED</b>       | Local Transport Plan                      | <b>3,238,797</b>  | <b>4,334,710</b>  |                   |                | <b>7,573,507</b>  |
| <b>RED</b>       | Major Schemes (Transport)                 | <b>723,120</b>    | <b>2,354,727</b>  | <b>2,130,000</b>  | <b>435,074</b> | <b>5,642,921</b>  |
| <b>RED</b>       | Transit 15                                | <b>450,000</b>    | <b>1,800,000</b>  | <b>879,225</b>    |                | <b>3,129,225</b>  |
| <b>RED</b>       | Transport Corridors                       | <b>10,000</b>     | <b>1,717,132</b>  |                   |                | <b>1,727,132</b>  |
| <b>RED</b>       | Minor Schemes                             | <b>5,337,093</b>  | <b>2,222,405</b>  | <b>5,795</b>      |                | <b>7,565,293</b>  |
| <b>RED Total</b> |   | <b>40,243,458</b> | <b>41,492,927</b> | <b>11,710,428</b> | <b>725,074</b> | <b>94,171,887</b> |
| <b>RES</b>       | Oracle Enhancements                       | <b>470,051</b>    |                   |                   |                | <b>470,051</b>    |
| <b>RES</b>       | .NET Application Development Architecture | <b>50,000</b>     |                   |                   |                | <b>50,000</b>     |
| <b>RES</b>       | Broadband / Digital Durham                | <b>-</b>          | <b>13,860,000</b> |                   |                | <b>13,860,000</b> |
| <b>RES</b>       | Accommodation Strategy - ICT              | <b>189,995</b>    |                   |                   |                | <b>189,995</b>    |
| <b>RES</b>       | Code of Connection Compliance             | <b>109,667</b>    |                   |                   |                | <b>109,667</b>    |
| <b>RES</b>       | Corporate Mail Fulfilment                 | <b>125,000</b>    |                   |                   |                | <b>125,000</b>    |
| <b>RES</b>       | Dark Fibre Networking                     | <b>565,000</b>    |                   |                   |                | <b>565,000</b>    |
| <b>RES</b>       | GIS Architecture                          | <b>60,000</b>     |                   |                   |                | <b>60,000</b>     |
| <b>RES</b>       | Homeworking                               | <b>100,000</b>    |                   |                   |                | <b>100,000</b>    |
| <b>RES</b>       | Infrastructure Environment Monitoring     | <b>66,000</b>     | <b>150,000</b>    |                   |                | <b>216,000</b>    |
| <b>RES</b>       | IT Replacement                            | <b>142,625</b>    |                   |                   |                | <b>142,625</b>    |
| <b>RES</b>       | Learning Gateway                          | <b>15,574</b>     | <b>94,426</b>     |                   |                | <b>110,000</b>    |
| <b>RES</b>       | Replacement Desktop                       | <b>1,000,000</b>  | <b>1,300,000</b>  |                   |                | <b>2,300,000</b>  |
| <b>RES</b>       | Replacement Tape Library                  | <b>2,092</b>      |                   |                   |                | <b>2,092</b>      |
| <b>RES</b>       | Server Platforms                          | <b>1,901</b>      |                   |                   |                | <b>1,901</b>      |
| <b>RES</b>       | Sharepoint Architecture                   | <b>100,000</b>    |                   |                   |                | <b>100,000</b>    |
| <b>RES</b>       | Tanfield Power Upgrade                    | <b>56,000</b>     | <b>194,000</b>    |                   |                | <b>250,000</b>    |
| <b>RES</b>       | Telephony                                 | <b>80,000</b>     |                   |                   |                | <b>80,000</b>     |

|                    |                       |                    |                    |                   |                   |                    |
|--------------------|-----------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| <b>RES</b>         | Telephony Replacement | <b>263,887</b>     |                    |                   |                   | <b>263,887</b>     |
| <b>RES</b>         | Wide Area Network     | <b>15,650</b>      |                    |                   |                   | <b>15,650</b>      |
| <b>RES</b>         | ICTSS Vehicles        | <b>24,717</b>      |                    |                   |                   | <b>24,717</b>      |
| <b>RES</b>         | Printing equipment    | <b>24,895</b>      |                    |                   |                   | <b>24,895</b>      |
| <b>RES Total</b>   |                       | <b>3,463,054</b>   | <b>15,598,426</b>  | <b>-</b>          | <b>-</b>          | <b>19,061,480</b>  |
| <b>Other</b>       |                       | <b>152,861</b>     | <b>9,924,000</b>   |                   |                   | <b>10,076,861</b>  |
| <b>Other</b>       |                       | <b>-</b>           | <b>-</b>           | <b>30,000,000</b> | <b>30,000,000</b> | <b>60,000,000</b>  |
| <b>Other Total</b> |                       | <b>152,861</b>     | <b>9,924,000</b>   | <b>30,000,000</b> | <b>30,000,000</b> | <b>70,076,861</b>  |
|                    |                       |                    |                    |                   |                   |                    |
| <b>GF Total</b>    |                       | <b>142,171,116</b> | <b>149,345,234</b> | <b>66,768,744</b> | <b>30,725,074</b> | <b>389,010,168</b> |

## Appendix 7: Additions to the 2013/14 - 2014/15 MTFP Capital Programme

| SERVICE    | SCHEME                                      | BACKGROUND   | 2013/14  | 2014/15          | TOTAL            |
|------------|---|--|----------|------------------|------------------|
|            |   |  | £        | £                | £                |
| <b>ACE</b> | <b>Members<br/>Neighbourhood<br/>Budget</b> | Continuation of Elected Members Neighbourhood Budget currently facilitated through the Area Action Partnerships. 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. | 0        | 1,260,000        | <b>1,260,000</b> |
|            |   | <b>ACE Sub Total</b>   | <b>0</b> | <b>1,260,000</b> | <b>1,260,000</b> |

|         |            |  |  |                |                  |                  |
|---------|------------|--|--|----------------|------------------|------------------|
| Page 98 | <b>CAS</b> | <b>DFE Capital Maintenance &amp; Basic Need Grants</b> | The majority of the Schools Capital Programme is supported by Department for Education grant. The funding will be used to improve schools in the poorest "Condition" and provide additional classroom capacity where the need exists.  | 0              | 8,000,000        | 8,000,000        |
|         | <b>CAS</b> | <b>Schools Repairs and Maintenance</b>                 | 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.   | 0              | 0                | 0                |
|         | <b>CAS</b> | <b>Schools Devolved Capital</b>                        | DFE Grant each year to schools for minor improvements and major ICT purchases is received as a School Devolved Capital allowance   | 0              | 0                | 0                |
|         | <b>CAS</b> | <b>Increased provision for Early Years (2yr olds)</b>  | In September 2013 the council will have a statutory duty to provide funded Early Years places for all disadvantaged 2 year olds (eligibility will include all children entitled to free school meals, along with children Looked After by the council). It has been estimated that in 2013 an additional 1600 places will be needed (approx 20% of all 2 yr olds in Durham). The council can only fulfil this statutory duty by working with schools to increase the number of places they have available in key areas of deprivation, along with facilitating places in the Private, Voluntary and Independent (PVI) Sector. The government has provided a grant to fund this investment. | 903,000        | 0                | 903,000          |
|         |            |  | <b>CAS Sub Total</b>   | <b>903,000</b> | <b>8,000,000</b> | <b>8,903,000</b> |

|            |   |  |           |            |            |
|------------|---|--|-----------|------------|------------|
| <b>NEI</b> | <b>Local Transport Plan (LTP)<br/>Annual Allocation -<br/>Maintenance Block</b> | 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. The budget includes the additional LTP allocations for 2013/14 and 2014/15 of £1.836m and £1.007m respectively  | 1,836,000 | 12,079,000 | 13,915,000 |
| <b>NEI</b> | <b>Structural Patching</b>  | The severe winter weather experienced over recent 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. Failure to maintain the condition of the network will have an adverse effect on the number of accidents on the network with an associated increase in insurance claims/PLI premiums and a decrease in the public satisfaction. | 0         | 1,500,000  | 1,500,000  |
| <b>NEI</b> | <b>Drainage works including<br/>SUDS</b>  | 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 has now been approved) 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.  | 300,000   | 0          | 300,000    |
| <b>NEI</b> | <b>Local Area Measures<br/>Allowance</b>  | These schemes contribute to the Accessibility, Safety/Accidents and Quality of Life & Health for the residents of County Durham. This would negatively impact on road safety, and increase numbers of accidents. These schemes contribute to the Accessibility, Safety/Accidents and Quality of Life & Health for the residents of County Durham.  | 0         | 756,000    | 756,000    |

|                 |   |  |           |           |           |
|-----------------|---|--|-----------|-----------|-----------|
| Page 100<br>NEI | <b>Thornley, Annfield Plain, Heighington and Stainton Grove Waste Transfer Stations and Green Resource Facilities</b> | <p>The four Waste Transfer Stations required to deliver the waste disposal service were all built with a projected life of 20 years. Thornley is now 32 years old, Annfield Plain 25 years old, Heighington 20 years old and Stainton Grove 8 years old. All four buildings have need of major works, some significant, to improve health and safety compliance, meet regulatory legislation and meet current and future operational and service standards associated with the new suite of waste contracts being let. The scale of works at each facility relate to the individual buildings age.</p> | 1,323,548 | 4,233,052 | 5,556,600 |
| NEI             | <b>Mothballing of Joint Stocks Landfill Site</b>  | <p>The Joint Stocks landfill site, currently leased to Premier Waste Management is to revert to council control. The landfill requires substantial engineering works to make it environmentally safe.</p>  | 481,000   | 162,000   | 643,000   |
| NEI             | <b>Crook and Stainton Grove New Household Waste Recycling Centres and General Asset Replacement at all Centres.</b>   | <p>A review of Household Waste Recycling Centres has identified the need for a centre in Crook and the replacement of the facility at Stainton Grove. Major operational and service benefits will be created by the development of a site in the Crook area and Stainton Grove does not presently meet required standards due primarily to its location and size and inability to expand and safely accommodate traffic flows or be able to meet future legislation</p>  | 1,714,500 | 600,000   | 2,314,500 |
| NEI             | <b>Newton Aycliffe CAP/Library</b>  | <p>Cabinet approved the revised office accommodation strategy in September 2011 which identified that there would be a new fit for purpose Customer Access Point (CAP) in Newton Aycliffe. The plan is to include the CAP in with the Leisure Centre refurbishment and to co-locate there with the Library to create a public sector hub. There is provision within the office Accommodation Strategy budget for £400,000 to support creation of a CAP and this bid is to support the relocation of the Library.</p>   | 0         | 1,000,000 | 1,000,000 |



|            |                            |  |                  |                   |                   |
|------------|----------------------------|--|------------------|-------------------|-------------------|
| <b>NEI</b> | <b>Stanley CAP/Library</b> | Cabinet approved the revised office accommodation strategy in September 2011 which identified that there would be a new fit for purpose CAP in Stanley. The CAP currently operates from Stanley Front Street which is not fit for purpose and cannot be made accessible due to its listed status. In support of the Stanley Masterplan and to support the regeneration of Stanley Front Street, it is proposed to co-locate the Library in with the CAP. There is provision within the office Accommodation Strategy budget for £400,000 to support creation of a CAP and this bid is to support the co-location of the Library. | 1,000,000        | 400,000           | 1,400,000         |
| <b>NEI</b> | <b>New Salt Barn</b>       | This investment will enable the construction of a permanent storage facility for salt. Consideration is being given to the optimum site.   | 500,000          | 0                 | 500,000           |
| <b>NEI</b> | <b>Seaham North Pier</b>   | Over recent years Seaham North pier has been subjected to structural erosion by the elements. An in-depth structural survey has been commissioned by the council and this has highlighted major structural defects in the pier.  | 2,150,000        | 0                 | 2,150,000         |
|            |                            | <b>NEI Sub Total</b>   | <b>9,305,048</b> | <b>20,730,052</b> | <b>30,035,100</b> |

|     |   |   |           |           |           |
|-----|---|---|-----------|-----------|-----------|
| RED | <b>Group Repair Work, Acquisitions and Demolitions to failing private Coalfield areas and Key Towns across County Durham.</b> | Due to increasing concern regarding former coalfield communities across County Durham the former Durham Coalfield Housing Renewal Partnership completed two key research projects 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. Some coalfield schemes are part way through programme and continuation will provide significant benefits to communities in terms of now sustainability of stock through group repair works.  | 800,000   | 0         | 800,000   |
| RED | <b>Local Transport Plan</b>   | 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. | 0         | 3,183,000 | 3,183,000 |
| RED | <b>Villa Real Bridge</b>  | Villa Real Bridge carries the road C10a over Sustrans' C2C cycle path. The bridge has a weight restriction, single lane working and has been propped from underneath. However, further deterioration of the structure means that urgent action is now required to avoid having to close the road to traffic. A scheme to remove the structure and realign the carriageway would allow the reinstatement of two way traffic and provide a major improvement to the amenity of the area by removing the high approach embankments. The scheme would also facilitate more appropriate access to potential development land. The total scheme cost is estimated to be £3,000,000. However,            | 2,000,000 | 0         | 2,000,000 |

|     |   |   |           |           |           |
|-----|---|---|-----------|-----------|-----------|
|     |   | £1,000,000 is being made available from the existing bridges capital programme (LTP Maintenance Block Funding).   |           |           |           |
| RED | <b>Structural Capitalised Maintenance</b> | 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.  | 0         | 5,500,000 | 5,500,000 |
| RED | <b>Empty Homes Cluster</b>                | <p>The council has successfully bid for funding from the Homes and Communities Agency to deliver a scheme to bring a minimum of 120 properties back into use. An amount of £2.14m has been awarded to DCC to assist in the delivery. A requirement to draw down the HCA funding is for the council to provide match funding. The budget includes the grant and match funding from the council.</p> <p>This scheme will bring empty properties back into use through a purchase, repair and lease scheme. The model will see DCC purchasing properties from the open market using HCA/DCC funding and then to be brought to a decent standard through one of our Registered Provider Partners who will cover this cost. The rental income will then be apportioned between DCC and the Registered Provider. This scheme will see the council retain the asset, additionally the rental income received by DCC should be ringfenced in line with the HCA requirements and used as a revolving fund to continue to bring empty properties back into use.</p> | 2,185,400 | 2,185,400 | 4,370,800 |
| RED | <b>Seaham - Final Phase of North Dock</b> | Phase 3 of the restoration of Seaham North Dock. This final phase involves a Heritage Lottery Bid. The council has had an excellent response from both HLF and the Environment Agency (EA) about further investment at North Dock.  | 50,000    | 200,000   | 250,000   |

|            |   |  |                  |                   |                   |
|------------|---|--|------------------|-------------------|-------------------|
| <b>RED</b> | <b>Gypsy, Roma and Traveller Site Refurbishment</b> | 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. 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. | 0                | 3,100,000         | 3,100,000         |
| <b>RED</b> | <b>Town Centres / Settlements Programme</b>         | 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.                  | 1,000,000        | 0                 | 1,000,000         |
| <b>RED</b> | <b>Stanley Front Street (North) Highway Works</b>   | Identified in the Stanley Masterplan document (March 2011) as one of two highway improvement schemes to assist regeneration in Stanley town centre.  | 790,000          | 0                 | 790,000           |
|            |   | <b>RED Sub Total</b>   | <b>6,825,400</b> | <b>14,168,400</b> | <b>20,993,800</b> |

|     |   |   |         |           |           |
|-----|---|---|---------|-----------|-----------|
| RES | <b>Replacement Desktop</b>                            | Replacement of desktop PC and Laptop equipment based on a four yearly cycle which will improve support and increase ease of use.  | 0       | 1,000,000 | 1,000,000 |
| RES | <b>Tanfield Datacentre LAN Switching Replacement</b>  | The existing Local Area Network (LAN) equipment within Tanfield Data centre is now 5 years old and as such it is approaching the end of its expected working life. This equipment forms the heart of the data centre infrastructure and therefore is vital to the proper operation of the Authority's ICT services. There are 42 cabinets within the data centre which house the Authority's servers and data storage, and each of these cabinets contains network equipment which would need to be replaced. | 650,000 | 100,000   | 750,000   |
| RES | <b>Tanfield Datacentre Core Switching Replacement</b> | The existing Local Area Network (LAN) equipment within Tanfield Data centre is now 5 years old, and has reached the end of its expected working life. This equipment forms the heart of the data centre infrastructure and therefore is vital to the proper operation of the Authority's ICT services. The data centre has two core switches which would need to be replaced.   | 175,000 | 0         | 175,000   |
| RES | <b>Ongoing Server replacement</b>                     | This is the schedule for the replacement for servers within the council. The servers are replaced on a 5 year cycle.  | 110,000 | 110,000   | 220,000   |
| RES | <b>Councillor Replacement of ICT Equipment</b>        | The current equipment for Councillors is 5 years old and will require replacement at the next may election to coincide with the local elections.  | 150,000 | 0         | 150,000   |
| RES | <b>Homeworking</b>                                    | 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 | <b>Fibre Channel Network for Storage</b>              | Currently this is 6 years old running at lower speeds than current equipment so even when purchasing up to date equipment it cannot run at the higher speeds. This replacement will be key in ensuring high speed modern software can work effectively on the network.  | 60,000  | 10,000    | 70,000    |

|          |            |   |  |                  |                  |                  |
|----------|------------|---|--|------------------|------------------|------------------|
| Page 106 | <b>RES</b> | <b>Voice Recording for Mitel Telephone System</b> | There are a number of voice recording packages within the council and the aim would be to consolidate these into one system link to the new Mitel telephony system. This is a legal requirement and is utilised with Customer Contact Centres. Further work will be done to develop a full business case.  | 80,000           | 0                | 80,000           |
|          | <b>RES</b> | <b>Public Internet Access Portal</b>              | The Authority provides free-to-use Internet access to the public at a number of its premises, including libraries, Surestart centres, One point centres and County Hall. This service is currently not centrally managed in a meaningful way, and there is no means to identify and track usage of the service to an adequate level. The intention is to introduce a portal which will give a consistent corporate Authority branding to our public access service irrespective of venue, allow us to identify and control usage, while maintaining the free-to-use ethos. | 37,000           | 0                | 37,000           |
|          |            |   | <b>RES Sub Total</b>   | <b>1,362,000</b> | <b>1,220,000</b> | <b>2,582,000</b> |

|     |  |                       |            |            |            |
|-----|--|-----------------------|------------|------------|------------|
| RED | Energy Efficiency Fund: Boiler Optimisation                    | Self-financing scheme | 500,000    |            | 500,000    |
| RED | Energy Efficiency Fund   | Self-financing scheme | 500,000    | 1,500,000  | 2,000,000  |
| RES | Archiving of obsolete systems based on non supported hardware. | Self-financing scheme | 250,000    | 200,000    | 450,000    |
| RES | Dark Fibre Networking  | Self-financing scheme | 395,000    | 225,000    | 620,000    |
|     |  | Self Financing Total  | 1,645,000  | 1,925,000  | 3,570,000  |
|     | TOTAL  |                       | 20,040,448 | 47,303,452 | 67,343,900 |

---

## **Appendix 8: Medium Term Financial Plan Consultation Feedback**

---

This year's budget consultation builds on the on-going approach to involve local people in our decision making processes. The consultation provided a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire.

The first phase took place in November to December 2012 and sought the views of the wider community to provide direction to the council's proposals and the approach to developing budget plans. This Appendix details the consultation participation and outcomes across all methods of engagement.

### **Key Questions and Methodology**

A range of consultation methods were used to encourage wide participation and to gather the views of local people on three key questions.

#### **Q. How well has the Council managed the budget reductions to date?**

Our approach in seeking the public's views was to set out the ways in which the council has managed the challenging task of identifying and implementing the £93 million of reductions over the last two years. In seeking views on our decisions, the information accompanying the consultation set out the scale of the reductions made to date as well as explaining the key principles that have underpinned the communities approach, including;

- Protect priority services identified by the public,
- Continue to listen to the public,
- Work with local communities to develop new ways of working,
- Try to maintain a countywide presence and a wide spread of local facilities and only consider a total withdrawal of a service as a last resort,
- Protect frontline/public services.

This question was used when consulting with the AAPs as well as the survey with the wider public and Citizens' Panel.

#### **Q. What impact has these reductions had on them personally?**

We sought feedback on the impact that a number of reductions have had on the public to date. The examples selected had already been implemented and had resulted in relatively large savings, potentially affecting a broad range of the community. Respondents were therefore able (in some cases) to offer a comment from first-hand experience. These included:

- Alternative weekly refuse collection.
- Review of indoor leisure facilities.
- Non-public facing services and senior management posts.
- Changes to grounds maintenance.
- Changes to contracted bus services.
- Increased fees and charges.
- Review of adult care provision to support people to live independently for longer.
- Home to school transport.



This question was included in the online and Citizens' Panel survey but not within the AAP consultation workshops as it would have been inappropriate and difficult to measure personal impact within a group discussion format.

**Q. How should we approach making further reductions?**

This open question was applied across all the consultation methods as it offered an opportunity for group discussion and individual responses on areas for reductions as well as our future approach. The accompanying information provided as part of the consultation explained that the council projected having to identify a further £46 million of additional reductions over the term of the MTFP. It also highlighted that although outline plans were in place for 2013/14, given the financial settlement had yet to be provided at the time of the consultation, further reductions may be needed for the next financial year.

**Targeted Consultation Plan**

A consultation and communications plan was developed and monitored to ensure robust consultation. The consultation involved the following:

- Presentations and workshops at each of the 14 AAP Forum Meetings.
- Engaging the County Durham Citizens' Panel.
- An on-line questionnaire.
- Seeking views from other representative groups by encouraging views, opinions and concerns to be expressed either online or via other correspondence. This has included targeted correspondence to the LGBT Steering Group and Disability Partnership as well as an agenda item on the December 2012 meeting of the Local Council Working Group to raise awareness of the consultation, and regular briefings to the Voluntary Sector Working Group.

During January 2013 we fed back and updated all major stakeholders including the Police and Fire Services, CDALC, the VCS Working Group and protected characteristic groups through our regular meetings and/or targeted correspondence.

**Participation**

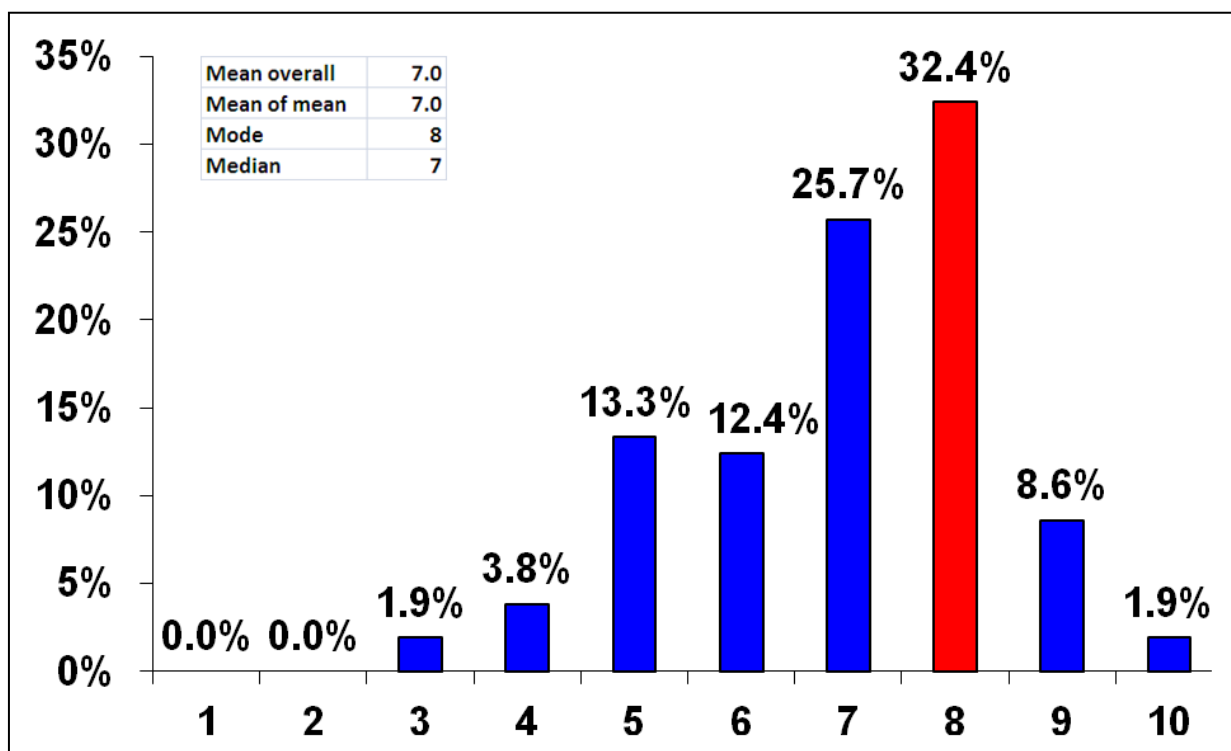
- Over 1,500 people engaged in the consultation process.
- 835 attended AAP Forums where they received a presentation and took part in round table discussions and provided feedback.
- Over 2,000 members of the County Durham Citizen Panel were invited to take part in Budget Consultation, either through a web or paper based questionnaire. This questionnaire was also promoted through the County Durham Website, and overall 673 residents responded.

**Question: Having listened to the presentation on the Council's approach to funding reductions in its services, how well do you think we have managed the process?**

The analysis clearly indicates a high level of satisfaction with the way the council has managed the process. On a scale of 1 to 10, with 10 being excellent, the mean score was 7. The scores across tables ranged from 3 -10, with the most occurring score being 8. Please refer to the graph overleaf.

Comments indicate an appreciation of the high level of consultation and the involvement of local people in shaping decisions.

The overwhelming view was that the council had managed the process well given the difficult circumstances and the tough decisions necessary; but it was thought to be essential that the involvement of local people remains central to this process.



**Question:** Do you have any comments or suggestions to help us manage further budget reductions?

There was a wide and varied range of views for managing future reductions. These included comments on the approach and specific suggestions regarding areas to be explored to achieve greater efficiencies. For reporting purposes, these are categorised in four broad areas and are detailed in full overleaf.

It was evident during the analysis that many of the suggestions received related to areas which have already been reviewed, implemented or are planned for future implementation.

Table 1 details the recurring comments in response to the question requesting comments or suggestions to help us manage further budget reductions. The ranking show frequency of responses.

| <b>TABLE 1: Comments relating to suggestions for future budget reductions</b> |  |  |
|---|--|--|
| <b>AAP ranking</b>  | <b>Survey ranking</b>  | <b>You Said</b>  |
|   |  | Improve Financial Efficiency (raise income and Spend less)   |
| 7<br>5<br>3=<br><br>-<br>17<br>-  | 12<br>11<br>7<br><br>14<br>-<br>17                               | <ul style="list-style-type: none"> <li>• Reduce bureaucracy / paperwork / stationery / hospitality</li> <li>• Review Procurement to ensure Best Value</li> <li>• Raising income (e.g. Review of DCC land &amp; property, sell DCC services)</li> <li>• Promoting business and tourism</li> <li>• Increase use of IT for accessing services online</li> <li>• Outsourcing services</li> </ul>   |
|   |  | Council Structures and Service Delivery  |
| 3=<br>10<br><br>-<br><br>16<br>6<br>-   | 6<br>4<br><br>8<br><br>11<br>1<br>5                              | <ul style="list-style-type: none"> <li>• Review top tier Management</li> <li>• Review structure of organisation (but stop costly restructures)</li> <li>• Protect local services (e.g. libraries and other local facilities)</li> <li>• Protect frontline services (e.g. care and bus passes)</li> <li>• Review of Members, allowances, number of etc.</li> <li>• Review staff pay and benefits</li> </ul>   |
|   |  | Service Specific changes and improvements  |
| 12<br>11<br><br>-<br>13<br><br>14<br>15<br>8<br>-<br>-<br>-                   | 2<br>9<br><br>16<br>10<br><br>-<br>3<br>12<br>17<br>15<br><br>18 | <ul style="list-style-type: none"> <li>• Street Lighting to be made more efficient</li> <li>• Reductions to Winter maintenance &amp; review maintenance of highways</li> <li>• Review Transport - whilst protecting rural services</li> <li>• Improvements to Waste/ Recycling / Environmental / drains</li> <li>• Review Neighbourhood Warden services</li> <li>• Protect vulnerable: Adult Care / Young People</li> <li>• Reduce and review public space decorations</li> <li>• Review/stop County Durham News</li> <li>• Invest less in infrastructure</li> <li>• Review playgrounds</li> </ul> |
|   |  | Managing approach to reductions  |
| 1<br>2<br>9<br>-  | 17<br>-<br>11<br>13  | <ul style="list-style-type: none"> <li>• Effective and efficient consultation</li> <li>• Increased partnership working</li> <li>• Ensure AAP involvement / Localism / Volunteering</li> <li>• DCC are managing reductions well</li> </ul>  |

The two columns to the left indicate the ranking of the suggestions based on frequency of responses. The first column ranks results from the AAP Forums and the second column ranks results from the Citizens' Panel and Online Survey. Where a dash (-) appears, this indicates that the response was not mentioned via this method of consultation.

As part of the analysis, the views were categorised into four broad areas. The main points under each of these areas are summarised overleaf.

## **1. Managing the approach to reductions**

- Responses reflected a strong appreciation of the in-depth, on-going engagement and consultation of local people in shaping decisions. A recurring theme was to seek opportunities for collaborative working and sharing resources across sectors including the community and voluntary sector, Local Councils, other North East councils and the private sector.

## **2. Improving Financial Efficiencies**

- Increasing effective management was viewed as very important and focused in particular on procurement and reviewing council land and property. This included reviewing the use of accommodation, selling council assets and better management of council premises in terms of energy efficiency and usage. Attention focused on the monitoring of procurement and ensuring that all contracts are efficient and represent value for money.

## **3. Council Structures and Service Delivery**

- Suggestions under this covered references to both staff and Elected Members. The council should continue to review staffing at all levels and minimise associated costs, whilst remembering that re-structures can be costly.

## **4. Service Specific Changes and Improvements**

- There was a wide range of suggestions for reviews and savings across services. These included; transport, environmental services (waste, recycling) and street lighting.

### **AAP Youth Forums:**

Altogether, 3 AAPs were able to incorporate the MTFP consultation into their work with young people, although different approaches were taken which focused on asking young people to identify their top priorities for their area. The results of these sessions were then made available to the Forum meeting, where they undertook a similar process. Altogether, 340 young people participated in these events. These AAPs include:

- 3 Towns AAP: Young people took full part in the AAP Forum meeting.
- Spennymoor AAP: A dedicated event was attended by 54 young people aged 8-15 years from 8 local schools. They took part in a range of fun activities to educate them on local issues to choose the top 3 priorities for their community which were; Children & Teenage Provision, Communications, IT & Technology and Support for Older & Vulnerable People
- Mid Durham AAP: A residents survey in this area included responses from 283 young people. They selected priority areas which were important to them and for consideration by AAP Forum.

### **Protected Characteristic Groups and Other Partners**

The LGBT Steering Group members, a representative group in County Durham were asked to participate in the consultation to date.

Whilst we traditionally attend the Disability Partnership meetings in order to engage the representative organisation in consultation, the group have not met during the consultation period. All partners contacted during January, including the NE Chamber of Commerce, (Durham Committee) thanked the council for the opportunity to comment. The main comment from the NECC was the suggestion that the council consider income generating activities.

## Local Councils

Targeted work with Local Councils and the County Durham Association of Local Councils (CDALC), will take place during January 2013 to including sharing the feedback from the consultation. CDALC sent the following statement as a response to the consultation:

*“The County Durham Association of Local Councils (CDALC) is aware of the current financial pressures being experienced by Durham County Council. CDALC supports the current financial strategy being implemented by Durham County Council as they strive to meet reductions in central government funding. CDALC is pleased to see that all efforts are being made to protect frontline services wherever possible.*

*At first tier level (parish and town councils) we will continue to work with DCC to see that adverse effects of the current and future cuts are minimised for local communities.”*

## Citizens' Panel and Online Consultation Response

The Citizens' Panel and online consultation closed on 28th December 2012. A total of 773 valid responses were received and processed, 353 of which were online responses and 420 postal.

## Results

The questionnaire was designed to be supplementary to the more qualitative, in depth discussions, undertaken through AAP forums. Care should be taken in comparing AAP results which were gleaned from group discussions and the citizens panel/online questionnaire which are individual options. The questionnaire included more detail because the medium lends itself to more questions albeit responses are not developed through open and informed debate. The same questionnaire was used for both the web based survey promoted through the Durham County Council website and that that sent to Citizens' Panel members. The questionnaire was divided into three sections:

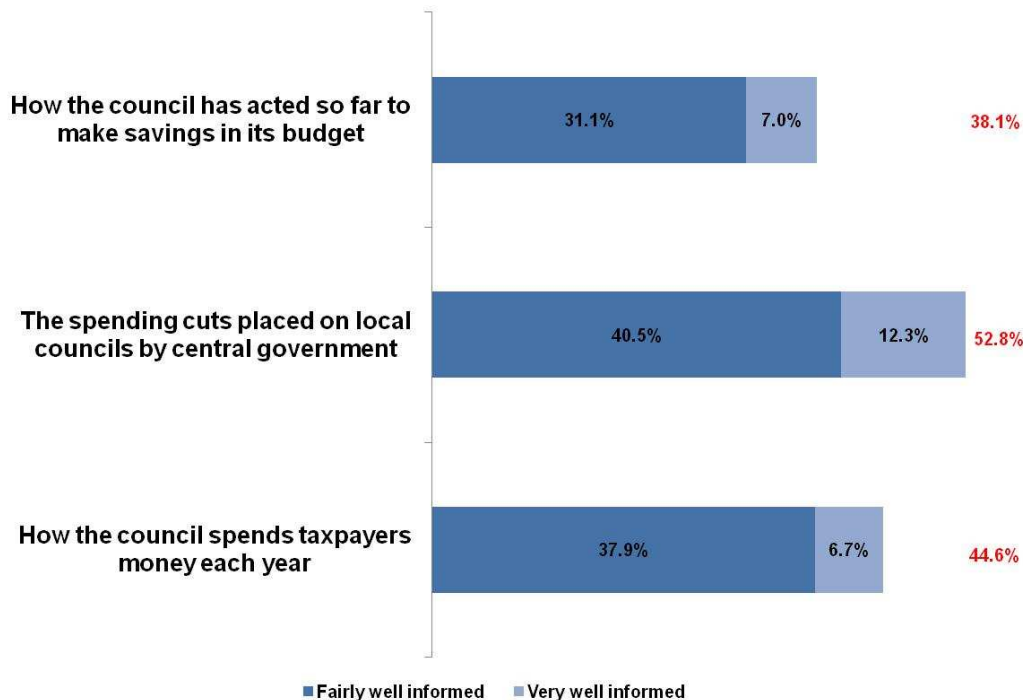
- Section A: How have we managed the budget reductions to date?
- Section B: What impact have the reductions had on you?
- Section C: Preparing for future reductions

### Section A: How have we managed the budget reductions to date?

#### Awareness

A higher proportion of respondents said they were aware of the cuts imposed by central government rather than the council's responses locally. Over half of respondents (52.9%) felt well informed about the cuts placed on local government by central government. However, less than half felt they were well informed of how we spend that money (44.7%), and less than 40% on how we are meeting those cuts ), (see Fig.1).

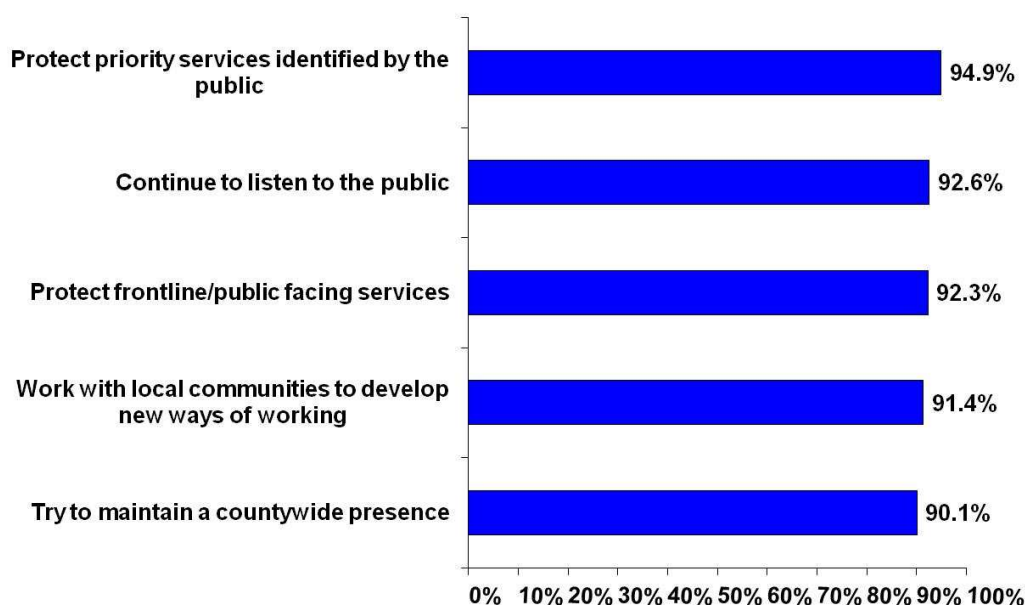
**Figure 1: Knowledge of local government cuts, budgets and savings.**



## Approach

Broadly there were large levels of agreement with the council's approach to managing budget reductions. Over 90% of respondents supported each of the elements of the council's approach to managing the budget reductions, see Fig.2.

**Figure 2: Agreement with elements of the council's approach to managing budget reductions.**

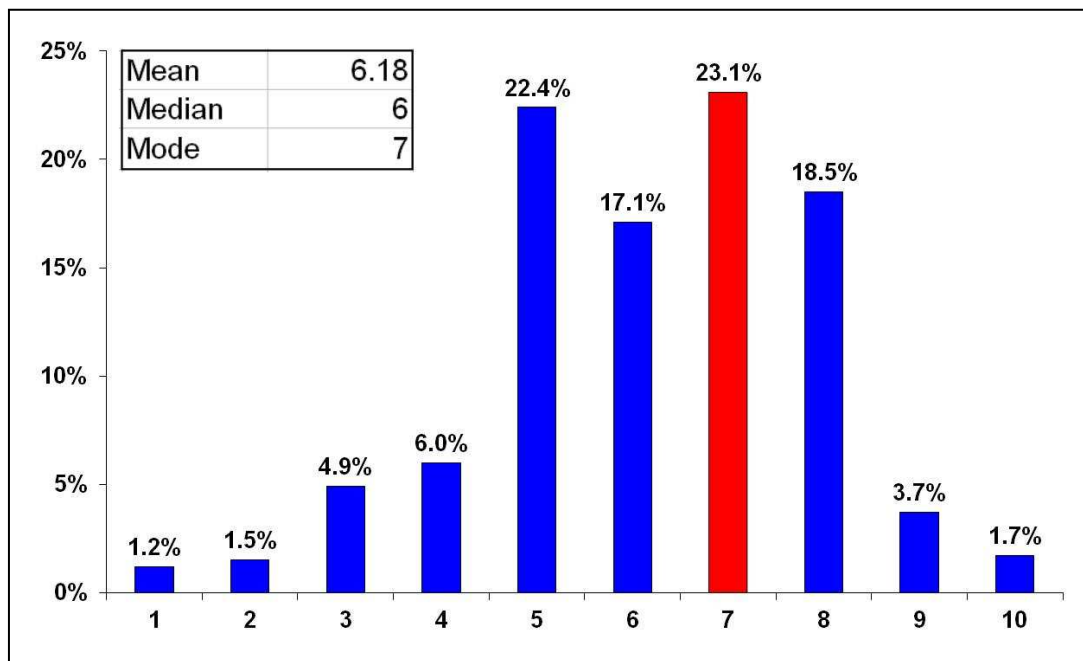


However, sentiments were strongest about continuing to listening to the public. Almost two in three respondents strongly agreed that the council should continue to listen to the public whereas less than half (46%) strongly agreed that the council should try and maintain a countywide presence.

## Application of funding reductions

Given the opportunity to rate the council's management of funding reductions more than three out of four respondents scored the council between five and eight with a mean average score of 6.18, see Fig. 3.

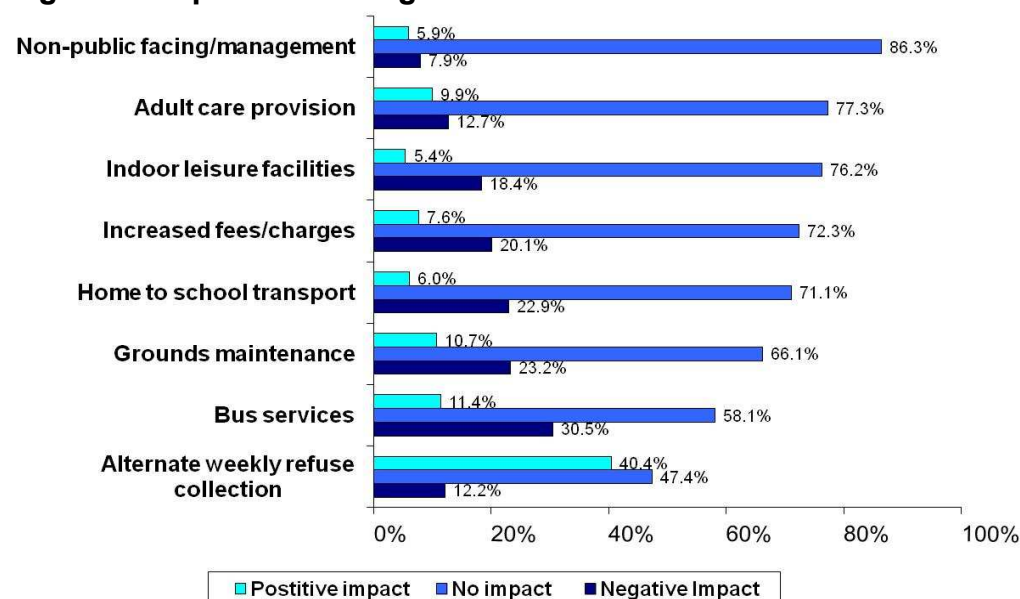
**Figure 3: Satisfaction with the council's management of the process of applying funding reductions.**



## Section B: What impact have the reductions had on you?

Section B required respondents to outline and describe any impacts of specific changes made as a result of eight recent service reductions. A majority said all eight service reductions have had no impact on them personally. Moreover, more than a third of respondents said that alternate weekly collection had had a positive impact. All other changes had a net negative impact the largest being the changes to bus services, see Fig 4.

**Figure 4: Impacts of changes**



## **Understanding the impacts of changes**

As well as asking people to rate whether the changes were positive, negative or neutral respondents were also asked to describe the impact on them. The comments provided by residents were coded in to relevant categories in order to summarise how people feel affected by these changes. The following further summarises the key messages from this exercise.

### **Impact of the review of non public facing services and senior management posts.**

Over 85% saw no impact upon themselves from the review of non-public facing and senior management posts. The most common comment was that respondents had not noticed a difference in service levels (46.6%).

### **Impact of the changes to Adult Care provision**

Around half of all respondents regarded themselves as Adult Care users (this may of course include care users who are family members or are potential users wishing to comment). Over three quarters of users felt no impact upon themselves and 12.7% a negative impact. 62 comments were received about these impacts, around a third of which stated that the care received was not adequate (33.9%). Conversely 12.9% of comments described the level of care received as a positive impact of the changes.

### **Impact of review of indoor leisure facilities**

Around two thirds of respondents regarded themselves as users of sports and leisure facilities. Just under one in five users said the changes had a negative impact upon themselves but over three quarters said the changes were neutral. 123 comments were received about the changes. Most commonly respondents stated that they:

- Had not noticed any difference personally (34.1% of comments).
- The most common negative impact was described as increased travelling distance and times to access services (16.3%) and the loss of a local facility (14.6%).

### **Impact of the change to increased fees and charges**

Just over one in five respondents said increased fees and charges have had a negative impact on them. 282 comments were received about this change. Of those making a comment the most common was that increased fees and charges have had no noticeable effect (35.8% of comments). Of those that do notice a negative impact, the most commonly mentioned fee was car parking generally.

### **Impact of the change to home to school transport**

Just over one in three respondents described themselves as a user of the home to school service (this may of course include members of family or potential users wishing to comment) Over three quarters of users felt there has been either a positive or no impact upon themselves. Just 45 comments were received about this change and of those stating an impact the most common impact noted is financial loss.



## **Impact of the changes to grounds maintenance**

Nearly a quarter saw a negative impact upon themselves but two thirds did not recognise any impact. 356 comments were recorded. The most common comment was that respondents hadn't noticed any change (32.3% of comments). The most common negative issue was that the maintenance levels were poorer than previously (12.6%).

## **Impact of the change to contracted bus services**

Around two thirds of respondents regarded themselves as a user of bus services. Almost one in three users felt a negative impact upon themselves but over half of users stated no impact at all. 267 comments were made about bus services; the most common was negative about the reduced level of service generally (25.8%). The next most common category was that bus services are satisfactory and no change has been noticed (10.4%)

## **Impact of the change to alternate weekly collection**

Over 85% of respondents indicated a positive or no impact. There were 576 comments overall made about these impacts and the most commonly described were:

- The waste and recycling system overall seems to work better (24.8% of comments).
- Increase in the amount people are recycling (16.3%).
- The most common negative issue commented upon was the size of the bins as they quickly get full (5.4%).

## **Other changes and impacts**

The final question in this section asked respondents to describe any other changes to services that had impacted upon them. 269 comments were received in this section with just over a third of them about concerns about reduced service (35.7%) and 13.4% about reduced local facilities. The most commonly mentioned specific service was winter maintenance with 9.7% of comments, however generally these comments described a desire to see winter maintenance protected from any future reductions.

## **Section C: Preparing for future reductions**

In the final section respondents were asked to comment on how we manage any further budget reductions. These suggestions could include highlighting any services that respondents would want to protect or cut further but also could include suggestions for more efficient ways of working. Responses have been analysed alongside comments returned from a similar exercise undertaken with AAPs. There are key differences between the two methods of collecting feedback but overall the same framework for coding responses has been used. A full list of all categories used is provided in Table 2 overleaf. 458 comments were coded in this section and responses have been categorised into four broad sections;

- **Improving efficiency - responses and comments suggested council-wide efficiencies.**  
17.2% of all relevant comments fell into this category with the most common response suggesting that raising income is a key way of managing any future budget reductions (6.3% of all relevant comments). This was the seventh highest ranked category overall. The next most common suggestion was to review procurement with 3.5% of all comments ranking it eleventh out of all categories.

- **Council Structures and Service Delivery** – 40% of all relevant comments fell into this category with the most common responses suggesting that the council should review the number of Members and their allowances (9.8%) and review the structure of the organisation (7.2%). These were the first and fourth most commonly coded comments respectively overall.
- **Service Specific Changes and Improvements** – 34.9% of comments overall fell into this category. Comments on making street lighting more efficient were most common. This was also the second most common suggestion overall (8.3% of all relevant comments). The next most common suggestion in this section was about protecting vulnerable groups such as those services intended for older or younger people. This was the third most common suggestion overall (7.9%).
- **Managing Approach to Reductions** – 7.9% of comments overall fell into this category. The most common category in this section was about increasing third sector involvement in public services including more volunteers to help deliver services. This was the fourteenth most common suggestion with 3.5% of comments overall. The fifteenth most common category of comments was complimentary to the council congratulating it on managing in difficult times (3.1%).

**Table 2: Preparing for the Reductions: Citizens' Panel/Online**

| <b>Rank Overall</b> | <b>Number of comments</b> | <b>%</b>     | <b>Section</b>  |
|---------------------|---------------------------|--------------|---|
|                     | <b>79</b>                 | <b>17.2%</b> | <b>Improve Financial Efficiency (raise income and spend less)</b>   |
| 12                  | 15                        | 3.3%         | Reduce bureaucracy / paperwork / stationery / hospitality   |
| 11                  | 16                        | 3.5%         | Review Procurement to ensure Best Value   |
| 7                   | 29                        | 6.3%         | Raising income (e.g. Review of DCC land & property, sell DCC services e.g. charge for library membership) |
| 14                  | 13                        | 2.8%         | Promote business and tourism  |
| 17                  | 6                         | 1.3%         | Outsource services  |
|                     | <b>183</b>                | <b>40.0%</b> | <b>Council Structures and Service Delivery</b>  |
| 1                   | 45                        | 9.8%         | Review of Members, allowances, number of etc.   |
| 5                   | 31                        | 6.8%         | Review staff pay and benefits   |
| 6                   | 30                        | 6.6%         | Review top tier Management  |
| 4                   | 33                        | 7.2%         | Review structure of organisation (but stop costly restructures)   |
| 8                   | 28                        | 6.1%         | Protect local services (e.g. libraries and other local facilities)  |
| 11                  | 16                        | 3.5%         | Protect frontline services (e.g. care and bus passes)   |
|                     | <b>160</b>                | <b>34.9%</b> | <b>Specific Service changes and improvements</b>  |
| 2                   | 38                        | 8.3%         | Street Lighting to be made more efficient   |
| 9                   | 24                        | 5.2%         | Review Winter maintenance & maintenance of highways   |
| 16                  | 7                         | 1.5%         | Review Transport - whilst protecting rural services   |
| 10                  | 20                        | 4.4%         | Improvements to Waste/ Recycling / Environmental / drains   |
| 3                   | 36                        | 7.9%         | Protect vulnerable: Adult Care / Young People   |
| 12                  | 15                        | 3.3%         | Reduce and review public space decorations (e.g. Christmas decorations, public art and flowerbeds)        |
| 17                  | 6                         | 1.3%         | Invest less in infrastructure   |
| 15                  | 10                        | 2.2%         | Review/stop County Durham News  |
| 18                  | 4                         | 0.9%         | Review playgrounds  |
|                     | <b>36</b>                 | <b>7.9%</b>  | <b>Managing approach to reductions</b>  |
| 17                  | 6                         | 1.3%         | Effective and efficient consultation  |
| 11                  | 16                        | 3.5%         | Ensure AAP involvement / Localism   |
| 13                  | 14                        | 3.1%         | DCC are managing reductions well  |

## **1 Introduction**

This policy outlines the key principles of Durham County Council's (DCC) pay policy for 2013/14 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 a new pay structure and revised conditions of employment for the majority of the workforce has been agreed during 2012, in order to ensure that the council is able to operate as a modern, fit for purpose and streamlined organisation.

## **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, four 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 where required.

### **2.3 Key Principles**

- The Chief Officer Pay policy is designed to be easily understood and to 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:

| <b>Role</b>                           | <b>Spot Salary</b> | <b>Additional Variable Pay</b> |
|---------------------------------------|--------------------|--------------------------------|
|                                       | £                  | £                              |
| 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 government at levels set by order in relation to each national poll and according to scale of fees agreed by the council in relation to Local Elections.

Set out in Annex 1 is a scale of fees for the conduct of the County Council and Parish elections. The fees are based on the principle that the Returning Officer and nominated deputies will be remunerated in view of personal responsibilities, but at a rate below that of national elections. National rates are given for other posts such as Presiding Officers, Poll Clerks, Count staff and postal vote sessions to ensure sufficient interest is maintained in undertaking these roles.

### **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) remunerated in Durham on incremental scale from £12,312 rising to £14,733 (excluding 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 16:1, against figures published by Government of an expectation to always be below 20:1 in local government.

In addition, during 2013/14 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 has successfully completed the implementation of a new pay and conditions



framework for the wider workforce, with the exercise fully implemented for the start of the new financial year 2013/14. This will form the key platform for fair pay for the workforce for future years.

This pay scheme is 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.

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 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 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 is one for 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.

## Annex 1: Proposed Scale of Fees for Elections

Set out in Annex 1 is a scale of fees for the conduct of the County Council and Parish elections. The fees are based on the principle that the Returning Officer and nominated deputies will be remunerated in view of personal responsibilities, but at a rate below that of national elections. National rates are given for other posts such as Presiding Officers, Poll Clerks, Count staff and postal vote sessions to ensure sufficient interest is maintained in undertaking these roles"

Core Election Team members will receive an 'election fee' covering overtime worked and additional responsibilities undertaken during the election period. The overall fee will reflect the amount received at National Elections for example the Alternative Vote Referendum and the Police and Crime Commissioner Election. Any Election Team member who is paid an 'election fee' will not receive any additional payment if undertaking a Deputy Returning Officer role or other roles.

| Role  | Fee   | Comments   |
|---|---|--|
| Returning Officer                           | £100 per division                                     | Just over half the rate paid at national elections   |
| Deputy Returning Officers                   | Capped up to £60 per division                         | Fee dependant on role undertaken and level of fee paid to be determined by the Returning Officer |
| <b>Election Day</b>                         |   |  |
| Presiding Officer                           | £195 (plus 20% for combination)                       | National Rate  |
| Poll Clerk                                  | £115 (plus 20% for combination)                       | National Rate  |
| Polling staff – training fee                | £40.00  | As at PCC Election   |
| Polling Station-Staff Trainer               | £120.00 per session                                   | As at PCC Election   |
| Polling Station Inspector                   | £19.50 per Polling Station (plus 20% for combination) | National Rate  |
| <b>Postal Votes</b>                         |   |  |
| Postal Vote Supervisors including Scanners  | £12.50 per hour                                       | National Rate  |
| Postal Vote Assistants                      | £10 per hour  | National Rate  |
| Postal Vote Opening - Training              | £20.00  | As at PCC Election   |
| Postal Vote Opening - Trainer               | £60.00 per session                                    | As at PCC Election   |
| <b>Ballot Box Receipt and Document Sort</b> |   |  |
| Ballot Box Supervisor                       | £100.00   | As at PCC Election   |
| Ballot Box Receipt Asst                     | £50.00 per session of up to 4 hours                   | As at PCC Election   |
| <b>The Count</b>                            |   |  |
| Count Supervisor/Adjudicator                | £250.00   | As at PCC Election   |
| Count Supervisor- Trainer                   | £50.00  | As at PCC Election   |

|  |                                     |                    |
|--|-------------------------------------|--------------------|
| Count Senior Assistant                         | £160.00                             |                    |
| Count Supervisor and Senior Assistant Training | £40.00                              | As at PCC Election |
| Count Assistant                                | £50.00 per session of up to 4 hours | As at PCC Election |
| Security                                       | £100                                |                    |
| <b>General</b>                                 |                                     |                    |
| Clerical Assistance – use of temporary staff   | £200 per division                   | National rate      |
| Car Mileage                                    | 48p per mile                        | DCC mileage rate   |
| Poll Card Delivery                             | 12p per card (plus 2p mgt)          | As at PCC Election |

## **Summary**

In accordance with statutory guidance and the Council's Financial Procedure rules, this report presents the proposed Treasury Management Strategy for 2013/14, 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 2013/14
  - Annual Investment Strategy 2013/14
  - Prudential Indicators 2013-2016
  - Minimum Revenue Provision Policy 2013/14
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 2013/14

This report covers the following issues in respect of 2013/14:

- 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. Annual 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 2012, with comparators for 31 March 2012 and a forecast position for 31 March 2013:

|             | 31-Mar-12<br>(£m) | Average<br>Rate<br>(%) | 31-Dec-12<br>(£m) | Average<br>Rate<br>(%) | 31-Mar-13<br>(£m) | Average<br>Rate<br>(%) |
|-------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
| Borrowing   | 418               | 5.03                   | 444               | 4.84                   | 449               | 4.84                   |
| Investments | 111               | 1.60                   | 127               | 1.61                   | 100               | 1.61                   |
| Net Debt    | 307               | -                      | 317               | -                      | 349               |                        |

Borrowing is forecast to increase by around £31m in 2012/13, whilst investment levels will fall by approximately £11m. 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)

As at the 1 April 2012 existing County Council debt was 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                    | 2011/12<br>Actual | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|
|  | £m                | £m                  | £m                  | £m                  | £m                  |
| Non-HRA                                | 146.518           | 144.610             | 163.631             | 95.277              | 33.165              |
| HRA                                    | 41.735            | 45.474              | 49.000              | 50.000              | 27.395              |
| HRA settlement                         | 52.891            |                     |                     |                     |                     |
| <b>Total</b>                           | <b>241.144</b>    | <b>190.084</b>      | <b>212.631</b>      | <b>145.277</b>      | <b>60.560</b>       |
| <b>Financed by:</b>                    |                   |                     |                     |                     |                     |
| Capital receipts                       | 9.458             | 20.335              | 20.200              | 13.437              | 10.448              |
| Capital grants                         | 95.416            | 78.187              | 85.898              | 52.946              | 0.272               |
| Revenue and reserves                   | 27.326            | 27.058              | 25.056              | 25.360              | 26.563              |
| <b>Net financing need for the year</b> | <b>108.944</b>    | <b>64.504</b>       | <b>81.477</b>       | <b>53.534</b>       | <b>23.277</b>       |

**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.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

|                                      | 2011/12<br>Actual | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|--------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | £m                | £m                  | £m                  | £m                  | £m                  |
| <b>Capital Financing Requirement</b> |                   |                     |                     |                     |                     |
| CFR – non housing                    | 353.473           | 394.113             | 453.302             | 481.289             | 482.779             |
| CFR - housing                        | 225.663           | 234.532             | 239.637             | 245.361             | 245.745             |
| <b>Total CFR</b>                     | <b>579.136</b>    | <b>628.645</b>      | <b>692.939</b>      | <b>726.650</b>      | <b>728.524</b>      |
| <b>Movement in CFR</b>               | <b>94.490</b>     | <b>49.509</b>       | <b>64.294</b>       | <b>33.711</b>       | <b>1.874</b>        |

| <b>Movement in CFR represented by</b>      |               |               |               |               |              |
|--|---------------|---------------|---------------|---------------|--------------|
| Net financing need for the year (above)    | 56.053        | 64.504        | 81.477        | 53.534        | 23.277       |
| HRA Settlement                             | 52.891        |               |               |               |              |
| Less MRP/VRP and other financing movements | -14.454       | -14.995       | -17.183       | -19.823       | -21.403      |
| <b>Movement in CFR</b>                     | <b>94.490</b> | <b>49.509</b> | <b>64.294</b> | <b>33.711</b> | <b>1.874</b> |

#### **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.

|                               | 2011/12<br>Actual | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|-------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                               | %                 | %                   | %                   | %                   | %                   |
| Non-HRA                       | 6.31              | 6.35                | 7.25                | 9.11                | 10.18               |
| HRA (inclusive of settlement) | 17.52             | 34.61               | 34.60               | 34.72               | 33.38               |

*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.

|                      | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|----------------------|---------------------|---------------------|---------------------|
|                      | £                   | £                   | £                   |
| Council tax - band D | 1.46                | 2.14                | 0.60                |

**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.

|                            | 2011/12<br>Actual | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|----------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                            | £                 | £                   | £                   | £                   | £                   |
| Weekly housing rent levels | 5.23              | 6.11                | 8.54                | 8.40                | 9.80                |

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

### 1.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2012, with forward projections are summarised overleaf. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.



|  | 2011/12<br>Actual | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|--|-------------------|---------------------|---------------------|---------------------|---------------------|
|  | £m                | £m                  | £m                  | £m                  | £m                  |
| <b>External Debt</b>                     |                   |                     |                     |                     |                     |
| Debt at 1 April                          | 317.183           | 417.906             | 449.389             | 560.548             | 631.567             |
| Expected change in Debt                  | 100.723           | 31.483              | 111.159             | 71.019              | 9.766               |
| Other long-term liabilities (OLTL)       | 50.096            | 49.744              | 49.040              | 48.306              | 47.562              |
| Expected change in OLTL                  | -0.352            | -0.704              | -0.734              | -0.744              | -0.800              |
| <b>Actual gross debt at 31 March</b>     | <b>467.650</b>    | <b>498.429</b>      | <b>608.854</b>      | <b>679.129</b>      | <b>688.095</b>      |
| <b>The Capital Financing Requirement</b> | <b>579.136</b>    | <b>628.645</b>      | <b>692.939</b>      | <b>726.650</b>      | <b>728.524</b>      |
| <b>Under / (over) borrowing</b>          | <b>111.486</b>    | <b>130.216</b>      | <b>84.085</b>       | <b>47.521</b>       | <b>40.429</b>       |

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 gross debt 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 2013/14 and the following two financial years. 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.

| <b>Operational boundary</b> | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
|                             | £m                  | £m                  | £m                  | £m                  |
| Borrowing                   | 579.000             | 644.000             | 679.000             | 682.000             |
| Other long term liabilities | 50.000              | 49.000              | 48.000              | 47.000              |
| Total                       | 629.000             | 693.000             | 727.000             | 729.000             |

**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.

| <b>Authorised limit</b>     | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
|                             | £m                  | £m                  | £m                  | £m                  |
| Borrowing                   | 629.000             | 694.000             | 729.000             | 732.000             |
| Other long term liabilities | 53.000              | 52.000              | 51.000              | 50.000              |
| Total                       | 682.000             | 746.000             | 780.000             | 782.000             |

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 | 2012/13<br>Estimate<br>£m | 2013/14<br>Estimate<br>£m | 2014/15<br>Estimate<br>£m | 2015/16<br>Estimate<br>£m |
|-------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 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.

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

|  | 2013/14      | 2014/15      | 2015/16      |
|--|--------------|--------------|--------------|
| <b>Interest rate Exposures</b>                                     |              |              |              |
|  | <b>Upper</b> | <b>Upper</b> | <b>Upper</b> |
| Limits on fixed interest rates based on net debt                   | 100%         | 100%         | 100%         |
| Limits on variable interest rates based on net debt                | 30%          | 30%          | 30%          |
| <b>Maturity Structure of fixed interest rate borrowing 2013/14</b> |              |              |              |
|  | <b>Lower</b> | <b>Upper</b> |              |
| 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 | PWLB Borrowing Rates<br>(including certainty rate adjustment) |         |         |
|----------------|-----------|---|---------|---------|
|                |           | 5 year  | 25 year | 50 year |
|                | %         | %   | %       | %       |
| Dec 2012       | 0.50      | 1.50  | 3.70    | 3.90    |
| March 2013     | 0.50      | 1.50  | 3.80    | 4.00    |
| June 2013      | 0.50      | 1.50  | 3.80    | 4.00    |
| Sept 2013      | 0.50      | 1.60  | 3.80    | 4.00    |
| Dec 2013       | 0.50      | 1.60  | 3.80    | 4.00    |
| March 2014     | 0.50      | 1.70  | 3.90    | 4.10    |
| June 2014      | 0.50      | 1.70  | 3.90    | 4.10    |
| Sept 2014      | 0.50      | 1.80  | 4.00    | 4.20    |
| Dec 2014       | 0.50      | 2.00  | 4.10    | 4.30    |
| March 2015     | 0.75      | 2.20  | 4.30    | 4.50    |
| June 2015      | 1.00      | 2.30  | 4.40    | 4.60    |
| Sept 2015      | 1.25      | 2.50  | 4.60    | 4.80    |
| Dec 2015       | 1.50      | 2.70  | 4.80    | 5.00    |
| March 2016     | 1.75      | 2.90  | 5.00    | 5.20    |

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

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

- The Eurozone sovereign debt difficulties provide a clear indication of high 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 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of carry – 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 relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

#### **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):

|                              | <b>Fitch</b> | <b>Moody's</b> | <b>Standard &amp; Poors</b> |
|------------------------------|--------------|----------------|-----------------------------|
| Short Term                   | F1           | P1             | A-1                         |
| Long Term                    | A            | A2             | A                           |
| Viability/Financial Strength | bb-          | C-             | -                           |
| 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<br>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                 | £60m                        | 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<br>(overall £50m) | liquid     |

#### **vii. Icelandic Bank Investments Update**

The County Council had £7m deposited across the Icelandic banks Glitnir Bank hf (£4m), Landsbanki (£2m) and Kaupthing Singer and Friedlander Ltd (£1m), which all effectively collapsed financially in October 2008. The Council's recovery position is as follows:

- Glitnir: a full distribution was made in March 2012, however an element of the distribution is in the Icelandic Kroner currency, which has been placed in an escrow account in Iceland due to currency controls currently operating in the country. As a result this element is subject to exchange rate risk, over which the Council has no control. The Council has made an impairment of 4% to allow for currency fluctuations.
- Landsbanki: 50% of an anticipated 100% recovery is expected to have been repaid by 31 March 2013. Again, a small element of the distribution is in Icelandic Kroner which has been placed in an escrow account in Iceland due to currency controls and is subject to exchange rate risk.
- Kaupthing Singer and Friedlander: 78% of the outstanding balance is expected to have been repaid by 31 March 2013. 83.5% recovery is anticipated in the long run.

#### **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.

## County Council

20 February 2013



### **Council Tax Setting in Order to Meet the County Council's Council Tax Requirement for 2013/14**

---

#### **Report of Cabinet**

**(Councillor Simon Henig, Leader of the Council)**

---

#### **Purpose of the Report**

- 1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2013/14.

#### **Council Tax Levels**

- 2 The Local Government Finance Act 1992 and subsequent amendments (referred to as 'The Act' in this report) require the County Council to set its Council Tax before 11 March 2013.
- 3 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the County Council as 'billing authority' to calculate its 'council tax' requirement for the year.
- 4 In setting the Council Tax, the County Council is required to make certain calculations and to approve a number of resolutions in accordance with the Act.
- 5 The detailed calculations are set out in Appendices 2 to 5. The recommended basic Council Tax at Band D for the County Council is £1,282.86. The Council Tax at Band D including the Fire and Police precepts is £1,529.78.
- 6 County Durham and Darlington Fire and Rescue Authority will recommend a Band D Council Tax of £90.45 at its meeting on 15 February 2013.
- 7 The Durham Police and Crime Commissioner set a Band D Council Tax of £156.47 at its meeting on 4 February 2013.
- 8 There will also be an additional Council Tax in any parish area where a precept has been served on the council as billing authority, and in the former City of Durham District Council area, an additional sum for the Charter Trustees for the City of Durham.

- 9 The Act requires authorities to calculate their Council Tax requirement for the coming financial year from which council tax levels are calculated. The details are set out in Appendix 2.

### **Estimated Collection Fund Surplus / Deficit**

- 10 The Council also has to determine the estimated surplus or deficit on its Collection Fund as at 31 March 2013. The Act requires authorities to transfer the surplus or deficit to the General Fund and to include it in the calculation of the Council Tax for the forthcoming year.
- 11 The estimated Collection Fund balance for the Council is a balanced position for 2012/13 and this is based on the forecasted collectable debit and collection performance across the County.
- 12 The forecasted balanced position on the Council's Collection Fund for 2012/13 has been communicated to the Fire Authority and the Police and Crime Commissioner.

### **Council Tax Calculations**

#### **Basic Council Tax**

- 13 The County Council's Cabinet set its Council Tax base at 128,205.0 Band 'D' equivalent properties at its special meeting on 19 December 2012 along with the tax bases for all the town and parish councils. These are shown at Appendix 3.
- 14 The Act requires a Council Tax to be set for each value category of dwelling based on property prices as at 1991 upon a range of values between Band A and Band H for its area, where Band A equates to values below £40,000 and Band H equates to values above £360,000. The Council Tax bands and the ratio of each band is as follows:

| <b>Band</b>       | <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> | <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Proportion</b> | 6/9      | 7/9      | 8/9      | 9/9      | 11/9     | 13/9     | 15/9     | 18/9     |

- 15 The Council Tax set by the council will relate to a Band D property. For other bands different proportions will apply. For example, Band A properties will be charged 6/9 (two thirds) of a Band D property and Band H properties will be charged 18/9 (double) of a Band D property.

#### **Town and Parish Councils (including the Charter Trustees for the City of Durham)**

- 16 The Town and Parish Council Precepts for 2013/14 are detailed in Appendix 3 and total £9,982,466.35. The precepts when compared to 2012/13 show a reduction in the average Band D Council Tax for Town and Parish Councils of 0.12% and results in an average Band D Council Tax figure of £102.51 for 2013/14.

- 17 The calculation of the additional tax for areas where parish precepts apply is based on the precepts submitted by each parish council and divided by the tax base approved at the special Cabinet meeting on 19 December 2012 for their respective areas.
- 18 Separate arrangements are needed for the Charter Trustees for the City of Durham because the precept will apply across the whole of the area covered by the former City of Durham District Council. A precept of £90,645.00 has been levied and this is also shown in Appendix 3. This equates to a council tax at Band D of £3.80 and will be paid in addition to the County Council's Council Tax by those taxpayers living in the former City of Durham District Council area.

### **County Durham and Darlington Fire and Rescue Authority**

- 19 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. It is recommending no increase in Council Tax for 2013/14 and this is to be confirmed on 15 February 2013. This will result in a Band D Council Tax of £90.45.

### **Durham Police and Crime Commissioner**

- 20 Durham Police and Crime Commissioner is a separate body responsible for its own financial affairs. It approved a 2% increase in Council Tax for 2013/14 and this was confirmed on 4 February 2013. This results in a Band D Council Tax of £156.47.

### **Conclusions**

- 21 The recommendations of the Council for council tax setting purposes are set out in the formal Council Tax Resolution below in paragraph 25.
- 22 If the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows:

|  | <b>2012/13</b> | <b>2013/14</b> | <b>Increase/<br/>Decrease (-)</b> |
|--|----------------|----------------|-----------------------------------|
|  | <b>£</b>       | <b>£</b>       | <b>%</b>                          |
| Durham County Council                                  | 1,282.86       | 1,282.86       | 0.00                              |
| County Durham and Darlington Fire and Rescue Authority | 90.45          | 90.45          | 0.00                              |
| Durham Police and Crime Commissioner                   | 153.41         | 156.47         | 2.00                              |
| Sub-Total  | 1,526.72       | 1,529.78       | 0.20                              |
| Town and Parish Council (average)                      | 102.63         | 102.51         | -0.12                             |
| Total  | 1,629.35       | 1,632.29       | 0.18                              |

- 23 Durham County Council's Council Tax and the Parish and Town Council precepts including the Charter Trustees for the City of Durham for each band of property is shown in Appendix 4.
- 24 The total Council Tax for each of the parish areas and the remaining area of the County is calculated by adding the charges for the Billing Authority to those of the Fire Authority and Durham Police and Crime Commissioner. The overall council tax for each category of dwelling in each parish area and the remaining areas where there are no parish precepts is set out in Appendix 5.

### **Council Tax Calculations - Recommendations**

- 25 The County Council is recommended to resolve as follows:
- (a) It be noted that on 19 December 2012 the Cabinet calculated the Council Tax Base 2013/14;
    - i) for the whole Council area as 128,205.0 band D equivalent properties [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
    - ii) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix 3.
  - (b) Calculate that the Council Tax Requirement for the Council's own purposes for 2013/14 (excluding Parish precepts and the Charter Trustees for the City of Durham) is £164,469,066.
  - (c) That the following amounts be calculated for 2013/14 in accordance with Sections 31 to 36 of the Act:
    - i) being the aggregate of the gross expenditure which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils: £1,154,100,578.
    - ii) being the aggregate of the gross income which the Council estimates for the items set out in Section 31A(3) of the Act: £979,649,046.
    - iii) being the amount by which the aggregate at (c) i) above exceeds the aggregate at (c) ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act): £174,451,532.

- iv) being the amount at (c) iii) above (Item R), all divided by Item T ((a) i) above), calculated by the Council, in accordance with Section 31B of the Act as the basic amount of its Council Tax at Band D for the year (including Parish precepts: £1,360.72.
  - v) being the aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all Parish precepts including Charter Trustees): £9,982,466.
  - vi) being the amount at (c) iv) above less the result given by dividing the amount at (c) v) above by Item T ((a) i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no Parish precept relates: £1,282.86.
- (d) That Members note that for 2013/14 County Durham and Darlington Fire and Rescue Authority has recommended the following amounts will be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

#### **COUNTY DURHAM AND DARLINGTON FIRE AND RESCUE AUTHORITY**

| <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> | <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> |
|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> |
| 60.30    | 70.35    | 80.40    | 90.45    | 110.55   | 130.65   | 150.75   | 180.90   |

- (e) That Members note that for 2013/14 Durham Police and Crime Commissioner has recommended that the following amounts will be in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown in the table below:

#### **DURHAM POLICE AND CRIME COMMISSIONER**

| <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> | <b>E</b> | <b>F</b> | <b>G</b> | <b>H</b> |
|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> | <b>£</b> |
| 104.31   | 121.70   | 139.08   | 156.47   | 191.24   | 226.01   | 260.78   | 312.94   |

- (f) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2013/14 for each part of its area and for each of the categories of dwellings.

## DURHAM COUNTY COUNCIL

| A      | B      | C        | D        | E        | F        | G        | H        |
|--------|--------|----------|----------|----------|----------|----------|----------|
| £      | £      | £        | £        | £        | £        | £        | £        |
| 855.24 | 997.78 | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |

## AGGREGATE OF COUNCIL TAX REQUIREMENTS (excluding Parish, Town Council and Charter Trustees)

| A        | B        | C        | D        | E        | F        | G        | H        |
|----------|----------|----------|----------|----------|----------|----------|----------|
| £        | £        | £        | £        | £        | £        | £        | £        |
| 1,019.85 | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |

- (g) To determine that the Council's basic amount of Council Tax for 2013/14 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
- (h) The County Council, in accordance with Section 11A (4) of the Act sets a 0% discount for Second and Empty Furnished Homes.
- (i) The County Council, in accordance with Section 11A (4A) of the Act sets a 0% discount for dwellings defined in Classes C or D.
- (j) The County Council, in accordance with Section 11B (1b) of the Act sets a 150% premium for Long Term Empty Homes for 2013/14.
- (k) That the Chief Executive be instructed to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.
- (l) That the Chief Executive be instructed to publish a notice in accordance with Section 11A (6) and 11B (6) of the Act, relating to the discount set.

### Background Papers

- 26 Special Cabinet – 19 December 2012 – Local Council Tax Support Scheme, Review of Discretionary Council Tax Discount on Unoccupied Properties and Calculation of Council Tax Base 2013/14.

---

**Contact:** Ian Herberson      **Tel:** 03000 261861

---



---

**Appendix 1: Implications**

---

**Finance** – The report sets out recommendations for setting the council tax for 2013/14.

**Staffing** -

None.

**Risk** –

None.

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

None.

**Accommodation** –

None.

**Crime and Disorder** -

None.

**Human Rights** -

None.

**Consultation** -

None.

**Procurement** –

None.

**Disability Issues** –

None.

**Legal Implications** –

None.

---

**Appendix 2: Calculation of the Council Tax Requirement for Durham  
County Council and the Parish and Town Councils for  
2013/14**

---

|   | £                  |
|---|--------------------|
| County Council's Net Expenditure                        | 442,839,173        |
| Less:   |                    |
| Revenue Support Grant                                   | 167,161,881        |
| Business Rates-Local Share                              | 52,985,367         |
| Top Up Grant  | 58,222,859         |
| <b>Council Tax Requirement</b>                          | <b>164,469,066</b> |
| Parish and Town Council Precepts                        | 9,982,466          |
| <b>Council Tax Requirement<br/>(Including Parishes)</b> | <b>174,451,532</b> |

### Appendix 3: Schedule of Council Tax by Parish and Town Council within Durham County Council 2013/14

| (1)   | 2012/13      |                |                          | 2013/14      |                |                          | Council Tax Increase (8) % |
|---|--------------|----------------|--------------------------|--------------|----------------|--------------------------|----------------------------|
|   | Tax Base (2) | Precepts (3) £ | Council Tax Band D (4) £ | Tax Base (5) | Precepts (6) £ | Council Tax Band D (7) £ |                            |
| Barforth  | 32.60        | NIL            | 0.00                     | 32.10        | NIL            | 0.00                     | 0.00%                      |
| Barnard Castle                                  | 1,950.50     | 148,642.00     | 76.21                    | 1,693.10     | 147,791.00     | 87.29                    | 14.54%                     |
| Barningham                                      | 80.80        | 600.00         | 7.43                     | 80.40        | 600.00         | 7.46                     | 0.50%                      |
| Bearpark  | 634.40       | 14,300.00      | 22.54                    | 514.60       | 11,600.00      | 22.54                    | 0.00%                      |
| Belmont   | 3,045.80     | 69,000.00      | 22.65                    | 2,786.90     | 69,000.00      | 24.76                    | 9.29%                      |
| Bishop Auckland                                 | 5,100.20     | 119,800.00     | 23.49                    | 3,884.60     | 111,078.00     | 28.59                    | 21.73%                     |
| Bishop Middleham                                | 445.10       | 46,841.00      | 105.24                   | 399.40       | 46,841.00      | 117.28                   | 11.44%                     |
| Bolam   | 44.70        | NIL            | 0.00                     | 43.60        | NIL            | 0.00                     | 0.00%                      |
| Bournmoor                                       | 680.90       | 13,150.00      | 19.31                    | 567.00       | 10,853.00      | 19.14                    | -0.89%                     |
| Boldron   | 52.90        | 325.00         | 6.14                     | 50.70        | 375.00         | 7.40                     | 20.39%                     |
| Bowes   | 159.00       | 3,557.40       | 22.37                    | 162.70       | 3,557.40       | 21.86                    | -2.27%                     |
| Bradbury  | 56.90        | 1,326.38       | 23.31                    | 56.80        | 1,326.38       | 23.35                    | 0.18%                      |
| Brancepeth                                      | 212.60       | 7,480.00       | 35.18                    | 209.20       | 8,976.00       | 42.91                    | 21.95%                     |
| Brandon and Byshottles                          | 5,645.00     | 145,135.00     | 25.71                    | 4,509.90     | 134,974.00     | 29.93                    | 16.41%                     |
| Burnhope  | 484.10       | 5,324.00       | 11.00                    | 373.60       | 4,848.00       | 12.98                    | 17.99%                     |
| Cassop-cum-Quarrington                          | 1,583.20     | 29,070.00      | 18.36                    | 1,317.00     | 20,317.00      | 15.43                    | -15.98%                    |
| Castle Eden                                     | 311.00       | 5,500.00       | 17.68                    | 303.80       | 8,000.00       | 26.33                    | 48.90%                     |
| Chilton   | 1,118.10     | 206,524.25     | 184.71                   | 837.20       | 154,639.00     | 184.71                   | 0.00%                      |
| Cleatlam  | 39.80        | NIL            | 0.00                     | 38.90        | NIL            | 0.00                     | 0.00%                      |
| Cockfield                                       | 501.70       | 20,000.00      | 39.86                    | 369.70       | 14,736.00      | 39.86                    | -0.01%                     |
| Cornforth                                       | 795.10       | 94,886.00      | 119.34                   | 586.50       | 78,990.00      | 134.68                   | 12.86%                     |
| Cornsay   | 319.70       | 13,200.00      | 41.29                    | 243.10       | 11,500.00      | 47.31                    | 14.57%                     |
| Cotherstone                                     | 259.70       | 5,500.00       | 21.18                    | 246.90       | 5,872.00       | 23.78                    | 12.30%                     |
| Coxhoe  | 1,304.40     | 74,374.00      | 57.02                    | 1,162.60     | 67,942.00      | 58.44                    | 2.49%                      |
| Croxdale and Hett                               | 334.60       | 10,000.00      | 29.89                    | 300.50       | 10,000.00      | 33.28                    | 11.35%                     |
| Dalton-le-Dale                                  | 522.30       | 12,776.00      | 24.46                    | 476.80       | 12,162.00      | 25.51                    | 4.28%                      |
| Dene Valley                                     | 814.60       | 10,956.72      | 13.45                    | 650.40       | 10,652.00      | 16.38                    | 21.76%                     |
| Easington Colliery                              | 1,453.60     | 320,000.00     | 220.14                   | 1,076.20     | 242,841.00     | 225.65                   | 2.50%                      |
| Easington Village                               | 742.10       | 109,106.00     | 147.02                   | 669.80       | 102,186.00     | 152.56                   | 3.77%                      |
| Edmondsley                                      | 182.40       | 6,500.00       | 35.64                    | 136.30       | 4,857.73       | 35.64                    | 0.01%                      |
| Eggleston                                       | 187.60       | 5,000.00       | 26.65                    | 180.40       | 6,000.00       | 33.26                    | 24.79%                     |
| Eldon   | 124.30       | 11,400.00      | 91.71                    | 82.10        | 8,401.00       | 102.33                   | 11.57%                     |
| Esh   | 1,518.00     | 72,170.00      | 47.54                    | 1,305.50     | 69,102.00      | 52.93                    | 11.33%                     |
| Etherley  | 718.80       | 20,061.71      | 27.91                    | 630.40       | 18,685.00      | 29.64                    | 6.20%                      |
| Everwood and Barony                             | 778.50       | 19,500.00      | 25.05                    | 630.10       | 17,194.00      | 27.29                    | 8.94%                      |
| Ferryhill                                       | 3,064.30     | 626,030.00     | 204.30                   | 2,202.20     | 449,910.00     | 204.30                   | 0.00%                      |
| Fishburn  | 749.20       | 79,000.00      | 105.45                   | 613.80       | 64,725.00      | 105.45                   | 0.00%                      |
| Forest and Frith                                | 58.60        | 1,400.00       | 23.89                    | 54.90        | 0.00           | 0.00                     | -100.00%                   |
| Framwellgate Moor                               | 1,701.70     | 42,500.00      | 24.98                    | 1,605.60     | 40,108.00      | 24.98                    | 0.02%                      |
| Gainford and Langton                            | 519.80       | 18,878.00      | 36.32                    | 474.20       | 36,620.00      | 77.22                    | 112.64%                    |
| Gilmonby  | 17.60        | NIL            | 0.00                     | 16.40        | NIL            | 0.00                     | 0.00%                      |
| Great Aycliffe                                  | 7,958.90     | 1,624,400.00   | 204.10                   | 6,230.40     | 1,271,600.00   | 204.10                   | 0.00%                      |
| Great Lumley                                    | 1,206.30     | 20,000.00      | 16.58                    | 1,010.30     | 17,272.00      | 17.10                    | 3.11%                      |
| Greater Willington                              | 2,173.10     | 59,500.00      | 27.38                    | 1,635.50     | 65,450.00      | 40.02                    | 46.16%                     |
| Greencroft                                      | 84.30        | 2,477.00       | 29.38                    | 83.00        | 3,048.00       | 36.72                    | 24.98%                     |
| Hamsterley                                      | 187.10       | 2,500.00       | 13.36                    | 179.20       | 2,750.00       | 15.35                    | 14.85%                     |
| Haswell   | 582.90       | 67,522.00      | 115.84                   | 444.60       | 59,074.00      | 132.87                   | 14.70%                     |
| Hawthorn  | 206.70       | 6,300.00       | 30.48                    | 202.40       | 6,300.00       | 31.13                    | 2.12%                      |
| Headlam   | 21.60        | NIL            | 0.00                     | 21.60        | NIL            | 0.00                     | 0.00%                      |
| Healeyfield                                     | 544.60       | 8,228.00       | 15.11                    | 486.60       | 8,389.00       | 17.24                    | 14.11%                     |
| Hedleyhope                                      | 58.50        | 2,888.00       | 49.37                    | 54.40        | 2,888.00       | 53.09                    | 7.54%                      |
| Hilton  | 18.60        | NIL            | 0.00                     | 18.00        | NIL            | 0.00                     | 0.00%                      |
| Holwick   | 36.20        | NIL            | 0.00                     | 35.90        | NIL            | 0.00                     | 0.00%                      |
| Hope  | 7.70         | NIL            | 0.00                     | 6.90         | NIL            | 0.00                     | 0.00%                      |
| Horden  | 2,279.60     | 475,614.00     | 208.64                   | 1,533.70     | 363,161.00     | 236.79                   | 13.49%                     |
| Hunderthwaite                                   | 47.90        | NIL            | 0.00                     | 46.10        | NIL            | 0.00                     | 0.00%                      |
| Hutton Henry                                    | 489.90       | 45,000.00      | 91.86                    | 406.60       | 39,927.00      | 98.20                    | 6.90%                      |
| Hutton Magna                                    | 49.80        | 500.00         | 10.04                    | 46.50        | 472.00         | 10.15                    | 1.10%                      |
| Ingleton  | 190.20       | 4,500.00       | 23.66                    | 178.60       | 4,453.00       | 24.93                    | 5.38%                      |
| Kelloe  | 409.00       | 11,700.00      | 28.61                    | 303.00       | 9,155.00       | 30.21                    | 5.62%                      |
| Kimbleworth and Plawsworth                      | 504.20       | 9,000.00       | 17.85                    | 413.60       | 7,687.00       | 18.59                    | 4.12%                      |
| Lanchester                                      | 1,545.40     | 50,624.00      | 32.76                    | 1,413.70     | 50,624.00      | 35.81                    | 9.32%                      |
| Langleydale                                     | 25.40        | NIL            | 0.00                     | 23.40        | NIL            | 0.00                     | 0.00%                      |
| Lartington                                      | 62.00        | 785.00         | 12.66                    | 57.80        | 830.00         | 14.36                    | 13.42%                     |
| Little Lumley                                   | 532.20       | 7,000.00       | 13.15                    | 472.90       | 6,000.00       | 12.69                    | -3.54%                     |
| Lunedale  | 41.40        | 150.00         | 3.62                     | 41.80        | 200.00         | 4.78                     | 32.06%                     |
| Lynesack and Softley                            | 425.70       | 8,400.00       | 19.73                    | 383.10       | 8,094.00       | 21.13                    | 7.07%                      |
| Marwood   | 204.70       | 770.00         | 3.76                     | 189.90       | 1,550.00       | 8.16                     | 116.99%                    |
| Mickleton                                       | 171.80       | 5,000.00       | 29.10                    | 168.30       | 3,914.00       | 23.26                    | -20.09%                    |
| Middleton-in-Teesdale and Newbiggin-in-Teesdale | 499.30       | 12,409.28      | 24.85                    | 453.90       | 11,462.00      | 25.25                    | 1.61%                      |
| Middridge                                       | 127.30       | 6,630.00       | 52.08                    | 115.90       | 6,132.00       | 52.91                    | 1.59%                      |
| Monk Hesleden                                   | 1,761.40     | 260,580.00     | 147.94                   | 1,347.70     | 213,000.00     | 158.05                   | 6.83%                      |
| Mordon  | 110.10       | 1,936.00       | 17.58                    | 110.40       | 1,918.00       | 17.37                    | -1.20%                     |
| Morton Tilmouth                                 | 5.10         | NIL            | 0.00                     | 5.30         | NIL            | 0.00                     | 0.00%                      |

| (1)   | 2012/13           |                      |                          | 2013/14           |                     |                          | Council Tax Increase (8) % |
|---|-------------------|----------------------|--------------------------|-------------------|---------------------|--------------------------|----------------------------|
|   | Tax Base (2)      | Precepts (3) £       | Council Tax Band D (4) £ | Tax Base (5)      | Precepts (6) £      | Council Tax Band D (7) £ |                            |
| Muggleswick                                       | 46.10             | 1,200.00             | 26.03                    | 42.50             | 1,200.00            | 28.24                    | 8.47%                      |
| Murton  | 2,104.70          | 325,000.00           | 154.42                   | 1,644.90          | 260,000.00          | 158.06                   | 2.36%                      |
| North Lodge                                       | 944.20            | 18,000.00            | 19.06                    | 900.90            | 17,092.00           | 18.97                    | -0.48%                     |
| Ouston  | 909.60            | 20,000.00            | 21.99                    | 800.00            | 20,000.00           | 25.00                    | 13.70%                     |
| Ovington  | 70.70             | 1,096.00             | 15.50                    | 66.10             | 1,084.00            | 16.40                    | 5.79%                      |
| Pelton  | 1,831.30          | 109,000.00           | 59.52                    | 1,365.50          | 109,545.00          | 80.22                    | 34.78%                     |
| Peterlee  | 5,735.30          | 1,468,466.00         | 256.04                   | 4,160.40          | 1,097,106.00        | 263.70                   | 2.99%                      |
| Pittington  | 503.60            | 13,200.00            | 26.21                    | 457.90            | 15,500.00           | 33.85                    | 29.14%                     |
| Raby with Keverstone                              | 30.30             | NIL                  | 0.00                     | 32.90             | NIL                 | 0.00                     | 0.00%                      |
| Rokeby, Brignall and Eggleston Abbey              | 67.90             | 1,350.00             | 19.88                    | 68.10             | 1,350.00            | 19.82                    | -0.29%                     |
| Romaldkirk  | 88.50             | 2,000.00             | 22.60                    | 87.20             | 1,975.00            | 22.65                    | 0.22%                      |
| Sacrison  | 1,469.90          | 60,000.00            | 40.82                    | 1,194.80          | 48,774.00           | 40.82                    | 0.01%                      |
| Satley  | 119.50            | 2,850.00             | 23.85                    | 117.00            | 2,850.00            | 24.36                    | 2.14%                      |
| Scargill  | 13.30             | NIL                  | 0.00                     | 12.80             | NIL                 | 0.00                     | 0.00%                      |
| Seaham  | 5,621.70          | 1,117,818.00         | 198.84                   | 4,312.00          | 857,398.00          | 198.84                   | 0.00%                      |
| Seaton with Slingley                              | 432.20            | 11,248.00            | 26.02                    | 404.60            | 11,585.00           | 28.63                    | 10.02%                     |
| Sedgefield  | 1,963.00          | 238,950.00           | 121.73                   | 1,821.50          | 232,419.00          | 127.60                   | 4.82%                      |
| Shadforth   | 661.20            | 14,000.00            | 21.17                    | 525.00            | 11,579.00           | 22.06                    | 4.16%                      |
| Sherburn  | 981.50            | 29,120.00            | 29.67                    | 827.00            | 20,298.00           | 24.54                    | -17.27%                    |
| Shildon   | 2,923.90          | 669,630.00           | 229.02                   | 1,973.50          | 474,570.00          | 240.47                   | 5.00%                      |
| Shincliffe  | 718.50            | 12,000.00            | 16.70                    | 713.30            | 14,040.00           | 19.68                    | 17.85%                     |
| Shotton   | 1,237.70          | 106,000.00           | 85.64                    | 880.80            | 80,341.00           | 91.21                    | 6.50%                      |
| South Bedburn                                     | 76.70             | 850.00               | 11.08                    | 75.50             | 750.00              | 9.93                     | -10.36%                    |
| South Hetton                                      | 845.50            | 94,500.00            | 111.77                   | 661.50            | 82,236.00           | 124.32                   | 11.23%                     |
| Spennymoor  | 6,195.60          | 1,234,720.00         | 199.29                   | 5,018.50          | 1,000,140.00        | 199.29                   | 0.00%                      |
| Staindrop   | 494.90            | 12,300.00            | 24.85                    | 431.00            | 12,071.00           | 28.01                    | 12.69%                     |
| Stainton and Streatlam                            | 161.50            | 3,200.00             | 19.81                    | 151.70            | 3,200.00            | 21.09                    | 6.46%                      |
| Stanhope  | 1,711.00          | 32,713.44            | 19.12                    | 1,531.70          | 27,713.44           | 18.09                    | -5.37%                     |
| Stanley Town Council                              | 9,528.50          | 800,000.00           | 83.96                    | 6,993.80          | 587,190.00          | 83.96                    | 0.00%                      |
| Startforth  | 360.10            | 6,500.00             | 18.05                    | 341.10            | 6,212.00            | 18.21                    | 0.89%                      |
| Thornley  | 725.70            | 127,695.00           | 175.96                   | 556.80            | 107,527.00          | 193.12                   | 9.75%                      |
| Tow Law   | 609.40            | 29,606.00            | 48.58                    | 425.40            | 25,063.00           | 58.92                    | 21.27%                     |
| Trimdon   | 1,349.70          | 156,816.00           | 116.19                   | 1,024.60          | 143,026.00          | 139.59                   | 20.15%                     |
| Trimdon Foundry                                   | 442.90            | 64,715.00            | 146.12                   | 327.90            | 54,336.40           | 165.71                   | 13.41%                     |
| Urpeth  | 1,125.20          | 31,000.00            | 27.55                    | 1,025.80          | 29,000.00           | 28.27                    | 2.61%                      |
| Wackerfield                                       | 20.90             | NIL                  | 0.00                     | 19.70             | NIL                 | 0.00                     | 0.00%                      |
| Waldridge   | 1,482.00          | 30,000.00            | 20.24                    | 1,441.10          | 30,000.00           | 20.82                    | 2.84%                      |
| West Auckland                                     | 774.90            | 22,067.00            | 28.48                    | 561.80            | 16,000.00           | 28.48                    | 0.01%                      |
| West Rainton and Leamside                         | 803.70            | 25,000.00            | 31.11                    | 665.70            | 25,000.00           | 37.55                    | 20.73%                     |
| Wheatley Hill                                     | 884.80            | 128,902.00           | 145.68                   | 592.50            | 90,631.00           | 152.96                   | 5.00%                      |
| Whoriton and Westwick                             | 111.20            | 2,700.00             | 24.28                    | 105.30            | 3,300.00            | 31.34                    | 29.07%                     |
| Windlesstone                                      | 108.60            | 1,400.00             | 12.89                    | 110.40            | 2,100.00            | 19.02                    | 47.55%                     |
| Wingate   | 1,221.60          | 130,000.00           | 106.42                   | 972.50            | 133,000.00          | 136.76                   | 28.51%                     |
| Winston   | 196.70            | 3,950.00             | 20.08                    | 190.40            | 3,950.00            | 20.75                    | 3.31%                      |
| Witton Gilbert                                    | 811.50            | 29,500.00            | 36.35                    | 715.00            | 26,555.00           | 37.14                    | 2.17%                      |
| Witton le Wear                                    | 293.30            | 5,250.00             | 17.90                    | 284.10            | 5,408.00            | 19.04                    | 6.35%                      |
| Wolsingham  | 1,042.00          | 26,313.00            | 25.25                    | 925.60            | 24,867.00           | 26.87                    | 6.39%                      |
| Woodland  | 87.90             | 1,100.00             | 12.51                    | 76.90             | 1,230.00            | 15.99                    | 27.81%                     |
| Wycliffe-with-Thorpe                              | 49.20             | NIL                  | 0.00                     | 47.40             | NIL                 | 0.00                     | 0.00%                      |
| Durham City Charter Trustees                      | 0.00              | 103,032.00           | 3.80                     | 0.00              | 90,645.00           | 3.80                     | 0.00%                      |
| <b>Total/Average (Excluding Unparished Areas)</b> | <b>120,904.70</b> | <b>12,408,984.18</b> | <b>102.63</b>            | <b>97,379.30</b>  | <b>9,982,466.35</b> | <b>102.51</b>            | <b>-0.12%</b>              |
| Reconciliation - Unparished Areas                 |                   |                      |                          |                   |                     |                          |                            |
| Consett   | 11,377.90         | 0.00                 | 0.00                     | 9,489.90          | 0.00                | 0.00                     | 0.00%                      |
| Dipton  | 847.70            | 0.00                 | 0.00                     | 670.80            | 0.00                | 0.00                     | 0.00%                      |
| Tanfield  | 1,608.90          | 0.00                 | 0.00                     | 1,422.40          | 0.00                | 0.00                     | 0.00%                      |
| CLS Unparished                                    | 6,481.30          | 0.00                 | 0.00                     | 5,328.90          | 0.00                | 0.00                     | 0.00%                      |
| Durham City Unparished                            | 7,762.90          | 0.00                 | 0.00                     | 7,240.80          | 0.00                | 0.00                     | 0.00%                      |
| Easington Unparished                              | 57.20             | 0.00                 | 0.00                     | 53.60             | 0.00                | 0.00                     | 0.00%                      |
| Wear Valley Unparished                            | 8,254.70          | 0.00                 | 0.00                     | 6,619.30          | 0.00                | 0.00                     | 0.00%                      |
| <b>Total / Average (All Areas)</b>                | <b>157,295.30</b> | <b>12,408,984.18</b> | <b>78.89</b>             | <b>128,205.00</b> | <b>9,982,466.35</b> | <b>77.86</b>             | <b>-1.30%</b>              |

**Appendix 4: Durham County Council's Council Tax including Parish and Town Council Precepts including the Charter Trustees for the City of Durham for each Property Band in each Parished Area for 2013/14**

| Parish                  | Council Tax Bands |          |          |          |          |          |          |          |
|-------------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                         | A                 | B        | C        | D        | E        | F        | G        | H        |
|                         | £                 | £        | £        | £        | £        | £        | £        | £        |
| Barforth                | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Barnard Castle          | 913.43            | 1,065.67 | 1,217.91 | 1,370.15 | 1,674.63 | 1,979.11 | 2,283.58 | 2,740.30 |
| Barningham              | 860.22            | 1,003.58 | 1,146.95 | 1,290.32 | 1,577.06 | 1,863.80 | 2,150.54 | 2,580.64 |
| Bearpark*               | 872.80            | 1,018.27 | 1,163.73 | 1,309.20 | 1,600.14 | 1,891.07 | 2,182.00 | 2,618.40 |
| Belmont*                | 874.28            | 1,019.99 | 1,165.71 | 1,311.42 | 1,602.85 | 1,894.27 | 2,185.70 | 2,622.84 |
| Bishop Auckland         | 874.30            | 1,020.02 | 1,165.74 | 1,311.45 | 1,602.89 | 1,894.32 | 2,185.76 | 2,622.90 |
| Bishop Middleham        | 933.43            | 1,089.00 | 1,244.57 | 1,400.14 | 1,711.28 | 2,022.42 | 2,333.56 | 2,800.28 |
| Bolam                   | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Bournmoor               | 868.00            | 1,012.67 | 1,157.33 | 1,302.00 | 1,591.33 | 1,880.67 | 2,170.00 | 2,604.00 |
| Boldron                 | 860.17            | 1,003.53 | 1,146.89 | 1,290.26 | 1,576.98 | 1,863.70 | 2,150.43 | 2,580.52 |
| Bowes                   | 869.82            | 1,014.79 | 1,159.76 | 1,304.72 | 1,594.66 | 1,884.60 | 2,174.54 | 2,609.44 |
| Bradbury                | 870.81            | 1,015.94 | 1,161.08 | 1,306.21 | 1,596.48 | 1,886.75 | 2,177.02 | 2,612.42 |
| Brancepeth*             | 886.38            | 1,034.11 | 1,181.84 | 1,329.57 | 1,625.03 | 1,920.48 | 2,215.94 | 2,659.14 |
| Brandon & Byshottles*   | 877.73            | 1,024.01 | 1,170.30 | 1,316.59 | 1,609.16 | 1,901.74 | 2,194.31 | 2,633.18 |
| Burnhope                | 863.89            | 1,007.87 | 1,151.85 | 1,295.84 | 1,583.80 | 1,871.76 | 2,159.73 | 2,591.68 |
| Cassop-cum-Quarrington* | 868.06            | 1,012.73 | 1,157.41 | 1,302.09 | 1,591.44 | 1,880.79 | 2,170.14 | 2,604.18 |
| Castle Eden             | 872.80            | 1,018.26 | 1,163.73 | 1,309.19 | 1,600.12 | 1,891.06 | 2,181.99 | 2,618.38 |
| Chilton                 | 978.38            | 1,141.44 | 1,304.51 | 1,467.57 | 1,793.70 | 2,119.82 | 2,445.95 | 2,935.14 |
| Cleatlam                | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Cockfield               | 881.81            | 1,028.78 | 1,175.75 | 1,322.72 | 1,616.66 | 1,910.59 | 2,204.53 | 2,645.44 |
| Cornforth               | 945.03            | 1,102.53 | 1,260.04 | 1,417.54 | 1,732.55 | 2,047.56 | 2,362.57 | 2,835.08 |
| Cornsay                 | 886.78            | 1,034.57 | 1,182.37 | 1,330.17 | 1,625.76 | 1,921.35 | 2,216.94 | 2,660.34 |
| Cotherstone             | 871.10            | 1,016.28 | 1,161.46 | 1,306.64 | 1,597.01 | 1,887.37 | 2,177.74 | 2,613.28 |
| Coxhoe*                 | 896.73            | 1,046.19 | 1,195.64 | 1,345.10 | 1,644.01 | 1,942.92 | 2,241.83 | 2,690.20 |

| Parish               | Council Tax Bands |          |          |          |          |          |          |          |
|----------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                      | A                 | B        | C        | D        | E        | F        | G        | H        |
|                      | £                 | £        | £        | £        | £        | £        | £        | £        |
| Croxdale and Hett*   | 879.96            | 1,026.62 | 1,173.28 | 1,319.94 | 1,613.26 | 1,906.58 | 2,199.90 | 2,639.88 |
| Dalton-le-Dale       | 872.25            | 1,017.62 | 1,162.99 | 1,308.37 | 1,599.12 | 1,889.86 | 2,180.61 | 2,616.74 |
| Dene Valley          | 866.16            | 1,010.52 | 1,154.88 | 1,299.24 | 1,587.96 | 1,876.68 | 2,165.40 | 2,598.48 |
| Easington Colliery   | 1,005.67          | 1,173.28 | 1,340.89 | 1,508.51 | 1,843.73 | 2,178.95 | 2,514.18 | 3,017.02 |
| Easington Village    | 956.95            | 1,116.44 | 1,275.93 | 1,435.42 | 1,754.40 | 2,073.39 | 2,392.37 | 2,870.84 |
| Edmondsley           | 879.00            | 1,025.50 | 1,172.00 | 1,318.50 | 1,611.50 | 1,904.50 | 2,197.50 | 2,637.00 |
| Eggleston            | 877.41            | 1,023.65 | 1,169.88 | 1,316.12 | 1,608.59 | 1,901.06 | 2,193.53 | 2,632.24 |
| Eldon                | 923.46            | 1,077.37 | 1,231.28 | 1,385.19 | 1,693.01 | 2,000.82 | 2,308.64 | 2,770.38 |
| Esh                  | 890.53            | 1,038.95 | 1,187.37 | 1,335.79 | 1,632.63 | 1,929.48 | 2,226.32 | 2,671.58 |
| Etherley             | 875.00            | 1,020.83 | 1,166.67 | 1,312.50 | 1,604.17 | 1,895.83 | 2,187.50 | 2,625.00 |
| Evenwood and Barony  | 873.43            | 1,019.00 | 1,164.58 | 1,310.15 | 1,601.29 | 1,892.44 | 2,183.58 | 2,620.30 |
| Ferryhill            | 991.44            | 1,156.68 | 1,321.92 | 1,487.16 | 1,817.64 | 2,148.12 | 2,478.60 | 2,974.32 |
| Fishburn             | 925.54            | 1,079.80 | 1,234.05 | 1,388.31 | 1,696.82 | 2,005.34 | 2,313.85 | 2,776.62 |
| Forest and Frith     | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Framwellgate Moor*   | 874.43            | 1,020.16 | 1,165.90 | 1,311.64 | 1,603.12 | 1,894.59 | 2,186.07 | 2,623.28 |
| Gainford and Langton | 906.72            | 1,057.84 | 1,208.96 | 1,360.08 | 1,662.33 | 1,964.57 | 2,266.81 | 2,720.16 |
| Gilmonby             | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Great Aycliffe       | 991.30            | 1,156.52 | 1,321.74 | 1,486.96 | 1,817.39 | 2,147.83 | 2,478.26 | 2,973.92 |
| Great Lumley         | 866.64            | 1,011.08 | 1,155.52 | 1,299.96 | 1,588.84 | 1,877.71 | 2,166.59 | 2,599.92 |
| Greater Willington   | 881.92            | 1,028.91 | 1,175.89 | 1,322.88 | 1,616.85 | 1,910.82 | 2,204.80 | 2,645.76 |
| Greencroft           | 879.72            | 1,026.34 | 1,172.96 | 1,319.58 | 1,612.82 | 1,906.06 | 2,199.30 | 2,639.16 |
| Hamsterley           | 865.47            | 1,009.72 | 1,153.96 | 1,298.21 | 1,586.70 | 1,875.19 | 2,163.68 | 2,596.42 |
| Haswell              | 943.82            | 1,101.12 | 1,258.43 | 1,415.73 | 1,730.34 | 2,044.94 | 2,359.55 | 2,831.46 |
| Hawthorn             | 875.99            | 1,021.99 | 1,167.99 | 1,313.99 | 1,605.98 | 1,897.98 | 2,189.98 | 2,627.98 |
| Headlam              | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Healeyfield          | 866.73            | 1,011.19 | 1,155.64 | 1,300.10 | 1,589.01 | 1,877.92 | 2,166.83 | 2,600.20 |
| Hedleyhope           | 890.63            | 1,039.07 | 1,187.51 | 1,335.95 | 1,632.83 | 1,929.70 | 2,226.58 | 2,671.90 |
| Hilton               | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |

| Parish  | Council Tax Bands |          |          |          |          |          |          |          |
|---|-------------------|----------|----------|----------|----------|----------|----------|----------|
|   | A                 | B        | C        | D        | E        | F        | G        | H        |
|   | £                 | £        | £        | £        | £        | £        | £        | £        |
| Holwick   | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Hope  | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Horden  | 1,013.10          | 1,181.95 | 1,350.80 | 1,519.65 | 1,857.35 | 2,195.05 | 2,532.75 | 3,039.30 |
| Hunderthwaite                                   | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Hutton Henry                                    | 920.70            | 1,074.16 | 1,227.61 | 1,381.06 | 1,687.96 | 1,994.86 | 2,301.76 | 2,762.12 |
| Hutton Magna                                    | 862.01            | 1,005.67 | 1,149.34 | 1,293.01 | 1,580.35 | 1,867.68 | 2,155.02 | 2,586.02 |
| Ingleton  | 871.86            | 1,017.17 | 1,162.48 | 1,307.79 | 1,598.41 | 1,889.03 | 2,179.65 | 2,615.58 |
| Kelloe*   | 877.92            | 1,024.24 | 1,170.56 | 1,316.87 | 1,609.51 | 1,902.15 | 2,194.79 | 2,633.74 |
| Kimbleworth and Plawsworth                      | 867.63            | 1,012.24 | 1,156.84 | 1,301.45 | 1,590.66 | 1,879.87 | 2,169.08 | 2,602.90 |
| Lanchester                                      | 879.11            | 1,025.63 | 1,172.15 | 1,318.67 | 1,611.71 | 1,904.74 | 2,197.78 | 2,637.34 |
| Langleydale                                     | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Lartington                                      | 864.81            | 1,008.95 | 1,153.08 | 1,297.22 | 1,585.49 | 1,873.76 | 2,162.03 | 2,594.44 |
| Little Lumley                                   | 863.70            | 1,007.65 | 1,151.60 | 1,295.55 | 1,583.45 | 1,871.35 | 2,159.25 | 2,591.10 |
| Lunedale  | 858.43            | 1,001.50 | 1,144.57 | 1,287.64 | 1,573.79 | 1,859.93 | 2,146.07 | 2,575.28 |
| Lynesack and Softley                            | 869.33            | 1,014.21 | 1,159.10 | 1,303.99 | 1,593.76 | 1,883.54 | 2,173.31 | 2,607.98 |
| Marwood   | 860.68            | 1,004.13 | 1,147.58 | 1,291.02 | 1,577.92 | 1,864.81 | 2,151.70 | 2,582.04 |
| Mickleton                                       | 870.74            | 1,015.87 | 1,160.99 | 1,306.12 | 1,596.36 | 1,886.61 | 2,176.86 | 2,612.24 |
| Middleton-in-Teesdale and Newbiggin-in-Teesdale | 872.07            | 1,017.42 | 1,162.77 | 1,308.11 | 1,598.80 | 1,889.50 | 2,180.19 | 2,616.22 |
| Middridge                                       | 890.51            | 1,038.93 | 1,187.35 | 1,335.77 | 1,632.60 | 1,929.44 | 2,226.28 | 2,671.54 |
| Monk Hesleden                                   | 960.60            | 1,120.71 | 1,280.81 | 1,440.91 | 1,761.11 | 2,081.31 | 2,401.51 | 2,881.82 |
| Mordon  | 866.82            | 1,011.29 | 1,155.76 | 1,300.23 | 1,589.17 | 1,878.11 | 2,167.06 | 2,600.46 |
| Morton Tinmouth                                 | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Muggleswick                                     | 874.06            | 1,019.74 | 1,165.42 | 1,311.10 | 1,602.45 | 1,893.80 | 2,185.16 | 2,622.20 |
| Murton  | 960.62            | 1,120.72 | 1,280.82 | 1,440.92 | 1,761.13 | 2,081.34 | 2,401.54 | 2,881.86 |
| North Lodge                                     | 867.89            | 1,012.54 | 1,157.18 | 1,301.83 | 1,591.13 | 1,880.42 | 2,169.72 | 2,603.66 |
| Ouston  | 871.91            | 1,017.22 | 1,162.54 | 1,307.86 | 1,598.50 | 1,889.13 | 2,179.77 | 2,615.72 |
| Ovington  | 866.17            | 1,010.54 | 1,154.90 | 1,299.26 | 1,587.98 | 1,876.71 | 2,165.43 | 2,598.52 |

| Parish                               | Council Tax Bands |          |          |          |          |          |          |          |
|--------------------------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                                      | A                 | B        | C        | D        | E        | F        | G        | H        |
|                                      | £                 | £        | £        | £        | £        | £        | £        | £        |
| Pelton                               | 908.72            | 1,060.18 | 1,211.63 | 1,363.08 | 1,665.99 | 1,968.90 | 2,271.81 | 2,726.16 |
| Peterlee                             | 1,031.04          | 1,202.88 | 1,374.72 | 1,546.56 | 1,890.24 | 2,233.92 | 2,577.60 | 3,093.12 |
| Pittington*                          | 880.34            | 1,027.06 | 1,173.79 | 1,320.51 | 1,613.96 | 1,907.40 | 2,200.85 | 2,641.02 |
| Raby with Keverstone                 | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Rokeby, Brignall and Eggleston Abbey | 868.46            | 1,013.20 | 1,157.94 | 1,302.68 | 1,592.17 | 1,881.65 | 2,171.14 | 2,605.36 |
| Romaldkirk                           | 870.34            | 1,015.40 | 1,160.45 | 1,305.51 | 1,595.62 | 1,885.74 | 2,175.85 | 2,611.02 |
| Sacriston                            | 882.45            | 1,029.53 | 1,176.61 | 1,323.68 | 1,617.83 | 1,911.98 | 2,206.14 | 2,647.36 |
| Satley                               | 871.48            | 1,016.73 | 1,161.97 | 1,307.22 | 1,597.71 | 1,888.21 | 2,178.70 | 2,614.44 |
| Scargill                             | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Seaham                               | 987.80            | 1,152.43 | 1,317.07 | 1,481.70 | 1,810.97 | 2,140.23 | 2,469.50 | 2,963.40 |
| Seaton with Slingley                 | 874.33            | 1,020.05 | 1,165.77 | 1,311.49 | 1,602.94 | 1,894.38 | 2,185.82 | 2,622.98 |
| Sedgefield                           | 940.31            | 1,097.02 | 1,253.74 | 1,410.46 | 1,723.89 | 2,037.33 | 2,350.76 | 2,820.92 |
| Shadforth*                           | 872.48            | 1,017.89 | 1,163.30 | 1,308.72 | 1,599.54 | 1,890.37 | 2,181.19 | 2,617.44 |
| Sherburn*                            | 874.14            | 1,019.83 | 1,165.51 | 1,311.20 | 1,602.58 | 1,893.96 | 2,185.34 | 2,622.40 |
| Shildon                              | 1,015.55          | 1,184.81 | 1,354.07 | 1,523.33 | 1,861.85 | 2,200.37 | 2,538.89 | 3,046.66 |
| Shincliffe*                          | 870.90            | 1,016.04 | 1,161.19 | 1,306.34 | 1,596.64 | 1,886.94 | 2,177.24 | 2,612.68 |
| Shotton                              | 916.05            | 1,068.72 | 1,221.40 | 1,374.07 | 1,679.42 | 1,984.77 | 2,290.12 | 2,748.14 |
| South Bedburn                        | 861.86            | 1,005.51 | 1,149.15 | 1,292.79 | 1,580.08 | 1,867.37 | 2,154.66 | 2,585.58 |
| South Hetton                         | 938.12            | 1,094.47 | 1,250.82 | 1,407.18 | 1,719.88 | 2,032.59 | 2,345.30 | 2,814.36 |
| Spennymoor                           | 988.10            | 1,152.78 | 1,317.47 | 1,482.15 | 1,811.52 | 2,140.88 | 2,470.25 | 2,964.30 |
| Staindrop                            | 873.91            | 1,019.56 | 1,165.22 | 1,310.87 | 1,602.17 | 1,893.47 | 2,184.78 | 2,621.74 |
| Stainton and Streatlam               | 869.30            | 1,014.19 | 1,159.07 | 1,303.95 | 1,593.72 | 1,883.49 | 2,173.26 | 2,607.90 |
| Stanhope                             | 867.30            | 1,011.85 | 1,156.40 | 1,300.95 | 1,590.05 | 1,879.15 | 2,168.26 | 2,601.90 |
| Stanley Town Council                 | 911.21            | 1,063.08 | 1,214.95 | 1,366.82 | 1,670.56 | 1,974.29 | 2,278.03 | 2,733.64 |
| Startforth                           | 867.38            | 1,011.94 | 1,156.51 | 1,301.07 | 1,590.20 | 1,879.33 | 2,168.45 | 2,602.14 |
| Thornley                             | 983.98            | 1,147.98 | 1,311.98 | 1,475.98 | 1,803.97 | 2,131.97 | 2,459.96 | 2,951.96 |
| Tow Law                              | 894.52            | 1,043.60 | 1,192.69 | 1,341.78 | 1,639.95 | 1,938.12 | 2,236.29 | 2,683.56 |



| Parish  | Council Tax Bands |          |          |          |          |          |          |          |
|---|-------------------|----------|----------|----------|----------|----------|----------|----------|
|   | A                 | B        | C        | D        | E        | F        | G        | H        |
|   | £                 | £        | £        | £        | £        | £        | £        | £        |
| Trimdon   | 948.30            | 1,106.35 | 1,264.40 | 1,422.45 | 1,738.55 | 2,054.65 | 2,370.75 | 2,844.90 |
| Trimdon Foundry   | 965.71            | 1,126.67 | 1,287.62 | 1,448.57 | 1,770.47 | 2,092.38 | 2,414.28 | 2,897.14 |
| Urpeth  | 874.09            | 1,019.77 | 1,165.45 | 1,311.13 | 1,602.49 | 1,893.86 | 2,185.22 | 2,622.26 |
| Wackerfield   | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Waldridge   | 869.12            | 1,013.97 | 1,158.82 | 1,303.68 | 1,593.38 | 1,883.09 | 2,172.80 | 2,607.36 |
| West Auckland   | 874.23            | 1,019.93 | 1,165.64 | 1,311.34 | 1,602.75 | 1,894.16 | 2,185.57 | 2,622.68 |
| West Rainton and Leamside*  | 882.81            | 1,029.94 | 1,177.08 | 1,324.21 | 1,618.48 | 1,912.75 | 2,207.02 | 2,648.42 |
| Wheatley Hill   | 957.22            | 1,116.75 | 1,276.29 | 1,435.82 | 1,754.90 | 2,073.97 | 2,393.04 | 2,871.64 |
| Whorlton and Westwick   | 876.13            | 1,022.15 | 1,168.18 | 1,314.20 | 1,606.24 | 1,898.29 | 2,190.33 | 2,628.40 |
| Windlestone   | 867.92            | 1,012.57 | 1,157.23 | 1,301.88 | 1,591.19 | 1,880.50 | 2,169.80 | 2,603.76 |
| Wingate   | 946.41            | 1,104.15 | 1,261.89 | 1,419.62 | 1,735.09 | 2,050.56 | 2,366.03 | 2,839.24 |
| Winston   | 869.07            | 1,013.92 | 1,158.76 | 1,303.61 | 1,593.30 | 1,882.99 | 2,172.68 | 2,607.22 |
| Witton Gilbert*   | 882.53            | 1,029.62 | 1,176.71 | 1,323.80 | 1,617.98 | 1,912.16 | 2,206.33 | 2,647.60 |
| Witton le Wear  | 867.93            | 1,012.59 | 1,157.24 | 1,301.90 | 1,591.21 | 1,880.52 | 2,169.83 | 2,603.80 |
| Wolsingham  | 873.15            | 1,018.68 | 1,164.20 | 1,309.73 | 1,600.78 | 1,891.83 | 2,182.88 | 2,619.46 |
| Woodland  | 865.90            | 1,010.22 | 1,154.54 | 1,298.85 | 1,587.49 | 1,876.12 | 2,164.76 | 2,597.70 |
| Wycliffe-with-Thorpe  | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Unparished Areas  | 855.24            | 997.78   | 1,140.32 | 1,282.86 | 1,567.94 | 1,853.02 | 2,138.10 | 2,565.72 |
| Unparished Areas in the former City of Durham Area*                             | 857.77            | 1,000.74 | 1,143.70 | 1,286.66 | 1,572.58 | 1,858.51 | 2,144.43 | 2,573.32 |
| * these areas include a precept for the Charter Trustees for the City of Durham |                   |          |          |          |          |          |          |          |
| The Charter Trustees for the City of Durham                                     | 2.53              | 2.96     | 3.38     | 3.80     | 4.64     | 5.49     | 6.33     | 7.60     |

---

**Appendix 5: Council Tax for each Property Band for Durham County Council including Parish and Town Council Precepts including the Charter Trustees for the City of Durham, County Durham and Darlington Fire and Rescue Authority and Durham Police and Crime Commissioner Precepts 2013/14**

---

| Parish                  | Council Tax Bands |          |          |          |          |          |          |          |
|-------------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                         | A                 | B        | C        | D        | E        | F        | G        | H        |
|                         | £                 | £        | £        | £        | £        | £        | £        | £        |
| Barforth                | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Barnard Castle          | 1,078.05          | 1,257.72 | 1,437.40 | 1,617.07 | 1,976.42 | 2,335.77 | 2,695.12 | 3,234.14 |
| Barningham              | 1,024.83          | 1,195.63 | 1,366.44 | 1,537.24 | 1,878.85 | 2,220.46 | 2,562.07 | 3,074.48 |
| Bearpark*               | 1,037.41          | 1,210.32 | 1,383.22 | 1,556.12 | 1,901.93 | 2,247.73 | 2,593.54 | 3,112.24 |
| Belmont*                | 1,038.89          | 1,212.04 | 1,385.19 | 1,558.34 | 1,904.64 | 2,250.93 | 2,597.23 | 3,116.68 |
| Bishop Auckland         | 1,038.92          | 1,212.07 | 1,385.22 | 1,558.37 | 1,904.68 | 2,250.99 | 2,597.29 | 3,116.74 |
| Bishop Middleham        | 1,098.04          | 1,281.05 | 1,464.05 | 1,647.06 | 2,013.07 | 2,379.08 | 2,745.10 | 3,294.12 |
| Bolam                   | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Bournmoor               | 1,032.61          | 1,204.72 | 1,376.82 | 1,548.92 | 1,893.13 | 2,237.33 | 2,581.54 | 3,097.84 |
| Boldron                 | 1,024.78          | 1,195.58 | 1,366.38 | 1,537.18 | 1,878.77 | 2,220.37 | 2,561.96 | 3,074.36 |
| Bowes                   | 1,034.43          | 1,206.83 | 1,379.24 | 1,551.64 | 1,896.45 | 2,241.26 | 2,586.07 | 3,103.28 |
| Bradbury                | 1,035.42          | 1,207.99 | 1,380.56 | 1,553.13 | 1,898.27 | 2,243.41 | 2,588.55 | 3,106.26 |
| Brancepeth*             | 1,050.99          | 1,226.16 | 1,401.32 | 1,576.49 | 1,926.82 | 2,277.15 | 2,627.48 | 3,152.98 |
| Brandon & Byshottles*   | 1,042.34          | 1,216.06 | 1,389.79 | 1,563.51 | 1,910.95 | 2,258.40 | 2,605.85 | 3,127.02 |
| Burnhope                | 1,028.50          | 1,199.92 | 1,371.34 | 1,542.76 | 1,885.59 | 2,228.43 | 2,571.26 | 3,085.52 |
| Cassop-cum-Quarrington* | 1,032.67          | 1,204.78 | 1,376.89 | 1,549.01 | 1,893.23 | 2,237.45 | 2,581.68 | 3,098.02 |
| Castle Eden             | 1,037.41          | 1,210.31 | 1,383.21 | 1,556.11 | 1,901.92 | 2,247.72 | 2,593.52 | 3,112.22 |
| Chilton                 | 1,142.99          | 1,333.49 | 1,523.99 | 1,714.49 | 2,095.49 | 2,476.49 | 2,857.48 | 3,428.98 |
| Cleatlam                | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Cockfield               | 1,046.43          | 1,220.83 | 1,395.23 | 1,569.64 | 1,918.45 | 2,267.26 | 2,616.07 | 3,139.28 |
| Cornforth               | 1,109.64          | 1,294.58 | 1,479.52 | 1,664.46 | 2,034.34 | 2,404.22 | 2,774.10 | 3,328.92 |
| Cornsay                 | 1,051.39          | 1,226.62 | 1,401.85 | 1,577.09 | 1,927.55 | 2,278.01 | 2,628.48 | 3,154.18 |
| Cotherstone             | 1,035.71          | 1,208.33 | 1,380.94 | 1,553.56 | 1,898.80 | 2,244.04 | 2,589.27 | 3,107.12 |
| Coxhoe*                 | 1,061.35          | 1,238.24 | 1,415.13 | 1,592.02 | 1,945.80 | 2,299.58 | 2,653.37 | 3,184.04 |

| Parish               | Council Tax Bands |          |          |          |          |          |          |          |
|----------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                      | A                 | B        | C        | D        | E        | F        | G        | H        |
|                      | £                 | £        | £        | £        | £        | £        | £        | £        |
| Croxdale and Hett*   | 1,044.57          | 1,218.67 | 1,392.76 | 1,566.86 | 1,915.05 | 2,263.24 | 2,611.43 | 3,133.72 |
| Dalton-le-Dale       | 1,036.86          | 1,209.67 | 1,382.48 | 1,555.29 | 1,900.91 | 2,246.53 | 2,592.15 | 3,110.58 |
| Dene Valley          | 1,030.77          | 1,202.57 | 1,374.36 | 1,546.16 | 1,889.75 | 2,233.34 | 2,576.93 | 3,092.32 |
| Easington Colliery   | 1,170.28          | 1,365.33 | 1,560.38 | 1,755.43 | 2,145.52 | 2,535.62 | 2,925.71 | 3,510.86 |
| Easington Village    | 1,121.56          | 1,308.49 | 1,495.42 | 1,682.34 | 2,056.20 | 2,430.05 | 2,803.90 | 3,364.68 |
| Edmondsley           | 1,043.61          | 1,217.55 | 1,391.48 | 1,565.42 | 1,913.29 | 2,261.16 | 2,609.03 | 3,130.84 |
| Eggleston            | 1,042.03          | 1,215.70 | 1,389.37 | 1,563.04 | 1,910.38 | 2,257.72 | 2,605.07 | 3,126.08 |
| Eldon                | 1,088.07          | 1,269.42 | 1,450.76 | 1,632.11 | 1,994.80 | 2,357.49 | 2,720.18 | 3,264.22 |
| Esh                  | 1,055.14          | 1,231.00 | 1,406.85 | 1,582.71 | 1,934.43 | 2,286.14 | 2,637.85 | 3,165.42 |
| Etherley             | 1,039.61          | 1,212.88 | 1,386.15 | 1,559.42 | 1,905.96 | 2,252.50 | 2,599.03 | 3,118.84 |
| Evenwood and Barony  | 1,038.05          | 1,211.05 | 1,384.06 | 1,557.07 | 1,903.08 | 2,249.10 | 2,595.11 | 3,114.14 |
| Ferryhill            | 1,156.05          | 1,348.73 | 1,541.40 | 1,734.08 | 2,119.43 | 2,504.78 | 2,890.13 | 3,468.16 |
| Fishburn             | 1,090.15          | 1,271.85 | 1,453.54 | 1,635.23 | 1,998.61 | 2,362.00 | 2,725.38 | 3,270.46 |
| Forest and Frith     | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Framwellgate Moor*   | 1,039.04          | 1,212.21 | 1,385.39 | 1,558.56 | 1,904.91 | 2,251.25 | 2,597.60 | 3,117.12 |
| Gainford and Langton | 1,071.34          | 1,249.89 | 1,428.45 | 1,607.00 | 1,964.12 | 2,321.23 | 2,678.34 | 3,214.00 |
| Gilmonby             | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Great Aycliffe       | 1,155.92          | 1,348.57 | 1,541.22 | 1,733.88 | 2,119.18 | 2,504.49 | 2,889.79 | 3,467.76 |
| Great Lumley         | 1,031.25          | 1,203.13 | 1,375.00 | 1,546.88 | 1,890.63 | 2,234.38 | 2,578.13 | 3,093.76 |
| Greater Willington   | 1,046.53          | 1,220.95 | 1,395.38 | 1,569.80 | 1,918.64 | 2,267.49 | 2,616.33 | 3,139.60 |
| Greencroft           | 1,044.34          | 1,218.39 | 1,392.45 | 1,566.50 | 1,914.61 | 2,262.73 | 2,610.84 | 3,133.00 |
| Hamsterley           | 1,030.08          | 1,201.76 | 1,373.45 | 1,545.13 | 1,888.49 | 2,231.85 | 2,575.21 | 3,090.26 |
| Haswell              | 1,108.43          | 1,293.17 | 1,477.91 | 1,662.65 | 2,032.13 | 2,401.61 | 2,771.08 | 3,325.30 |
| Hawthorn             | 1,040.60          | 1,214.04 | 1,387.47 | 1,560.91 | 1,907.77 | 2,254.64 | 2,601.51 | 3,121.82 |
| Headlam              | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Healeyfield          | 1,031.35          | 1,203.24 | 1,375.13 | 1,547.02 | 1,890.80 | 2,234.58 | 2,578.37 | 3,094.04 |
| Hedleyhope           | 1,055.25          | 1,231.12 | 1,406.99 | 1,582.87 | 1,934.62 | 2,286.37 | 2,638.11 | 3,165.74 |
| Hilton               | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |

| Parish  | Council Tax Bands |          |          |          |          |          |          |          |
|---|-------------------|----------|----------|----------|----------|----------|----------|----------|
|   | A                 | B        | C        | D        | E        | F        | G        | H        |
|   | £                 | £        | £        | £        | £        | £        | £        | £        |
| Holwick   | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Hope  | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Horden  | 1,177.71          | 1,374.00 | 1,570.28 | 1,766.57 | 2,159.14 | 2,551.71 | 2,944.28 | 3,533.14 |
| Hunderthwaite                                   | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Hutton Henry                                    | 1,085.32          | 1,266.20 | 1,447.09 | 1,627.98 | 1,989.75 | 2,351.52 | 2,713.30 | 3,255.96 |
| Hutton Magna                                    | 1,026.62          | 1,197.72 | 1,368.83 | 1,539.93 | 1,882.14 | 2,224.34 | 2,566.55 | 3,079.86 |
| Ingleton  | 1,036.48          | 1,209.22 | 1,381.97 | 1,554.71 | 1,900.20 | 2,245.70 | 2,591.19 | 3,109.42 |
| Kelloe*   | 1,042.53          | 1,216.28 | 1,390.04 | 1,563.79 | 1,911.30 | 2,258.81 | 2,606.32 | 3,127.58 |
| Kimbleworth and Plawsworth                      | 1,032.24          | 1,204.28 | 1,376.32 | 1,548.37 | 1,892.45 | 2,236.53 | 2,580.61 | 3,096.74 |
| Lanchester                                      | 1,043.73          | 1,217.68 | 1,391.64 | 1,565.59 | 1,913.50 | 2,261.41 | 2,609.32 | 3,131.18 |
| Langleydale                                     | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Lartington                                      | 1,029.43          | 1,201.00 | 1,372.57 | 1,544.14 | 1,887.28 | 2,230.42 | 2,573.57 | 3,088.28 |
| Little Lumley                                   | 1,028.31          | 1,199.70 | 1,371.08 | 1,542.47 | 1,885.24 | 2,228.01 | 2,570.78 | 3,084.94 |
| Lunedale  | 1,023.04          | 1,193.55 | 1,364.06 | 1,534.56 | 1,875.58 | 2,216.59 | 2,557.61 | 3,069.12 |
| Lynesack and Softley                            | 1,033.94          | 1,206.26 | 1,378.58 | 1,550.91 | 1,895.55 | 2,240.20 | 2,584.85 | 3,101.82 |
| Marwood   | 1,025.29          | 1,196.18 | 1,367.06 | 1,537.94 | 1,879.71 | 2,221.47 | 2,563.24 | 3,075.88 |
| Mickleton                                       | 1,035.36          | 1,207.92 | 1,380.48 | 1,553.04 | 1,898.16 | 2,243.27 | 2,588.39 | 3,106.08 |
| Middleton-in-Teesdale and Newbiggin-in-Teesdale | 1,036.69          | 1,209.47 | 1,382.25 | 1,555.03 | 1,900.59 | 2,246.16 | 2,591.72 | 3,110.06 |
| Middridge                                       | 1,055.13          | 1,230.98 | 1,406.83 | 1,582.69 | 1,934.40 | 2,286.10 | 2,637.81 | 3,165.38 |
| Monk Hesleden                                   | 1,125.22          | 1,312.75 | 1,500.29 | 1,687.83 | 2,062.90 | 2,437.97 | 2,813.05 | 3,375.66 |
| Mordon  | 1,031.44          | 1,203.34 | 1,375.25 | 1,547.15 | 1,890.97 | 2,234.78 | 2,578.59 | 3,094.30 |
| Morton Tinmouth                                 | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Muggleswick                                     | 1,038.68          | 1,211.79 | 1,384.90 | 1,558.02 | 1,904.24 | 2,250.47 | 2,596.69 | 3,116.04 |
| Murton  | 1,125.23          | 1,312.77 | 1,500.31 | 1,687.84 | 2,062.92 | 2,438.00 | 2,813.07 | 3,375.68 |
| North Lodge                                     | 1,032.50          | 1,204.58 | 1,376.67 | 1,548.75 | 1,892.92 | 2,237.09 | 2,581.25 | 3,097.50 |
| Ouston  | 1,036.52          | 1,209.27 | 1,382.03 | 1,554.78 | 1,900.29 | 2,245.79 | 2,591.30 | 3,109.56 |
| Ovington  | 1,030.79          | 1,202.58 | 1,374.38 | 1,546.18 | 1,889.77 | 2,233.37 | 2,576.97 | 3,092.36 |

| Parish                               | Council Tax Bands |          |          |          |          |          |          |          |
|--------------------------------------|-------------------|----------|----------|----------|----------|----------|----------|----------|
|                                      | A                 | B        | C        | D        | E        | F        | G        | H        |
|                                      | £                 | £        | £        | £        | £        | £        | £        | £        |
| Pelton                               | 1,073.34          | 1,252.22 | 1,431.11 | 1,610.00 | 1,967.78 | 2,325.56 | 2,683.34 | 3,220.00 |
| Peterlee                             | 1,195.65          | 1,394.93 | 1,594.21 | 1,793.48 | 2,192.03 | 2,590.59 | 2,989.14 | 3,586.96 |
| Pittington*                          | 1,044.95          | 1,219.11 | 1,393.27 | 1,567.43 | 1,915.75 | 2,264.07 | 2,612.38 | 3,134.86 |
| Raby with Keverstone                 | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Rokeby, Brignall and Eggleston Abbey | 1,033.07          | 1,205.25 | 1,377.43 | 1,549.60 | 1,893.96 | 2,238.32 | 2,582.67 | 3,099.20 |
| Romaldkirk                           | 1,034.95          | 1,207.44 | 1,379.94 | 1,552.43 | 1,897.41 | 2,242.40 | 2,587.38 | 3,104.86 |
| Sacriston                            | 1,047.07          | 1,221.58 | 1,396.09 | 1,570.60 | 1,919.62 | 2,268.65 | 2,617.67 | 3,141.20 |
| Satley                               | 1,036.09          | 1,208.77 | 1,381.46 | 1,554.14 | 1,899.50 | 2,244.87 | 2,590.23 | 3,108.28 |
| Scargill                             | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Seaham                               | 1,152.41          | 1,344.48 | 1,536.55 | 1,728.62 | 2,112.76 | 2,496.90 | 2,881.03 | 3,457.24 |
| Seaton with Slingley                 | 1,038.94          | 1,212.10 | 1,385.26 | 1,558.41 | 1,904.73 | 2,251.04 | 2,597.36 | 3,116.82 |
| Sedgefield                           | 1,104.92          | 1,289.07 | 1,473.22 | 1,657.38 | 2,025.68 | 2,393.99 | 2,762.30 | 3,314.76 |
| Shadforth*                           | 1,037.09          | 1,209.94 | 1,382.79 | 1,555.64 | 1,901.33 | 2,247.03 | 2,592.73 | 3,111.28 |
| Sherburn*                            | 1,038.75          | 1,211.87 | 1,385.00 | 1,558.12 | 1,904.37 | 2,250.62 | 2,596.87 | 3,116.24 |
| Shildon                              | 1,180.17          | 1,376.86 | 1,573.56 | 1,770.25 | 2,163.64 | 2,557.03 | 2,950.42 | 3,540.50 |
| Shincliffe*                          | 1,035.51          | 1,208.09 | 1,380.68 | 1,553.26 | 1,898.43 | 2,243.60 | 2,588.77 | 3,106.52 |
| Shotton                              | 1,080.66          | 1,260.77 | 1,440.88 | 1,620.99 | 1,981.21 | 2,341.44 | 2,701.66 | 3,241.98 |
| South Bedburn                        | 1,026.48          | 1,197.56 | 1,368.63 | 1,539.71 | 1,881.87 | 2,224.03 | 2,566.19 | 3,079.42 |
| South Hetton                         | 1,102.73          | 1,286.52 | 1,470.31 | 1,654.10 | 2,021.67 | 2,389.25 | 2,756.83 | 3,308.20 |
| Spennymoor                           | 1,152.71          | 1,344.83 | 1,536.95 | 1,729.07 | 2,113.31 | 2,497.55 | 2,881.78 | 3,458.14 |
| Staindrop                            | 1,038.52          | 1,211.61 | 1,384.70 | 1,557.79 | 1,903.96 | 2,250.14 | 2,596.31 | 3,115.58 |
| Stainton and Streatlam               | 1,033.92          | 1,206.24 | 1,378.55 | 1,550.87 | 1,895.51 | 2,240.15 | 2,584.79 | 3,101.74 |
| Stanhope                             | 1,031.92          | 1,203.90 | 1,375.89 | 1,547.87 | 1,891.85 | 2,235.82 | 2,579.79 | 3,095.74 |
| Stanley Town Council                 | 1,075.83          | 1,255.13 | 1,434.43 | 1,613.74 | 1,972.35 | 2,330.96 | 2,689.56 | 3,227.48 |
| Startforth                           | 1,031.99          | 1,203.99 | 1,375.99 | 1,547.99 | 1,891.99 | 2,235.99 | 2,579.99 | 3,095.98 |
| Thornley                             | 1,148.60          | 1,340.03 | 1,531.46 | 1,722.90 | 2,105.76 | 2,488.63 | 2,871.49 | 3,445.80 |
| Tow Law                              | 1,059.13          | 1,235.65 | 1,412.17 | 1,588.70 | 1,941.74 | 2,294.78 | 2,647.83 | 3,177.40 |

| Parish  | Council Tax Bands |          |          |          |          |          |          |          |
|---|-------------------|----------|----------|----------|----------|----------|----------|----------|
|   | A                 | B        | C        | D        | E        | F        | G        | H        |
|   | £                 | £        | £        | £        | £        | £        | £        | £        |
| Trimdon   | 1,112.91          | 1,298.40 | 1,483.89 | 1,669.37 | 2,040.34 | 2,411.32 | 2,782.29 | 3,338.74 |
| Trimdon Foundry   | 1,130.33          | 1,318.71 | 1,507.10 | 1,695.49 | 2,072.27 | 2,449.04 | 2,825.82 | 3,390.98 |
| Urpeth  | 1,038.70          | 1,211.82 | 1,384.93 | 1,558.05 | 1,904.28 | 2,250.52 | 2,596.75 | 3,116.10 |
| Wackerfield   | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Waldridge   | 1,033.73          | 1,206.02 | 1,378.31 | 1,550.60 | 1,895.17 | 2,239.75 | 2,584.33 | 3,101.20 |
| West Auckland   | 1,038.84          | 1,211.98 | 1,385.12 | 1,558.26 | 1,904.54 | 2,250.82 | 2,597.10 | 3,116.52 |
| West Rainton and Leamside*  | 1,047.42          | 1,221.99 | 1,396.56 | 1,571.13 | 1,920.28 | 2,269.42 | 2,618.56 | 3,142.26 |
| Wheatley Hill   | 1,121.83          | 1,308.80 | 1,495.77 | 1,682.74 | 2,056.69 | 2,430.63 | 2,804.57 | 3,365.48 |
| Whorlton and Westwick   | 1,040.75          | 1,214.20 | 1,387.66 | 1,561.12 | 1,908.03 | 2,254.95 | 2,601.87 | 3,122.24 |
| Windlestone   | 1,032.53          | 1,204.62 | 1,376.71 | 1,548.80 | 1,892.98 | 2,237.16 | 2,581.34 | 3,097.60 |
| Wingate   | 1,111.03          | 1,296.20 | 1,481.37 | 1,666.54 | 2,036.88 | 2,407.23 | 2,777.57 | 3,333.08 |
| Winston   | 1,033.68          | 1,205.96 | 1,378.25 | 1,550.53 | 1,895.09 | 2,239.65 | 2,584.21 | 3,101.06 |
| Witton Gilbert*   | 1,047.15          | 1,221.67 | 1,396.20 | 1,570.72 | 1,919.77 | 2,268.82 | 2,617.87 | 3,141.44 |
| Witton le Wear  | 1,032.54          | 1,204.63 | 1,376.72 | 1,548.82 | 1,893.00 | 2,237.18 | 2,581.36 | 3,097.64 |
| Wolsingham  | 1,037.76          | 1,210.72 | 1,383.69 | 1,556.65 | 1,902.57 | 2,248.49 | 2,594.41 | 3,113.30 |
| Woodland  | 1,030.52          | 1,202.27 | 1,374.02 | 1,545.77 | 1,889.28 | 2,232.79 | 2,576.29 | 3,091.54 |
| Wycliffe-with-Thorpe  | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Unparished Areas  | 1,019.85          | 1,189.83 | 1,359.80 | 1,529.78 | 1,869.73 | 2,209.68 | 2,549.63 | 3,059.56 |
| Unparished Areas in the former City of Durham Area*                             | 1,022.39          | 1,192.78 | 1,363.18 | 1,533.58 | 1,874.38 | 2,215.17 | 2,555.97 | 3,067.16 |
| * these areas include a precept for the Charter Trustees for the City of Durham |                   |          |          |          |          |          |          |          |
| The Charter Trustees for the City of Durham                                     | 2.53              | 2.96     | 3.38     | 3.80     | 4.64     | 5.49     | 6.33     | 7.60     |

## County Council

20 February 2013

### Housing Revenue Account Medium Term Financial Plan 2013/14 to 2016/17 and 2013/14 Budget



---

## Report of Cabinet

(Councillor Simon Henig, Leader of the Council)

---

### Purpose of the Report

1. To provide County Council with the financial details of the Cabinet's budget recommendations in respect of the Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) for 2013/14 to 2016/17 and the 2013/14 budget.

### Executive Summary

2. The HRA provides the income and expenditure associated with the management and 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 2013/14, 30 year HRA Business Plan and four-year MTFP are considered in this report.
4. The headline implications for 2013/14 are summarised below:
  - Dwelling rents for 2013/14 to increase in accordance with Government guidelines which results in an overall average increase of 4.04%;
  - Average rent per week to increase from £63.13 per week to £65.68 per week – an increase of £2.55 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 2013/14 (on a 52 week basis) are £8.25 (for private tenants where we need to charge VAT) and £6.88 (for council tenants who are exempt from VAT);
  - Efficiency savings in housing management costs of £1.65m have been identified for 2013/14, in addition to the £1.35m already delivered in 2012/13 to give a total saving of £3m as required by the HRA MTFP;

- A substantial investment programme of £99m over the next two years - £49m in 2013/14 and £50m in 2014/15.

## Background

5. The HRA is a 'ring fenced' landlord account through which the Council manages and maintains its 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 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. The Council's 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:
  - Stock Options Appraisal Process;
  - A 30 Year HRA Business Plan and 4 Year MTFP;
  - Capital Programme;
  - 2013/14 Detailed HRA Budget;
  - Treasury Management Position on loans and investments;
  - HRA Reserves.

## Stock Option Appraisal Process

9. Cabinet at its meeting on 12 December 2012 considered a detailed report on the outcome of the housing stock option appraisal project, which included a review of the options for the future ownership, financing and management of the council's housing stock.
10. Financial analysis of the business plan highlights a shortfall of available capital resources against spending needs over the first nine years of the business



plan. The deficit is exacerbated by the Council's inability to borrow above the debt cap of £245m to supplement the business plan.

11. Extensive consultation and partnership working with all key stakeholder groups during the option appraisal process has identified that the preferred option is a transfer of the housing stock out of the Council and into to a new registered social housing provider with a group structure based on the council's existing housing management organisational boundaries.
12. Government policy on stock transfer and the provision of funding for housing revenue account debt write off remains unclear and no stock transfers have been completed since the introduction of self financing arrangements in April 2012. However, the DCLG and HCA continue to engage with the council in the stock options appraisal process.
13. The Council has also worked with key stakeholder groups to identify an alternative option for the housing stock, should the transfer proposal be rejected by the Government, or by tenants through a ballot process. Stakeholders have selected the establishment of a single ALMO with area based arrangements to allow housing services to continue to operate as a business at arms length from the authority, achieve further efficiency savings through reductions in overheads and the joining up of services, and simplify housing management arrangements.
14. The HRA Business Plan contained in this report is based on a stock retention scenario.

### **30 Year HRA Business Plan and 4 Year MTFP**

15. A key feature of the system of self financing which was implemented on 1 April 2012, is the abolition of the annual subsidy determination which set out the resources available to housing authorities on an annual basis only based on the Government's notional assessment of spending needs. As there are no annual resource allocations in future, 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.
16. The Council prepared its first 30 Year HRA Business Plan under the new 'self financing' arrangements for the period commencing 2012/13 onwards and this report updates that Plan by rolling forward a further year. The following broad assumptions have been used in the updated 30 Year HRA Business Plan. Appendix 2 provides more details on the assumptions used:
  - Rent increases to follow national rent policy, with increases linked to the retail price index (RPI) as at September 2012 (2.6%) plus 0.5% and rent convergence by 2015/16;
  - Opening Debt of £235m;
  - Interest rate on debt assumed as 5.25% initially then 6% for years 5 to 30;
  - Inflationary increase of 2.5% year on year for expenditure;
  - Void property levels at 1.5% on average;

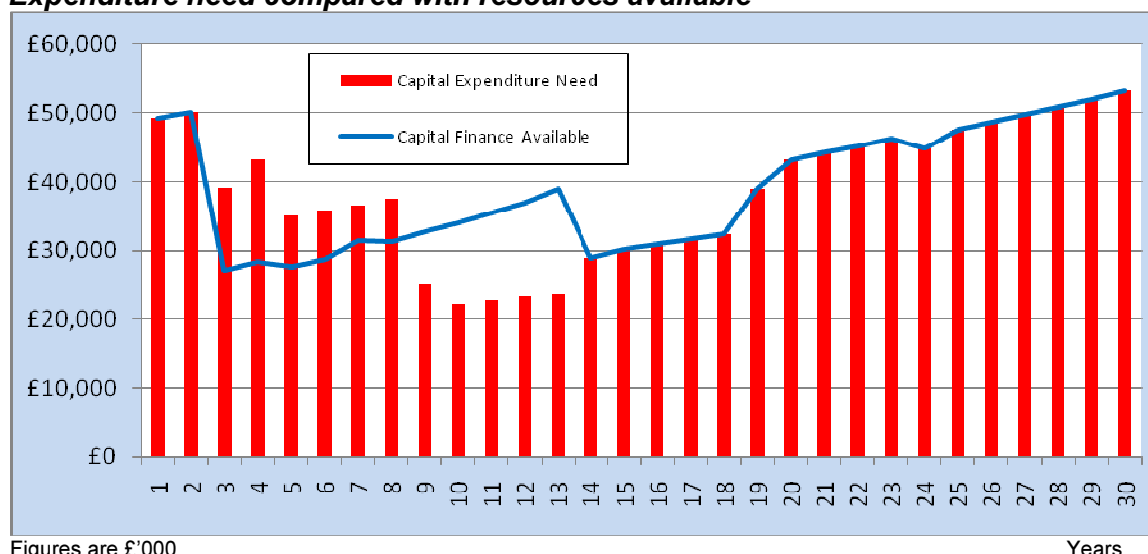
- Assumed bad debts provision for non payment of rent at 1.5% of gross rent for years 1 to 3 due to the potential impact of Government Welfare Reforms (which is treble the 2011/12 base budget) and then 1% thereafter;
  - Efficiency savings of £3m delivered by 2013/14, of which £1.65m has been identified for 2013/14 (and £1.35m already delivered in 2012/13);
  - A further £0.5m saving (2015/16) in management costs based on retention of housing stock under a single ALMO model should the large scale voluntary transfer (LSVT) not proceed;
  - Known adjustments to stock such as planned demolitions, new build properties and estimates of annual right to buy sales of 44 properties;
  - Minimum level of HRA reserves of £7m adjusted for inflation from year 6 onwards.
17. 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 fully repaid by year 27;
  - HRA reserves being maintained at least £7m (plus inflation);
  - Capital programme shortfalls in years 3 to 8 of the Plan.
18. Appendix 4 provides forecasts for the four year Medium Term Financial Plan period 2013/14 to 2016/17 which have been taken directly from the 30 year Business Plan. During this period, a rental stream of some £268m will be available to the Council to meet its management, repairs, investment and debt costs.

## **Capital Programme**

19. 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.
20. 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.
21. Stock investment requirements form a central part of the HRA Business Plan and these have been derived from information from a stock condition survey finalised in 2012 to identify the spending needs of the housing stock over a 30 year period.

22. 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

23. The key focus for the Council is the medium term horizon and the next four 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 £103m (comprising of major repairs reserve and revenue contributions). After taking into account other sources of funding, the total estimated resources are £155m as shown in the following table:

| Investment Resources         | Year 1<br>2013/14<br>£'000 | Year 2<br>2014/15<br>£'000 | Year 3<br>2015/16<br>£'000 | Year 4<br>2016/17<br>£'000 | Total<br>£'000 |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------|
| Major Repairs Reserve        | 16,306                     | 16,676                     | 17,054                     | 17,441                     | 67,477         |
| Revenue Contribution         | 7,763                      | 7,877                      | 9,509                      | 10,591                     | 35,740         |
| Capital Receipts             | 426                        | 437                        | 448                        | 460                        | 1,771          |
| Backlog Funding Grant        | 19,000                     | 19,286                     | 0                          | 0                          | 38,286         |
| Other Contributions          | 400                        | 0                          | 0                          | 0                          | 400            |
| Borrowing                    | 5,105                      | 5,724                      | 384                        | 0                          | 11,213         |
| <b>Total Resources</b>       | <b>49,000</b>              | <b>50,000</b>              | <b>27,395</b>              | <b>28,492</b>              | <b>154,887</b> |
| Investment Need              | 49,000                     | 50,000                     | 39,302                     | 43,283                     | 181,585        |
| <b>Shortfall / (surplus)</b> | <b>0</b>                   | <b>0</b>                   | <b>11,907</b>              | <b>14,791</b>              | <b>26,698</b>  |

24. There is a shortfall of up to £27m over the four year period (and £52m over years 3 to 8). It should be noted that Decent Homes Backlog Funding Grant has been confirmed for 2013/14 and 2014/15 and the HCA has allowed us to bring forward £7m of grant funding from 2014/15 into 2013/14. This will allow 447 extra homes to be made decent in 2013/14.
25. The Council and its partners have been developing an 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.

26. A detailed capital programme covering the three geographical areas is currently being finalised for 2013/14 and 2014/15. The value of the programme proposed is £49m (2013/14) and £50m (2014/15) which is a significant level of investment in our housing stock.

### **2013/14 Detailed HRA Budget**

27. The following paragraphs provide more details on the 2013/14 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**

28. The main source of income for the HRA is rental income from dwellings paid to the Council by tenants. Local authority rents are determined 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'.
29. 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 Government's 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 3.1% and consists of the RPI as at September 2012 of 2.6% and a real increase of 0.5%.
30. Applying the Government's guidelines results in an overall average increase of 4.04% for Durham which yields an average rent of £65.68 per week in 2013/14 (based on 52 weeks). The table overleaf shows the impact on the average rent levels across the three management areas:

**Average Rents (based on 52 weeks)**

|              | Durham City |         | Easington |         | Wear Valley |         | Total   |         |
|--------------|-------------|---------|-----------|---------|-------------|---------|---------|---------|
|              | 2012/13     | 2013/14 | 2012/13   | 2013/14 | 2012/13     | 2013/14 | 2012/13 | 2013/14 |
|              | £           | £       | £         | £       | £           | £       | £       | £       |
| Average Rent | 65.27       | 68.07   | 61.18     | 63.54   | 63.94       | 66.51   | 63.13   | 65.68   |
| Maximum Rent | 93.39       | 97.84   | 78.12     | 80.92   | 88.44       | 91.18   | 93.39   | 97.84   |
| Minimum Rent | 45.95       | 48.63   | 47.98     | 49.54   | 27.25       | 28.75   | 27.25   | 28.75   |

**Average Changes in Rent 2012-13 and 2013-14**

|                  | Durham City |      | Easington |      | Wear Valley |      | Total |      |
|------------------|-------------|------|-----------|------|-------------|------|-------|------|
|                  | %           | £    | %         | £    | %           | £    | %     | £    |
|                  |             |      |           |      |             |      |       |      |
| Average Increase | 4.29        | 2.80 | 3.86      | 2.36 | 4.02        | 2.57 | 4.04  | 2.55 |

31. 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. It is anticipated that proposed changes relating to the Governments Welfare Reform agenda will reduce the level of housing benefit some of our tenants are entitled to and this is explained further in paragraphs 41 to 43.

**Other Rental Income**

32. The HRA includes responsibility for managing and maintaining around 2,700 garages which generate income to the account. For 2013/14 it is proposed that increases in garage rents are linked to the average overall increase in dwelling rents of 4.04%. Private tenants are required to pay VAT on garage rents, whilst Council tenants are excluded from the VAT charge. The proposed weekly charges for 2013/14 (based on 52 weeks) are £6.88 (for council tenants who are exempt from VAT) and £8.25 (for private tenants where we need to charge VAT)
33. 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 2013/14 will be considered in light of prevailing market rates. The total budgeted income for 2013/14 is £121,000.
34. 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.
35. 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 as provided for under delegated powers in the Councils constitution.

## **HRA Expenditure**

### Housing Management Costs

36. 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 the 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.
37. 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.
38. Management costs continue to be examined for efficiencies and the MTFP savings target of £3m has been 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.

**Savings in Management Costs from 2009/10**

| Year         | EDH              | DVH            | DCH            | DCC - Central    | Total            |
|--------------|------------------|----------------|----------------|------------------|------------------|
| 2009/10      | 0                | 0              | 0              | 250,000          | 250,000          |
| 2010/11      | 0                | 0              | 0              | 3,000,000        | 3,000,000        |
| 2011/12      | 0                | 0              | 561,392        | 0                | 561,392          |
| 2012/13      | 600,000          | 400,000        | 200,000        | 150,000          | 1,350,000        |
| 2013/14      | 1,000,000        | 200,000        | 200,000        | 250,000          | 1,650,000        |
| <b>Total</b> | <b>1,600,000</b> | <b>600,000</b> | <b>961,392</b> | <b>3,650,000</b> | <b>6,811,392</b> |

39. 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. The stock transfer proposals assume that a further £0.5m in management savings will be achieved by a new provider and likewise under a stock retention option based on a single ALMO model, a similar saving requirement has been built into the HRA Business Plan.

40. The implications for management fees in 2013/14 for our three housing management providers, after the above savings, allowing for an inflation increase of 1.5% and other minor budget adjustments to reflect transfer of functions, are as follows:

|                       | <u>2012/13</u> | <u>2013/14</u> | <u>Cost per Unit</u> |
|-----------------------|----------------|----------------|----------------------|
| Durham City Homes     | £7,217,250     | £7,133,000     | £1,192               |
| Dale and Valley Homes | £5,511,000     | £5,406,000     | £1,268               |
| East Durham Homes     | £11,755,000    | £11,063,000    | £1,327               |

#### Other Budget Pressures

41. As a result of the Government's proposals on Welfare Reform a number of risks have been identified on the collection of rental income. As mentioned previously a significant proportion of council tenants have their rents paid directly to the Council through the housing benefit system, however, under the Government's proposed changes relating to their Welfare Reform agenda, these payments will in the future be made directly to the tenant.
42. Furthermore from 1 April 2013 housing benefit entitlement will be linked to occupancy levels. It is expected that in some instances housing benefit entitlement may be reduced as a result of under occupancy based on number of bedrooms (current data indicates that over 3,000 tenants could have their housing benefit entitlements reduced as a result of under-occupancy).
43. Both of these issues could have adverse implications on achieving rental income resulting in higher rent arrears and less resources available to maintain homes. A one-off provision of £500k has been built into the 2013/14 budget to establish an earmarked fund to be used for the provision of specialist support projects to assist tenants as the reform of the Welfare System is implemented. This is not a hardship fund for tenants to bid for.
44. The budget for Council Tax on empty properties has been increased from £100k to £310k to allow for the change in Council policy of withdrawing the exemption for properties empty less than 6 months.

#### Interest Payments

45. This reflects the cost of borrowing to support the Housing Capital Programme. In 2013/14 starting debt has been estimated as £235m plus further net borrowing of £5m during the year taking the estimated closing debt at 31 March 2014 to £240m. The interest payments of £12m reflect an overall average rate of interest of 5.25%.

#### Depreciation

46. 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

47. The Council is responsible for servicing and managing its own HRA debt from the rental income it is now able to retain locally.
48. When implementing self financing for the HRA in 2012/13, officers applied CIPFA guidance to splitting debt between the General Fund (GF) and HRA using the 'two pool' approach which ensures that HRA debt will be managed as a separate loan portfolio, although all debt whether HRA or GF still remains the debt of the authority. A loan portfolio of £173m was originally allocated to the HRA at an average rate of 5.5% using the above principles. A further £53m was borrowed to finance the self financing payment to Government taking the total closing actual HRA debt to £226m. The following table shows the maturity profile of the existing HRA loan portfolio as at 31 March 2013.

| Existing Loan Portfolio |                            |                |                             | Maturity Profile         |                    |                         |                          |                |
|-------------------------|----------------------------|----------------|-----------------------------|--------------------------|--------------------|-------------------------|--------------------------|----------------|
| PWLB Loans £m           | Opening Balance 31/03/2012 | Repayments     | Closing Balance 31/03/2013* | Within 1 year 31/03/2014 | 2 Years 31/03/2015 | 3 to 5 Years 31/03/2018 | 6 to 10 Years 31/03/2023 | 10 Years +     |
| Annuity                 | 4.942                      | (1.151)        | <b>3.791</b>                | 0.973                    | 0.757              | 0.381                   | 0.410                    | 1.270          |
| Maturity                | 220.722                    | (5.500)        | <b>215.222</b>              | 2.000                    | 3.544              | 16.652                  | 28.201                   | 164.825        |
| <b>Total</b>            | <b>225.664</b>             | <b>(6.651)</b> | <b>219.013</b>              | <b>2.973</b>             | <b>4.301</b>       | <b>17.033</b>           | <b>28.611</b>            | <b>166.095</b> |

\* excludes new borrowing in 2012/13

49. Before March 2013 there will be a borrowing need to replace the £6.6m of loans maturing during this year but also an additional £9m will be required to finance the current year (2012/13) capital programme – leaving a projected revised year end balance of £235m.
50. The Government is applying a debt cap to the Council for the HRA which has been set at £246m. 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.

| <b>Movements in Housing Borrowing Requirement</b> | <b>£'000</b>   |
|---|----------------|
| Estimated Closing HRA CFR 31/3/13                 | 234,533        |
| Net Borrowing to be undertaken in 2013/14         | 5,105          |
| <b>Estimated Closing HRA CFR 31/3/14</b>          | <b>239,638</b> |
| Housing Debt Cap                                  | 245,747        |

## HRA Reserves

51. HRA reserves are forecast to reach around £7m by 31st March 2013 equivalent to approximately £377 per dwelling. Interest is receivable on HRA cash balances and £104,000 has been assumed for 2013/14.
52. 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

53. It is recommended that County Council agrees: -

- The 30 Year HRA Business Plan (Appendix 3) and four year HRA Medium Term Financial Plan for 2013/14 – 2016/17 (Appendix 4);
- To set dwelling rents for 2013/14 in accordance with Government guidelines which result in an overall average increase of 4.04%;
- To increase garage rents in line with the overall increase in housing rents;
- To establish a financial inclusion fund of £500,000 to support our tenants in the transition to the Government's Welfare Reforms;
- That approval of service charges proposed by the three service providers be delegated to the Head of Economic Development and Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance;
- A HRA capital programme of £49m in 2013/14 and £50m in 2014/15;
- To authorise the Corporate Director - Resources to make appropriate arrangements on borrowing to finance the capital programme;
- To agree ALMO/INMO management fee levels as follows;
  - Durham City Homes                      £7,133,000
  - Dale and Valley Homes                  £5,406,000
  - East Durham Homes                      £11,063,000

## Background Papers:

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

Self financing determination, DCLG 21 November 2011

---

|                 |   |                           |
|-----------------|---|---------------------------|
| <b>Contact:</b> | <b>Azhar Rafiq - Finance Manager</b>      | <b>Tel: 03000 263 480</b> |
|                 | <b>John Hughes - Principal Accountant</b> | <b>Tel: 03000 263 486</b> |

---

---

## **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 2013/14.

**Staffing** – There are no direct implications on staffing from the information contained within this 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. Welfare Reform poses a risk to achieving rental income collection, a one-off budget of £500k has been established to provide resources to assist facilitate transition to the new system.

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

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

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

**Human Rights** - There are no human rights implications from the information contained within this 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. The proposals in this report have been considered by the HRA Provider Group.

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

**Disability Issues** – No direct implications arising from the information contained in this 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"><li>For rent purposes, the following overall stock numbers have been assumed over the MTFP period:<table><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><tr><td>2013-14</td><td>18,579</td><td>-44</td><td></td><td></td><td></td><td>18,535</td><td>18,557</td></tr><tr><td>2014-15</td><td>18,535</td><td>-44</td><td></td><td></td><td></td><td>18,491</td><td>18,513</td></tr><tr><td>2015-16</td><td>18,491</td><td>-44</td><td></td><td></td><td></td><td>18,447</td><td>18,469</td></tr><tr><td>2016-17</td><td>18,447</td><td>-44</td><td></td><td></td><td></td><td>18,403</td><td>18,425</td></tr></table></li><li>Right to Buy sales of 44 have been assumed each year throughout life of the business plan (yrs 1 to 30).</li><li>The breakdown of the opening stock for rent purposes over the 3 management areas is as follows:<table><tr><th>Year</th><th>Durham City</th><th>Easington</th><th>Wear Valley</th><th>Total</th></tr><tr><td>2013-14</td><td>5,982</td><td>8,335</td><td>4,262</td><td>18,579</td></tr><tr><td>2014-15</td><td>5,966</td><td>8,313</td><td>4,256</td><td>18,535</td></tr><tr><td>2015-16</td><td>5,950</td><td>8,291</td><td>4,250</td><td>18,491</td></tr><tr><td>2016-17</td><td>5,934</td><td>8,269</td><td>4,244</td><td>18,447</td></tr></table></li></ul> | Year                              | Opening Stock | RTB         | Demolitions | Other         | New Build     | Closing Stock | Average Stock | 2013-14  | 18,579 | -44 |       |          |     | 18,535 | 18,557 | 2014-15  | 18,535 | -44 |       |  |  | 18,491 | 18,513 | 2015-16 | 18,491 | -44 |  |  |  | 18,447 | 18,469 | 2016-17 | 18,447 | -44 |  |  |  | 18,403 | 18,425 | Year | Durham City | Easington | Wear Valley | Total | 2013-14 | 5,982 | 8,335 | 4,262 | 18,579 | 2014-15 | 5,966 | 8,313 | 4,256 | 18,535 | 2015-16 | 5,950 | 8,291 | 4,250 | 18,491 | 2016-17 | 5,934 | 8,269 | 4,244 | 18,447 |
| Year                              | Opening Stock   | RTB                               | Demolitions   | Other       | New Build   | Closing Stock | Average Stock |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2013-14                           | 18,579  | -44                               |               |             |             | 18,535        | 18,557        |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2014-15                           | 18,535  | -44                               |               |             |             | 18,491        | 18,513        |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2015-16                           | 18,491  | -44                               |               |             |             | 18,447        | 18,469        |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2016-17                           | 18,447  | -44                               |               |             |             | 18,403        | 18,425        |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Year                              | Durham City   | Easington                         | Wear Valley   | Total       |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2013-14                           | 5,982   | 8,335                             | 4,262         | 18,579      |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2014-15                           | 5,966   | 8,313                             | 4,256         | 18,535      |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2015-16                           | 5,950   | 8,291                             | 4,250         | 18,491      |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2016-17                           | 5,934   | 8,269                             | 4,244         | 18,447      |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Rent Increases                    | <ul style="list-style-type: none"><li>Rent increases assumed as follows:<ul style="list-style-type: none"><li>2013-14: 2.6% inflation + 0.5% - increase of 3.1% + rent restructuring</li><li>2014-15 to 2015-16: 2.5% inflation + 0.5% - increase of 3.0% + rent restructuring</li><li>2016-17onwards: 2.5% inflation + 0.5% - increase of 3.0%</li></ul></li></ul>   |                                   |               |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Voids                             | <ul style="list-style-type: none"><li>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.</li></ul>   |                                   |               |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Other Income - Garage Income      | <ul style="list-style-type: none"><li>Increases in garage rents have been directly linked to the increase in dwelling rents.</li><li>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><tr><th>Estimated occupied no. of garages</th><th>Durham City</th><th>Wear Valley</th><th>Easington</th></tr><tr><td>2013 -14</td><td>753</td><td>424</td><td>1,494</td></tr><tr><td>2014 -15</td><td>715</td><td>403</td><td>1,419</td></tr><tr><td>2015 -16</td><td>680</td><td>383</td><td>1,348</td></tr><tr><td>2016 -17</td><td>646</td><td>364</td><td>1,281</td></tr></table></li></ul>   | Estimated occupied no. of garages | Durham City   | Wear Valley | Easington   | 2013 -14      | 753           | 424           | 1,494         | 2014 -15 | 715    | 403 | 1,419 | 2015 -16 | 680 | 383    | 1,348  | 2016 -17 | 646    | 364 | 1,281 |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Estimated occupied no. of garages | Durham City   | Wear Valley                       | Easington     |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2013 -14                          | 753   | 424                               | 1,494         |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2014 -15                          | 715   | 403                               | 1,419         |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2015 -16                          | 680   | 383                               | 1,348         |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| 2016 -17                          | 646   | 364                               | 1,281         |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Other Income - Shops              | <ul style="list-style-type: none"><li>There are a small number of shops and other premises accounted for in the HRA generating rental income which has been estimated at £121,000.</li></ul>  |                                   |               |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |
| Housing Management                | <ul style="list-style-type: none"><li>Housing Management costs can broadly be broken down into 2 distinct areas:<ul style="list-style-type: none"><li>Management (General): costs of policy and management, tenancy administration, rent collection and accounting.</li><li>Management (Special): running costs of services that benefit specific groups of tenants including communal heating, lighting, lifts, caretaking, cleaning and ground maintenance.</li></ul></li><li>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.</li></ul>  |                                   |               |             |             |               |               |               |               |          |        |     |       |          |     |        |        |          |        |     |       |  |  |        |        |         |        |     |  |  |  |        |        |         |        |     |  |  |  |        |        |      |             |           |             |       |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |         |       |       |       |        |

| Item                     | Assumptions  |
|--------------------------|--|
|                          | <ul style="list-style-type: none"> <li>● 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.</li> <li>● Efficiency savings of £0.5m have been built in to the plan in 2015/16, this is based on the retention of the housing stock under one single ALMO.</li> <li>● A £500k budget has been made available to provide resources to facilitate changes arising from Welfare Reform</li> </ul> <p><i>Rent Rates Taxes and Other Charges</i></p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● The base budget has been increased to £310,000 to allow for the change in Council Policy of charging council tax on all empty properties.</li> </ul> |
| <b>Bad Debts</b>         | <ul style="list-style-type: none"> <li>● For the MTFP a prudent assumption is proposed of 1.5% of gross rental income for years 1 to 3 and then 1% thereafter. This is to reflect the potential impact of the Government's Welfare Reforms on rent income collecting.</li> </ul>   |
| <b>Repairs</b>           | <ul style="list-style-type: none"> <li>● 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.</li> </ul>   |
| <b>Interest Paid</b>     | <ul style="list-style-type: none"> <li>● A starting debt of £235m has been assumed. For the first 4 years an interest rate of 5.25% has been used, thereafter a rate of 6% for years 5-30.</li> </ul>  |
| <b>Debt Management</b>   | <ul style="list-style-type: none"> <li>● This is to reflect the treasury management cost of dealing with the substantial loan portfolio of up to £246m.</li> </ul>   |
| <b>Interest Received</b> | <ul style="list-style-type: none"> <li>● Represents interest earned on all HRA balances and accounts.</li> </ul>   |
| <b>Depreciation</b>      | <ul style="list-style-type: none"> <li>● 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 of HRA Self Financing.</li> </ul>  |
| <b>Borrowing</b>         | <ul style="list-style-type: none"> <li>● This reflects repayments of borrowing where surplus resources become available in any year.</li> </ul>  |
| <b>RCCO</b>              | <ul style="list-style-type: none"> <li>● Revenue Resources remaining after meeting all management costs and interest payments are available to contribute towards the capital programme (revenue contributions to capital).</li> </ul>   |
| <b>Balances</b>          | <ul style="list-style-type: none"> <li>● A minimum reserve balance of £7m has been used equating to around £377 per dwelling.</li> </ul>   |

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

|    | Year    | Rents<br>(after<br>Voids) | Other<br>Income | Total Income | Manag'<br>ment<br>Expenditu<br>re | Bad<br>Debts | Repairs | Total<br>Revenue<br>Expenditu<br>re | Interest<br>Paid | Debt<br>Mgt | Interest<br>Received | Depreciati<br>on | Net<br>Operating<br>Income | Borrowing | RCCO    | Annual<br>Cashflow | Opening<br>HRA<br>Balance | Closing<br>HRA<br>Balance |
|----|---------|---------------------------|-----------------|--------------|-----------------------------------|--------------|---------|-------------------------------------|------------------|-------------|----------------------|------------------|----------------------------|-----------|---------|--------------------|---------------------------|---------------------------|
| 1  | 2013.14 | 63,633                    | 1,075           | 64,708       | -15,012                           | -969         | -12,123 | -28,104                             | -12,447          | -194        | 104                  | -16,306          | 7,761                      | -         | -7,761  | 0                  | 7,000                     | 7,000                     |
| 2  | 2014.15 | 64,734                    | 1,064           | 65,798       | -15,081                           | -986         | -12,426 | -28,493                             | -12,731          | -161        | 139                  | -16,676          | 7,876                      | -         | -7,876  | 0                  | 7,000                     | 7,000                     |
| 3  | 2015.16 | 67,111                    | 1,051           | 68,162       | -14,957                           | -1,022       | -12,737 | -28,716                             | -12,892          | -165        | 173                  | -17,054          | 9,508                      | -         | -9,508  | 0                  | 7,000                     | 7,000                     |
| 4  | 2016.17 | 68,960                    | 1,032           | 69,992       | -15,331                           | -700         | -13,055 | -29,086                             | -12,902          | -180        | 207                  | -17,441          | 10,590                     | -         | -10,590 | 0                  | 7,000                     | 7,000                     |
| 5  | 2017.18 | 70,862                    | 1,012           | 71,874       | -15,714                           | -719         | -13,382 | -29,815                             | -14,745          | -193        | 207                  | -21,204          | 6,123                      | -         | -6,123  | 0                  | 7,000                     | 7,000                     |
| 6  | 2018.19 | 72,813                    | 1,038           | 73,851       | -16,107                           | -739         | -13,716 | -30,563                             | -14,745          | -198        | 209                  | -21,685          | 6,870                      | -         | -6,692  | 178                | 7,000                     | 7,178                     |
| 7  | 2019.20 | 76,256                    | 1,064           | 77,320       | -16,510                           | -774         | -14,059 | -31,343                             | -14,745          | -203        | 215                  | -22,176          | 9,068                      | -         | -8,889  | 179                | 7,178                     | 7,357                     |
| 8  | 2020.21 | 76,877                    | 1,090           | 77,967       | -16,923                           | -780         | -14,411 | -32,114                             | -14,745          | -208        | 220                  | -22,678          | 8,443                      | -         | -8,259  | 184                | 7,357                     | 7,541                     |
| 9  | 2021.22 | 78,993                    | 1,117           | 80,110       | -17,346                           | -802         | -14,771 | -32,919                             | -14,745          | -213        | 226                  | -23,191          | 9,268                      | -         | -9,080  | 188                | 7,541                     | 7,729                     |
| 10 | 2022.23 | 81,166                    | 1,145           | 82,311       | -17,779                           | -824         | -15,140 | -33,744                             | -14,745          | -219        | 231                  | -23,716          | 10,120                     | -         | -9,927  | 193                | 7,729                     | 7,922                     |
| 11 | 2023.24 | 83,399                    | 1,174           | 84,573       | -18,224                           | -847         | -15,519 | -34,589                             | -14,745          | -224        | 237                  | -24,252          | 10,999                     | -         | -10,801 | 198                | 7,922                     | 8,120                     |
| 12 | 2024.25 | 85,692                    | 1,203           | 86,896       | -18,680                           | -870         | -15,907 | -35,456                             | -14,745          | -230        | 243                  | -24,801          | 11,907                     | -         | -11,704 | 203                | 8,120                     | 8,323                     |
| 13 | 2025.26 | 89,742                    | 1,233           | 90,975       | -19,147                           | -911         | -16,304 | -36,362                             | -14,665          | -235        | 249                  | -25,362          | 14,600                     | -2,658    | -11,732 | 210                | 8,323                     | 8,533                     |
| 14 | 2026.27 | 90,469                    | 1,264           | 91,733       | -19,625                           | -918         | -16,712 | -37,255                             | -14,232          | -241        | 255                  | -25,935          | 14,325                     | -11,771   | -2,332  | 221                | 8,533                     | 8,754                     |
| 15 | 2027.28 | 92,955                    | 1,296           | 94,251       | -20,116                           | -944         | -17,130 | -38,189                             | -13,497          | -247        | 262                  | -26,522          | 16,059                     | -12,746   | -3,094  | 219                | 8,754                     | 8,973                     |
| 16 | 2028.29 | 95,510                    | 1,328           | 96,838       | -20,619                           | -970         | -17,558 | -39,146                             | -12,678          | -231        | 268                  | -27,121          | 17,930                     | -14,528   | -3,176  | 226                | 8,973                     | 9,199                     |
| 17 | 2029.30 | 98,133                    | 1,361           | 99,495       | -21,134                           | -996         | -17,997 | -40,127                             | -11,749          | -216        | 275                  | -27,734          | 19,944                     | -16,453   | -3,260  | 231                | 9,199                     | 9,430                     |
| 18 | 2030.31 | 100,829                   | 1,396           | 102,224      | -21,663                           | -1,024       | -18,447 | -41,133                             | -10,700          | -202        | 282                  | -28,360          | 22,112                     | -18,528   | -3,347  | 237                | 9,430                     | 9,667                     |
| 19 | 2031.32 | 105,590                   | 1,430           | 107,020      | -22,204                           | -1,072       | -18,908 | -42,184                             | -9,641           | -189        | 289                  | -29,000          | 26,295                     | -16,749   | -9,306  | 240                | 9,667                     | 9,907                     |
| 20 | 2032.33 | 106,441                   | 1,466           | 107,907      | -22,759                           | -1,081       | -19,381 | -43,220                             | -8,741           | -177        | 296                  | -29,655          | 26,410                     | -13,251   | -12,915 | 244                | 9,907                     | 10,151                    |
| 21 | 2033.34 | 109,363                   | 1,503           | 110,865      | -23,328                           | -1,110       | -19,865 | -44,304                             | -7,894           | -171        | 304                  | -30,324          | 28,477                     | -15,003   | -13,220 | 255                | 10,151                    | 10,406                    |
| 22 | 2034.35 | 112,364                   | 1,540           | 113,904      | -23,911                           | -1,141       | -20,362 | -45,414                             | -6,937           | -165        | 311                  | -31,008          | 30,692                     | -16,900   | -13,531 | 261                | 10,406                    | 10,667                    |
| 23 | 2035.36 | 115,446                   | 1,579           | 117,025      | -24,509                           | -1,172       | -20,871 | -46,552                             | -5,861           | -159        | 319                  | -31,708          | 33,064                     | -18,947   | -13,849 | 268                | 10,667                    | 10,935                    |
| 24 | 2036.37 | 118,612                   | 1,618           | 120,231      | -25,122                           | -1,204       | -21,393 | -47,719                             | -4,582           | -153        | 327                  | -32,423          | 35,682                     | -23,705   | -11,700 | 277                | 10,935                    | 11,212                    |
| 25 | 2037.38 | 124,208                   | 1,659           | 125,867      | -25,750                           | -1,261       | -21,927 | -48,938                             | -3,059           | -148        | 336                  | -33,154          | 40,903                     | -27,044   | -13,577 | 283                | 11,212                    | 11,495                    |
| 26 | 2038.39 | 125,206                   | 1,700           | 126,906      | -26,394                           | -1,271       | -22,476 | -50,140                             | -1,423           | -115        | 344                  | -33,901          | 41,670                     | -27,482   | -13,902 | 287                | 11,495                    | 11,782                    |
| 27 | 2039.40 | 128,637                   | 1,743           | 130,380      | -27,054                           | -1,306       | -23,037 | -51,397                             | -300             | -89         | 649                  | -34,665          | 44,579                     | -9,984    | -14,234 | 20,361             | 11,782                    | 32,143                    |
| 28 | 2040.41 | 132,162                   | 1,786           | 133,948      | -27,730                           | -1,342       | -23,613 | -52,685                             | 0                | -69         | 1,432                | -35,446          | 47,180                     | -         | -14,574 | 32,607             | 32,143                    | 64,750                    |
| 29 | 2041.42 | 135,782                   | 1,831           | 137,613      | -28,423                           | -1,379       | -24,204 | -54,006                             | 0                | -53         | 2,428                | -36,244          | 49,738                     | -         | -14,922 | 34,816             | 64,750                    | 99,566                    |
| 30 | 2042.43 | 139,501                   | 1,877           | 141,378      | -29,134                           | -1,416       | -24,809 | -55,359                             | 0                | -41         | 3,492                | -37,060          | 52,410                     | -         | -15,278 | 37,132             | 99,566                    | 136,698                   |

#### Appendix 4: Four Year HRA Medium Term Financial Plan

| 2012.13<br>Memo<br>Budget<br>Information | Year<br>£'000                    | 2013.14<br>Year 1 | 2014.15<br>Year 2 | 2015.16<br>Year 3 | 2016.17<br>Year 4 | Total<br>4 years |
|--|----------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|
|  | <b>INCOME:</b>                   |                   |                   |                   |                   |                  |
| 61,031                                   | Rental Income                    | 64,602            | 65,720            | 68,133            | 70,010            | 268,465          |
| -915                                     | Void Losses                      | -969              | -986              | -1,022            | -1,050            | -4,027           |
| 995                                      | Non-Dwelling Income              | 1,075             | 1,064             | 1,051             | 1,032             | 4,222            |
| <b>61,111</b>                            | <b>Total Income</b>              | <b>64,708</b>     | <b>65,798</b>     | <b>68,162</b>     | <b>69,992</b>     | <b>268,660</b>   |
|  | <b>EXPENDITURE:</b>              |                   |                   |                   |                   |                  |
| -13,777                                  | General Management               | -12,718           | -12,729           | -12,547           | -12,860           | -50,854          |
| -555                                     | Special Management               | -497              | -510              | -522              | -536              | -2,065           |
| -1,587                                   | Other Management                 | -1,797            | -1,842            | -1,888            | -1,935            | -7,462           |
| -915                                     | Bad Debt Provision               | -969              | -986              | -1,022            | -700              | -3,677           |
| -11,869                                  | Responsive & Cyclical Repairs    | -12,123           | -12,426           | -12,737           | -13,055           | -50,341          |
| <b>-28,703</b>                           | <b>Total Revenue Expenditure</b> | <b>-28,104</b>    | <b>-28,493</b>    | <b>-28,716</b>    | <b>-29,086</b>    | <b>-114,399</b>  |
| -12,234                                  | Interest Paid                    | -12,447           | -12,731           | -12,892           | -12,902           | -50,972          |
| -186                                     | Debt Management                  | -194              | -161              | -165              | -180              | -700             |
| 115                                      | Interest Received                | 104               | 139               | 173               | 207               | 623              |
| -17,158                                  | Depreciation                     | -16,306           | -16,676           | -17,054           | -17,441           | -67,477          |
| <b>2,945</b>                             | <b>Net Operating Income</b>      | <b>7,761</b>      | <b>7,876</b>      | <b>9,508</b>      | <b>10,590</b>     | <b>35,735</b>    |
|  | <b>APPROPRIATIONS:</b>           |                   |                   |                   |                   |                  |
| 0  | Borrowing Repayment              | 0                 | 0                 | 0                 | 0                 | 0                |
| -2,922                                   | Revenue Contribution to Capital  | -7,761            | -7,876            | -9,508            | -10,590           | -35,735          |
| <b>-2,922</b>                            | <b>Total Appropriations</b>      | <b>-7,761</b>     | <b>7,876</b>      | <b>-9,508</b>     | <b>-10,590</b>    | <b>-35,735</b>   |
| <b>23</b>                                | <b>ANNUAL CASHFLOW</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>         |
| 7,688                                    | Opening Balance                  | 7,000             | 7,000             | 7,000             | 7,000             | n/a              |
| <b>7,711</b>                             | <b>Closing Balance</b>           | <b>7,000</b>      | <b>7,000</b>      | <b>7,000</b>      | <b>7,000</b>      | <b>n/a</b>       |

## Appendix 5: HRA 2013/14 – Analysis of Budget by Area

|   | <i>2013/14<br/>Easington</i> | <i>2013/14<br/>Wear<br/>Valley</i> | <i>2013/14<br/>Durham<br/>City</i> | <i>2013/14<br/>General</i> | <i>2013/14<br/>Total</i> |
|---|------------------------------|------------------------------------|------------------------------------|----------------------------|--------------------------|
|   | <i>£000</i>                  | <i>£000</i>                        | <i>£000</i>                        | <i>£000</i>                | <i>£000</i>              |
| <b>Income</b>                                       |                              |                                    |                                    |                            |                          |
| Dwelling Rents: – Rents                             | (28,037)                     | (15,013)                           | (21,552)                           | -                          | (64,602)                 |
| – Voids   | 421                          | 225                                | 323                                | -                          | 969                      |
|   | <b>(27,616)</b>              | <b>(14,788)</b>                    | <b>(21,229)</b>                    | <b>-</b>                   | <b>(63,633)</b>          |
| Non Dwelling Rents: – Garages                       | (534)                        | (151)                              | (269)                              | -                          | (954)                    |
| – Shops/Other                                       | (92)                         | (11)                               | (18)                               | -                          | (121)                    |
| Charges for Services and Facilities – General       | -                            | -                                  | (354)                              | -                          | (354)                    |
| Charges for Services and Facilities – Special       |                              |                                    | (20)                               |                            | (20)                     |
| <b>Total Income</b>                                 | <b>(28,242)</b>              | <b>(14,950)</b>                    | <b>(21,890)</b>                    | <b>-</b>                   | <b>(65,082)</b>          |
| <b>Expenditure</b>                                  |                              |                                    |                                    |                            |                          |
| ALMO Management Fee (1)                             | 11,063                       | 5,406                              | -                                  | -                          | 16,469                   |
| Repairs and Maintenance                             | 15                           | -                                  | 4,338                              | -                          | 4,353                    |
| Supervision and Management - General                | -                            | -                                  | 2,776                              | 1,624                      | 4,400                    |
| Supervision and Management - Special                | 65                           | 33                                 | 393                                | -                          | 491                      |
| Rent, Rates, Taxes and Other Charges                | -                            | -                                  | -                                  | 310                        | 310                      |
| Depreciation and Impairment of Fixed Assets         | -                            | -                                  | -                                  | 16,306                     | 16,306                   |
| Bad Debt Provision and Debts Written Off            | 420                          | 225                                | 323                                | -                          | 968                      |
| Debt Management Costs                               | -                            | -                                  | -                                  | 194                        | 194                      |
| <b>Total Expenditure</b>                            | <b>11,563</b>                | <b>5,664</b>                       | <b>7,830</b>                       | <b>18,434</b>              | <b>43,491</b>            |
| <b>Net Cost of HRA Services per I&amp;E Account</b> | <b>(16,679)</b>              | <b>(9,286)</b>                     | <b>(14,060)</b>                    | <b>18,434</b>              | <b>(21,591)</b>          |
| Share of Corporate and Democratic Core              | -                            | -                                  | -                                  | 1,085                      | 1,085                    |
| Share of Other Costs Not Allocated to Services      | 239                          | 52                                 | 111                                | -                          | 402                      |
| <b>Net Cost of HRA Services</b>                     | <b>(16,440)</b>              | <b>(9,234)</b>                     | <b>(13,949)</b>                    | <b>19,519</b>              | <b>(20,104)</b>          |
| Interest Payable and Similar Charges                | -                            | -                                  | -                                  | 12,447                     | 12,447                   |
| Direct Revenue Financing                            | -                            | -                                  | -                                  | 7,761                      | 7,761                    |
| Interest and Investment Income                      | -                            | -                                  | -                                  | (104)                      | (104)                    |
| <b>(Surplus)/Deficit for Year</b>                   | <b>(16,440)</b>              | <b>(9,234)</b>                     | <b>(13,949)</b>                    | <b>39,623</b>              | <b>0</b>                 |
|   | <i>£000</i>                  | <i>£000</i>                        | <i>£000</i>                        | <i>£000</i>                | <i>£000</i>              |
| HRA Reserves  | -                            | -                                  | -                                  | 7,000                      | 7,000                    |

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

This page is intentionally left blank



## County Council

20 February 2013

### Council Plan and Service Plans 2013 - 2017




---

**Lorraine O'Donnell, Assistant Chief Executive**

**Simon Henig, Leader of the Council**

---

#### Purpose of the Report

- 1 To seek approval Council of the Council Plan 2013-17 (attached as Appendix 2).

#### Background

- 2 The Council Plan is the overarching high level plan for the County Council. It covers 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 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, resources required and reference to relevant risk assessments.

#### Council Plan 2013 – 2017

- 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 Whilst there remains a continuity of focus on our core vision there has been a great deal of work undertaken to adapt our plans to take into account the significant level of change the council is facing. Our plans have undergone rigorous challenge involving members and officers to ensure that major issues such as welfare reform and ongoing reductions in resources are reflected in our ambitions and targets.
  - 9 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.
  - 10 The Council Plan details the objectives and outcomes that we aspire to achieve. These priorities have been developed following an analysis of national policy imperatives, local needs, current performance and all available consultation data. The priorities that we have identified represent the needs and aspirations of our residents and customers taking into account the financial constraints that we face. Reports on the Medium Term Financial Plan presented to Cabinet on 10<sup>th</sup> October, 19<sup>th</sup> December and 16 January 2013 set out how revenue and capital resources have been aligned to the priority themes within the Council Plan and how consultation data have been used to shape these priorities and resourcing decisions.
  - 11 The Council Plan 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

- 12 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

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

| Priority Theme                                  | Objective  | Changes  |
|---|--|--|
| Altogether Wealthier                            | Thriving Durham City   | A new outcome 'Improved housing choice to support sustainable growth' has been added under the Altogether Wealthier theme to promote improved housing choice within Durham City as set out in our aspirations in the County Durham Plan. |
|   | A top location for business'   | A new outcome 'Durham is recognised as a world class place to invest in' has been added under the Altogether Wealthier theme to capture a range of actions designed to market Durham as a place to invest in.                            |
| Altogether Better for Children and Young People | The objectives and outcomes framework for this priority theme was reviewed in 2011 to ensure that a new approach based on the emerging new Children, Young People and Families Plan was reflected in the Council and Service Plans. The new framework continues to focus our planning around those factors which cause impact on the lives of all children, young people and families in County Durham and in 2012 includes the following changes: |  |
|   | Children and young people make healthy choices and have the best start in life   | New outcome 'A range of activities are available for children and young people'  |
|   | Children, young people and family's needs are met  | New outcome: 'The most vulnerable families are diverted from care.'  |
| Altogether Healthier                            | New Objective – Reduce health inequalities and early deaths  | The objectives and outcomes framework for this priority theme have been reviewed to reflect the Joint Health and Wellbeing Strategy to ensure alignment to the Council Plan.   |

| Priority Theme            | Objective   | Changes   |
|---------------------------|---|---|
|                           | New Objective –<br>Improve the quality of life, independence and care and support for people with long term conditions  |   |
| Altogether Safer          | Casualty reduction  | Amended outcome: 'Improved safety of roads and pavements' has been amended to now include pavements.  |
|                           | Counter terrorism and prevention of violent extremism   | Amended outcome S9 Implementation of CONTEST (national strategy)<br>Amended outcome S10 Extremism and intolerance is challenged   |
|                           | New objective - Embed the Think Family approach   | New outcome: The most vulnerable families are diverted from offending and anti-social behaviour   |
| Altogether Greener        | Reduce waste  | Amended outcome: 'Increase re-use, recycling, composting and recovery of energy from waste' has been amended to include recovery of energy from waste.  |
|                           | Enhance, conserve and promote Durham's built environment  | The outcome G6 'Reduce the number of vacant and derelict buildings' has been deleted. The actions to tackle empty residential properties across the County are now described under the ambitions in Altogether Wealthier theme. |
| Altogether Better Council | <p>The objectives and outcomes framework for the altogether better council priority theme have been reviewed as it was considered that there were too many objectives and outcomes in this priority theme which often made it unmanageable as a number overlapped with each other. In response the ABC objectives have been streamlined into 4 high level key areas as follows:</p> <p><b>Customers</b> – to reflect how we can better understand our customers, effectively engage with them and improve service delivery in a fair and equitable way.</p> <p><b>Communities</b> – to reflect how communities and stakeholders are engaged and communicated with and to highlight how partnership working supports coherent management of change</p> |   |

| Priority Theme | Objective   | Changes |
|----------------|---|---------|
|                | <p><b>Resources</b> – to demonstrate how we use and manage the council resources including assets, finance and information. It is also proposed that ‘building a streamlined corporate infrastructure’ and ‘Improving efficiency’ and ‘value for money’ objectives should be included under the Resources objective.</p> <p><b>People</b> – to reflect the leadership of the workforce and highlight how we manage organisational development for both staff and members throughout the authority, how we will treat the workforce fairly and equitably and how we ensure the health and wellbeing of the workforce.</p> <p>This new approach enables all service groupings to align their actions to the 4 key corporate areas. All proposed actions will then underpin and contribute to a set of People, Resources, Customer and Community action plans.</p> |         |

### Further Work

- 14 Work is underway to review the corporate basket of indicators used to monitor council performance. New targets are also being developed for the forthcoming years which we use to measure our success in achieving the priorities set out in the Council Plan. This work will be examined at a Special Meeting of Overview and Scrutiny Management Board with an invitation to all members on 14<sup>th</sup> March. The corporate basket of performance indicators and targets will be finalised by the end of the financial year. Of particular importance this year and over the medium-term is the need for our key performance indicators to be able to measure workloads both to allow us to quantify any increase due to government reforms and also determine productivity by examining workload relative to resources.

### Risk Management

- 15 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 monitored through the Council's risk management processes and are reported to the Council's Audit Committee and to Cabinet via performance management reports.

### Conclusions

- 16 Whilst the council is maintaining focus on its core vision of an Altogether Better Durham, much work has been done to take account of the significant level of change we are facing. Ambitions and targets have and will continue to be adjusted to ensure that our plans remain adequately resourced within our reducing financial envelope. The Council Plan and service plans reflect our

understanding of national policy. Work is ongoing to ensure that our performance management framework can quantify workload and measure productivity improvement through being able to deliver the same or more with less resource available.

### **Recommendations**

- 17 The County Council is recommended to approve the Council Plan 2013\_17 as the key strategic document, which sets out our vision and priorities for improvement, subject to any final minor amendments by the Assistant Chief Executive in consultation with the relevant portfolio holder (s).

---

**Contact: Tom Gorman**

**Tel: 03000 268027**

---

### **Background Papers**

Council Plan 2013 -17 (attached)

Service Plans are available in the Members Library and via this [hyperlink](http://intranet/Pages/CouncilServicePlan.aspx)  
(<http://intranet/Pages/CouncilServicePlan.aspx>)

---

## **Appendix 1: Implications**

---

### **Finance**

The Council Plan sets out the corporate priorities of the Council for the next 4 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/Public Sector Equality Duty**

Individual equality impact assessments have been prepared for each savings proposal within the Council 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 previously been undertaken for the 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 Issues**

None

### **Legal Implications**

None

## Appendix 2

### KEY

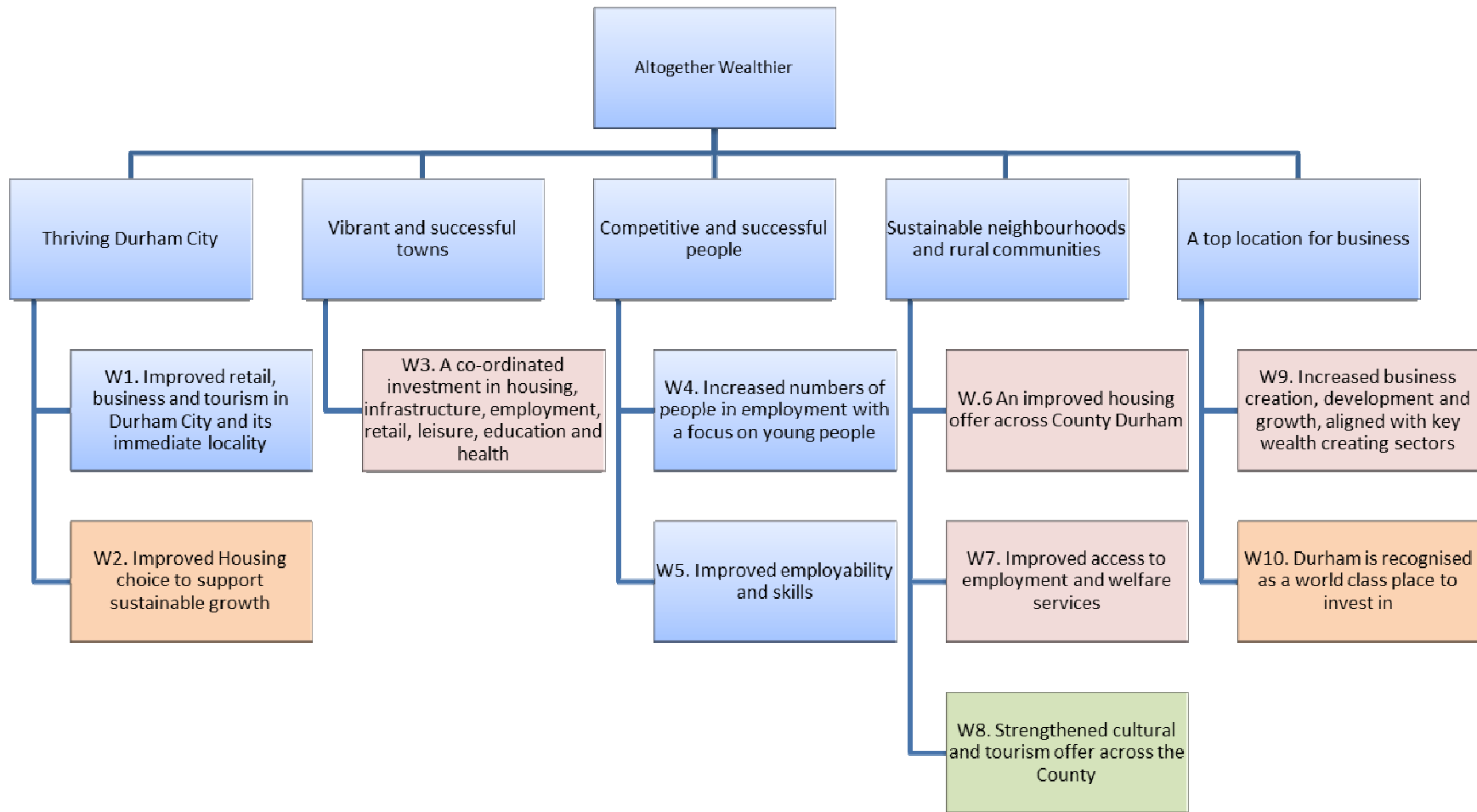
Unchanged

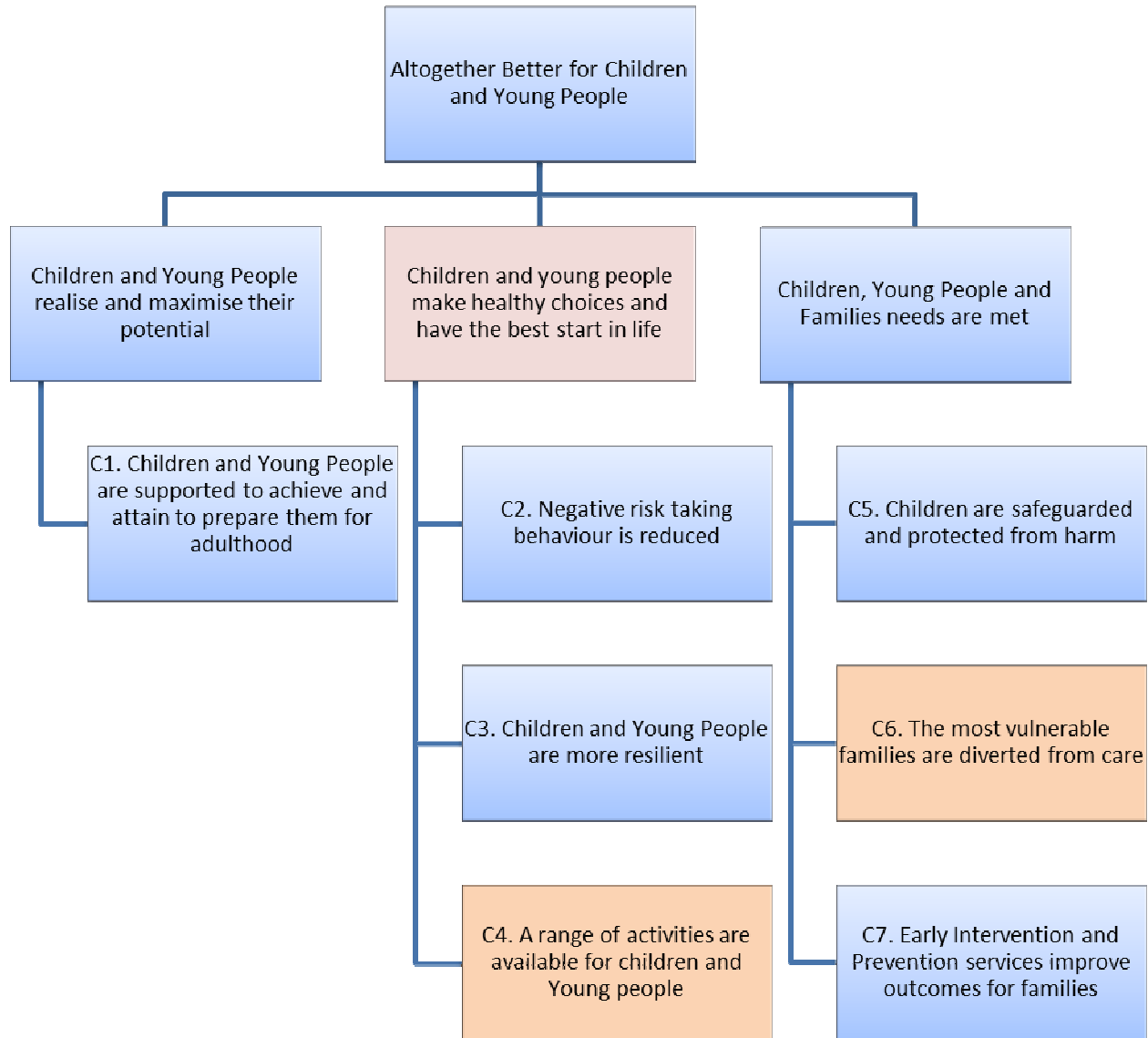
Amended

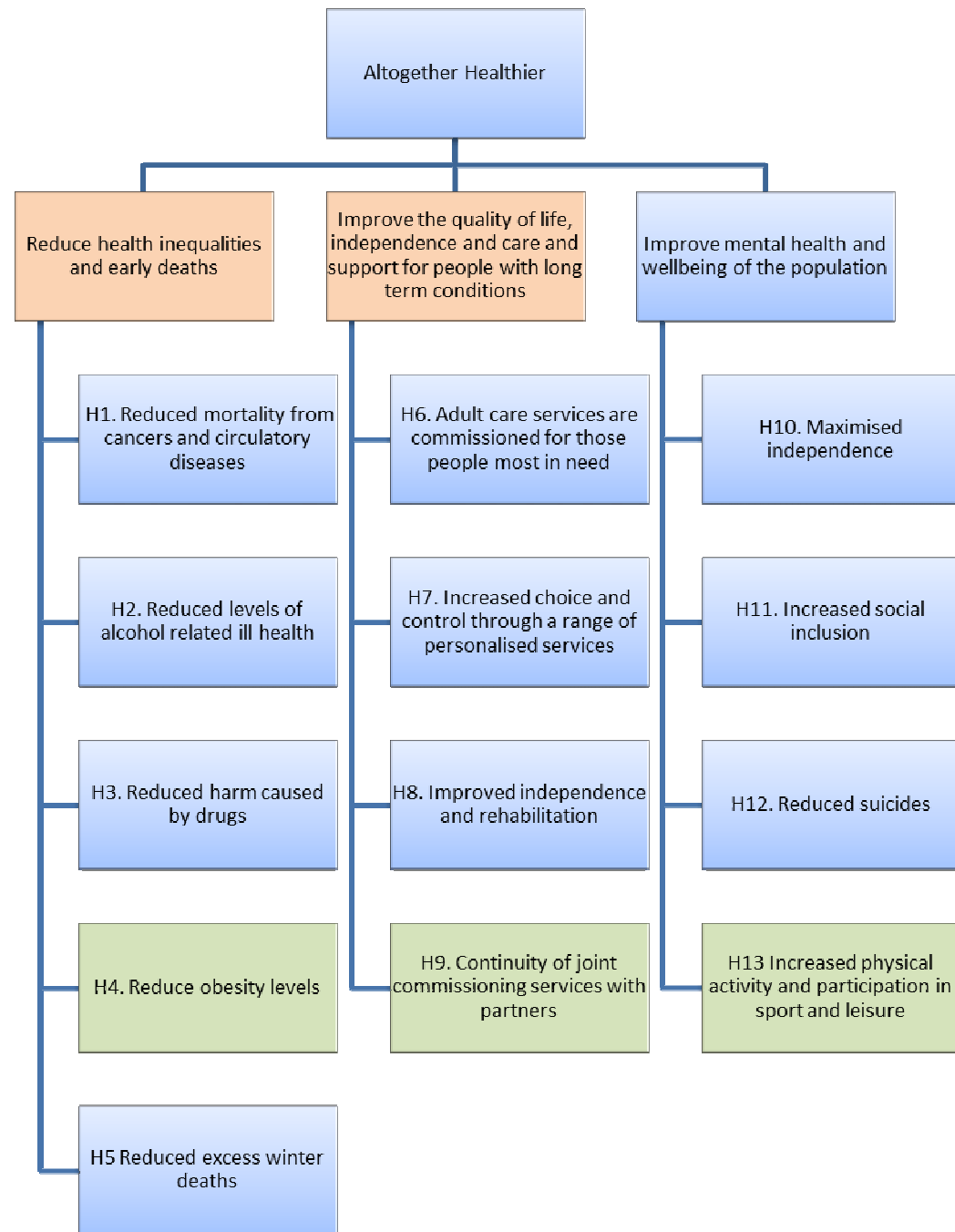
New

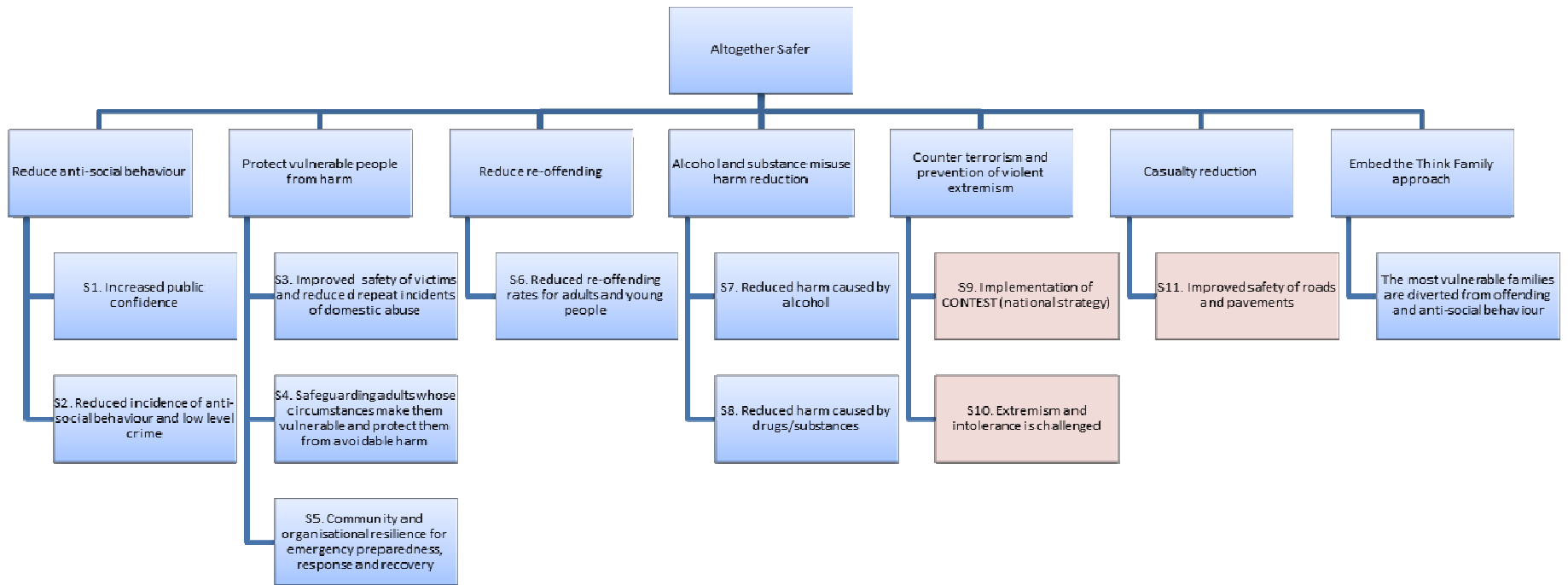
Moved

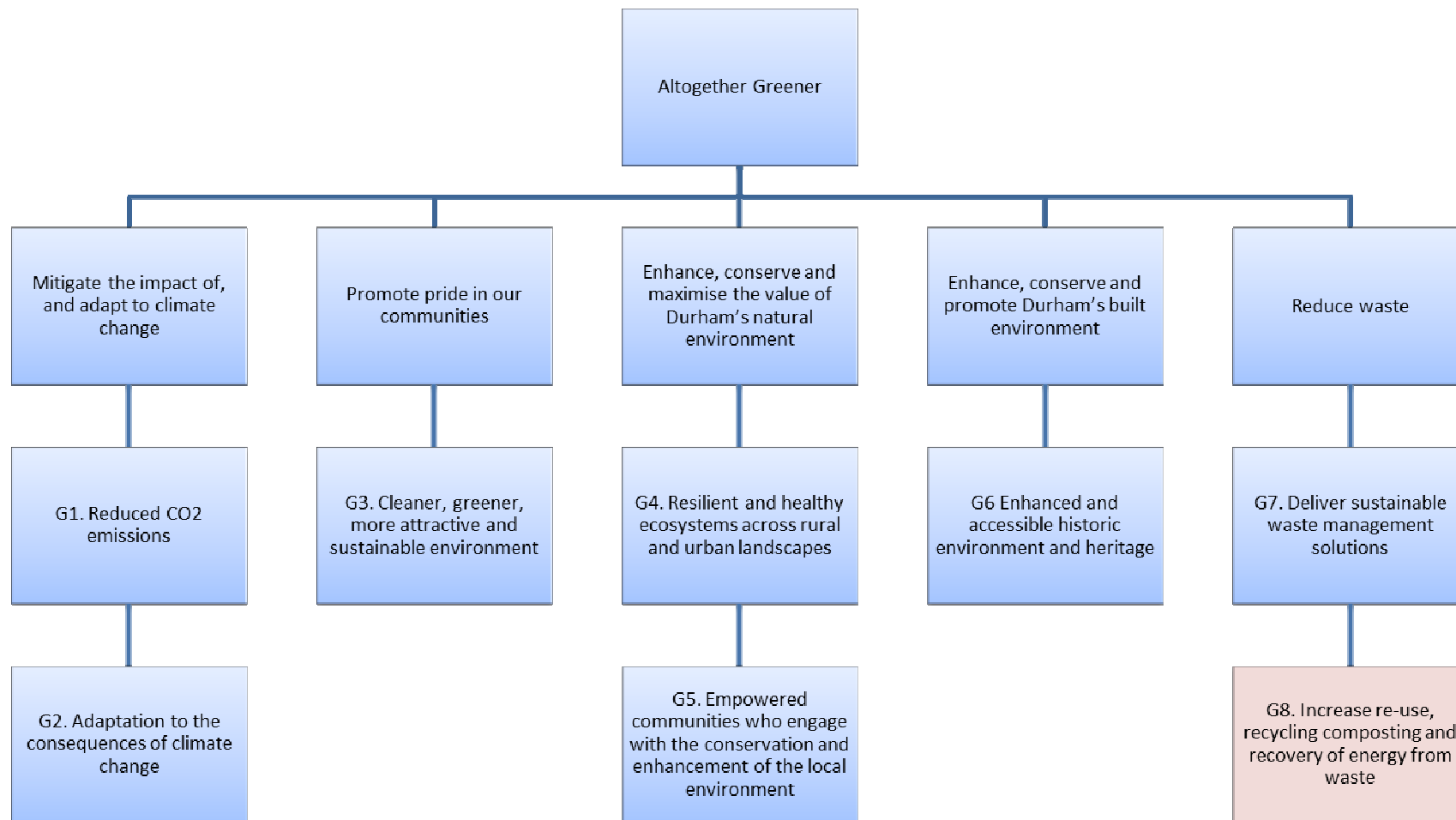


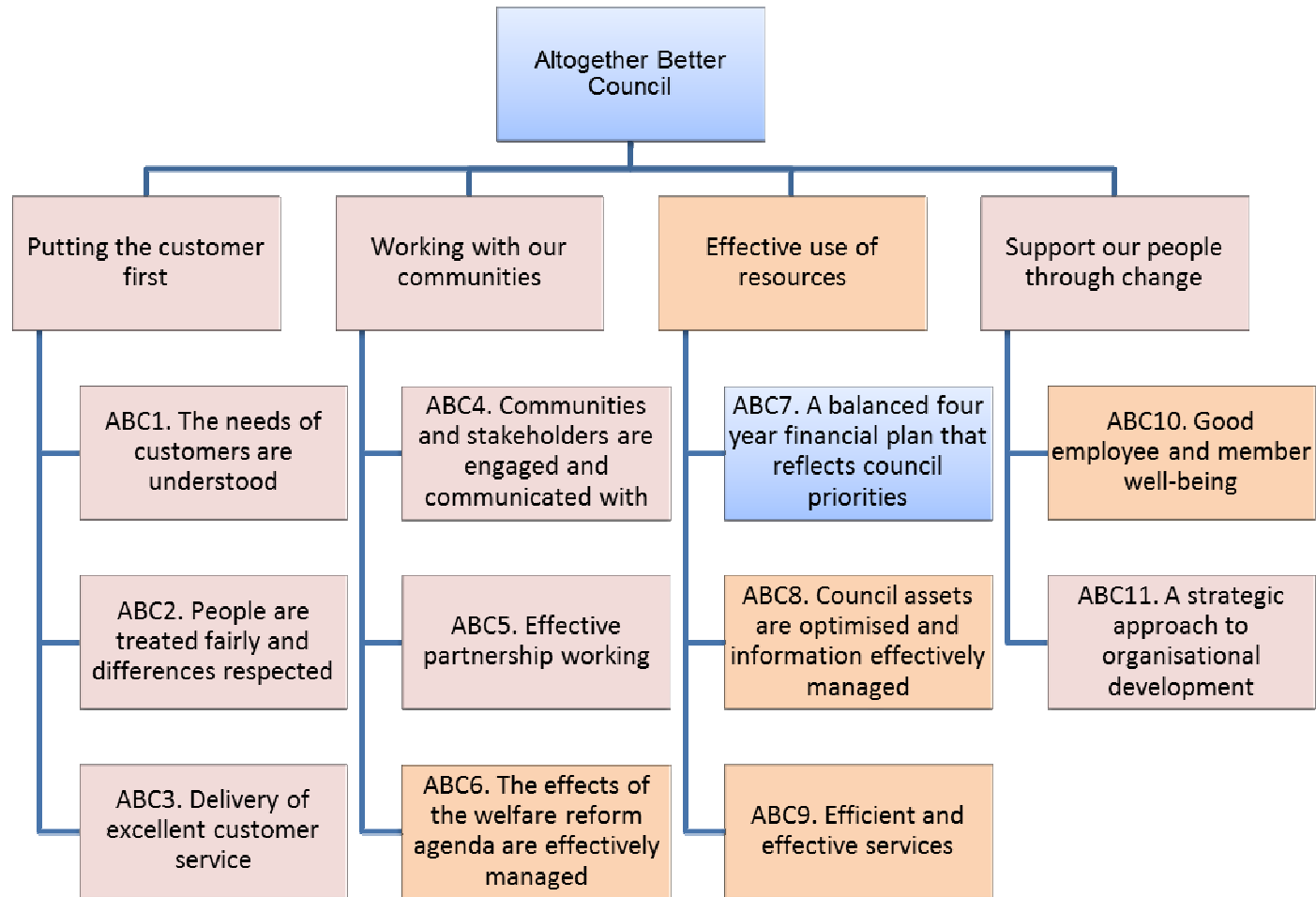












# Durham County Council

## Council Plan 2013-17

---

### 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 challenging economic climate continues to dominate our planning in the short to medium term. Cuts to public sector spending have meant that grant funding to local authorities has and will continue to reduce for the foreseeable future. The council plans to make savings of £190.9m over the six years from 2011/12 to 2016/17. This equates to a 44% net revenue budget reduction over this period.

Our aim is to make sure that these savings are well managed and that the impact on our residents and service users is minimised. We will continue to consult widely on any savings plans and changes to services. We have worked with local communities to develop new ways of working in order to protect services and maintain a countywide presence and wide spread of local facilities insofar as possible and have only considered withdrawal of a service as a last resort. It is reassuring to note that results from a recent consultation involving over 1500 respondents showed that there was a high level of appreciation of our approach to consultation and involvement of local people in shaping spending decisions. People were also supportive of the council's approach to managing its budget reductions.

Our agenda over the lifetime of this plan is to ensure that local services are effectively managed over a period of significant change. Government reforms to the National Health Service and the welfare state fundamentally impact on the council and the people of County Durham. Increasingly the council is working together with other agencies to meet community aspirations and needs. The forthcoming year will see a number of changes to the partnership landscape. The abolition of Primary Care Trusts and the introduction of clinical commissioning groups, the Health and Wellbeing Board and a Police and Crime Commissioner will see the council establishing new relationships and agreeing shared objectives.

A peer challenge of the council was carried out in July last year where an external team of councillors and officers from other local authorities scrutinised the council's leadership and organisational capacity. The team reported that the council has a "can do" culture and a history of managing change effectively. They also found that we have a sound financial position underpinned by clear plans and that we are well regarded by our partners. I am therefore confident that despite the significant challenges and level of change facing the council, we have the people and processes in place to manage these changes effectively and are on the right track to deliver our vision for County Durham.

*Simon Henig, Leader of the Council*

## CONTENTS

| Section   | Page No. |
|---|----------|
| 1. Foreword by Leader of the Council                    | 1        |
| 2. The Council and the Community                        | 3        |
| 3. The Council's Vision                                 | 6        |
| 4. The Council's Values                                 | 6        |
| 5. Planning environment                                 | 7        |
| • Council resources                                     | 7        |
| • Welfare reform  | 8        |
| • Census 2011   | 9        |
| • Reform of the National Health Service                 | 9        |
| • Support to Schools                                    | 10       |
| • Risks & Opportunities                                 | 10       |
| • Consultation  | 13       |
| • Performance & Efficiency                              | 14       |
| • Equality and Diversity                                | 15       |
| • Conclusions   | 16       |
| 6. Altogether Wealthier                                 | 17       |
| 7. Altogether Better for Children and Young People      | 30       |
| 8. Altogether Healthier                                 | 38       |
| 9. Altogether Safer                                     | 47       |
| 10. Altogether Greener                                  | 62       |
| 11. Altogether Better Council                           | 69       |
| 12. Appendix 1 Key measures for council plan objectives | 77       |
| 13. Appendix 2 MTFP Budget Savings 2013/17 to 16/17     | 78       |
| 14. Glossary  | 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, Anglos, Saxons and Normans. Durham City developed as a centre of Christian worship in the 11<sup>th</sup> 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 223,800 households and 12 major centres of population.

Following local government reorganisation in 2009, Durham County Council, with 513,200 residents<sup>1</sup>, is the largest council in the North East region 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 25.1% by 2021. Even greater increases are expected in the population of people aged 85 and over which is predicted to rise by 41.9% (nearly 4,600 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% of the population<sup>2</sup>.

Black and minority ethnic communities make up 3.4% of the population<sup>1</sup>. 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<sup>3</sup>. 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.

In November 2012, 16,168 people were claiming Job Seekers Allowance, which equates to 4.9% of the working age population. This is lower than the regional

---

<sup>1</sup> 2011 Census, Office for National Statistics

<sup>2</sup> County Durham Joint Strategic Needs Assessment 2012, Durham County Council and County Durham and Darlington NHS

<sup>3</sup> English Indices of Deprivation 2010, Department of Communities and Local Government

average of 5.5% but higher than the Great Britain average of 3.8%. In February 2012, 30,260 people were claiming Employment and Support Allowance or Incapacity Benefits/Severe Disablement Allowance, which equates to 9.1% of the working age population. This is higher than both the regional average of 8.2% and also the Great Britain average of 6.5%.<sup>4</sup>

### 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           | 67 Councillors |
| Independent      | 27 Councillors |
| Liberal Democrat | 21 Councillors |
| Conservative     | 10 Councillors |
| Vacancy          | 1 Councillor   |

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 Hovvells   | 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 ten other representatives.

Our council is broadly comparable with a major company in size. We provide a large 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, Durham County Council can

<sup>4</sup> NOMIS Official Labour Market Statistics, Office for National Statistics

probably have a hand in it somewhere. We have a budget of £1.4 billion<sup>5</sup>, we employ 18,159 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 four Directors who make up the Corporate Management Team of the council. Each of the four 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, County Record Office.  |
| Corporate Director, Resources                             | Don McLure         | Finance, procurement, legal and democratic services, human resources and organisational development, information and communications technology, internal audit and risk, revenues and benefits.   |
| Corporate Director, Children and Adult Services           | Rachael Shimmin    | Adult social care, welfare rights, adult learning, community safety, gypsies and travellers, 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, public health.   |
| Corporate Director, Neighbourhood Services                | Terry Collins      | Waste management, parks, grounds maintenance, street cleaning, civic pride and enforcement, neighbourhood wardens, bereavement services, facilities management, housing maintenance, fleet, environmental health, trading standards, licensing, markets, sport and leisure, countryside management, museums and galleries, cinema and theatres, libraries, street lighting, coastal protection, road safety, highways, winter maintenance, building design. |
| 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.   |

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

## 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 focused around an altogether better Durham and comprises two components; 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 four to nine of this Council Plan.

## The Council's Values

The council has five 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 effective 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 environment

The council has had to develop its corporate, service and financial plans in a very challenging economic climate and a time of significant change for local authorities. Unprecedented reductions in grant funding to local government have resulted in Durham's budget being cut by almost 40%. Reforms to the welfare system and the National Health Service impact both on the council and our communities. All of these changes are challenging. It is through effective planning that we manage these changes and strive to minimise the impact of austerity measures on our residents and service users.

### Council resources

The Government's main policy response to the recession has been to embark on a deficit reduction programme to be achieved mainly through cuts to public sector spending. Councils in the North East collectively have the largest percentage reduction in spending.<sup>6</sup> The Chancellor of the Exchequer's Autumn Statement included an additional 2% reduction in funding for local authorities in 2014/15 with a commitment to further funding reductions continuing until at least 2017/18. With this in mind, the Council is planning to deliver savings of £139m over the six-year period of 2011/12 to 2016/17. This equates to a 36% net revenue budget reduction over this period. Further savings will be required in addition to this for the 2017/18 financial year.

To achieve the savings required to balance our budget the council has adopted an approach that seeks to minimise the effects on frontline services. More than half the required savings are achieved through reductions to management costs, support services, realising service efficiencies and increases to fees and charges. At the same time we need to absorb increasing service demand and budget for increased risks associated with the localisation of council tax support and business rate retention. These savings requirements are obliging 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.

### Welfare reform

The Welfare Reform Act 2012 heralds the biggest change to the welfare state since its creation in the 1940s. The aim of the legislation is to simplify the benefits system, make it fairer and encourage people into work. The act introduces a number of changes to the way in which benefits are administered and which are also designed

---

<sup>6</sup> *Local government spending: where is the axe falling?* Institute for Fiscal Studies, 2012.

to deliver large reductions to the Government's welfare budget. The scale of the reforms is significant and involves over 40 changes to the current system. Many of these changes have a larger impact on County Durham because of a number of demographical features.

The main changes to welfare as a result of the act include:

- The phased introduction of Universal Credit (UC) commencing in 2013 as a single benefit to replace Income Support, Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit;
- The abolition of both Housing Benefit (HB) and Council Tax Benefit (CTB), with CTB replaced by a localised support system determined by individual local authorities;
- The abolition of the Social Fund administered by the Department for Work and Pensions (DWP) from April 2013 which comprises 'last resort' benefits such as Community Care Grants and Crisis Loans, replaced by a non-ring fenced grant paid to local authorities;
- The Disability Living Allowance will be replaced for all working age claimants by a Personal Independence Payment;
- The introduction of a cap on the total benefits which an individual or a couple is entitled to;
- The introduction of a size criterion for payment of housing benefit in the social sector which means that tenants occupying a home with more bedrooms than they need will have their benefits reduced.

The ultimate effects of welfare reforms will largely depend on the strength of the wider economy and the extent to which effects of benefit reductions can be mitigated by being able to help people find work. This will be a challenge in the current economic climate. The highest rates of unemployment are in the North East (12.0%) with the greatest increase in the unemployment rate during the last year being experienced in the North East (up 2.3 percentage points).<sup>7</sup> The North East and County Durham also have higher than average levels of incapacity benefit claimants with proportionately more claimants living in areas with a history of heavy industry.

| <b>Total number of benefit claimants (February 2012)<sup>8</sup></b> |                                |                          |                       |                          |
|--|--------------------------------|--------------------------|-----------------------|--------------------------|
| <b>Benefit type</b>  | <b>County Durham (numbers)</b> | <b>County Durham (%)</b> | <b>North East (%)</b> | <b>Great Britain (%)</b> |
| Employment Support Allowance and incapacity benefits                 | 30,260                         | 9.1                      | 8.2                   | 6.5                      |

The Institute for Fiscal Studies (IFS) have analysed the welfare reforms proposed for introduction over the next several years. Their findings are that they will be regressive i.e. they will take more proportionately from lower income groups than from higher income groups except for the very richest income group. A significant proportion of the population of County Durham (45.4%) live in the 30% most

<sup>7</sup> House of Commons Research Paper 12/04 Jan 21012

<sup>8</sup> NOMIS Official Labour Market Statistics, Office for National Statistics, February 2012



deprived areas in the country. Durham is also the most deprived county in the region in terms of the scale of income deprivation.<sup>9</sup>

The IFS also estimates that families with children are expected to lose proportionately more of their income across the income distribution compared to pensioner households and households without children. Furthermore, the poorest households with children are estimated to lose the largest proportion of their income as a result of tax and benefit changes. Almost one in four children under the age of 16 live in poverty. For eight communities in County Durham, the figure is over half of children living in poverty. Whilst the figures in County Durham are better than the average for the North East, the proportion is worse than the national average.

| <b>Child poverty<sup>10</sup></b> |                      |                   |                |
|-----------------------------------|----------------------|-------------------|----------------|
| <b>Indicator</b>                  | <b>County Durham</b> | <b>North East</b> | <b>England</b> |
| Proportion of children in poverty | 23.5%                | 25.4%             | 20.06%         |

Analysis of the numbers of claimants of current benefits and tax credits and the proposed changes to the welfare system suggests that over half of households in County Durham (around 119,600 households in total) will be affected by the proposed reforms to the welfare system. Any reductions to benefit payments to recipients within the county not offset by claimants moving into work will result in less income being available to spend in the local economy.

### **Census 2011**

The Census is the largest single statistical exercise undertaken by government and remains the most important source of information on the size and nature of the population. A national census is conducted every ten years and one was conducted in March 2011. The Census is relied upon to underpin national and local decision making and is widely acknowledged as playing a fundamental and unique role in the provision of comprehensive and robust population statistics. The council use census information to form policy, to plan services for specific groups of people and to make effective use of resources through the spatial distribution of resources to where they are needed. The information is the most authoritative, accurate and is comparable for all parts of UK including small area analysis within the county.

Due to the breadth and depth of 2011 Census results, the statistics are being released in stages over 2013 and the council has put in place a programme of work to analyse and use data to drive policy development.

### **Reform of the National Health Service (NHS)**

The Health and Social Care Act 2012 introduces some fundamental reforms to the NHS including:

- Clinically led commissioning which will see an abolition of Primary Care Trusts and the establishment of Clinical Commissioning Groups (including GPs, nurses and other health professionals) which directly commission health services for their populations.

---

<sup>9</sup> Index of Deprivation, Department for Communities and Local Government, 2010

<sup>10</sup> Department for Work and Pensions and HM Revenue and Customs, February 2011

- Giving greater freedoms to NHS foundation trusts that provide acute healthcare services at hospitals and within the community.
- Giving a greater voice to patients through the establishment of new HealthWatch patient organisations.
- Transferring the public health function to local authorities and establishing Public Health England to drive improvements in public health nationally.
- Establishing health and wellbeing boards as a forum where key decision makers from the health and care system work together to improve the health and wellbeing of the local population and reduce health inequalities.

This legislation will significantly impact on the council as a provider and commissioner of social care services and through its health and wellbeing role. The Joint Health and Wellbeing Strategy developed jointly by the council and NHS to address specific local issues identified in the Joint Strategic Needs Assessment. 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.

### **Support to schools**

There are now 21 academies<sup>11</sup> that have been established in County Durham in both the secondary and primary sectors. There is also some interest in establishing free schools in parts of the county. Academies and free schools are publicly funded independent schools. They have greater freedoms around employee pay and conditions, the school curriculum, holidays and the school day. They receive the same level of per-pupil funding as they would if they were a maintained school plus additions to cover the services that are no longer required to be provided 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 council needs to adapt its role in education and in supporting schools and to respond to and develop new approaches following the growth in the number of schools which are independent of local authority control.

### **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

---

<sup>11</sup> Durham County Council (2013) *Academies in County Durham*  
<http://www.durham.gov.uk/Pages/Service.aspx?ServiceId=7016> [Accessed: 15 January 2013]



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 ten risks from the authority's corporate risk register are listed below.

### Corporate Risks – Net Impact and Likelihood

| Impact            |        |          |                          |                   |                          |
|-------------------|--------|----------|--------------------------|-------------------|--------------------------|
| Critical          |        |          | <b>Risks<br/>1, 2, 3</b> |                   |                          |
| Major             |        |          |                          | <b>Risk<br/>6</b> | <b>Risk<br/>4, 5</b>     |
| Moderate          |        |          |                          |                   | <b>Risks<br/>7, 8, 9</b> |
| Minor             |        |          |                          |                   |                          |
| Insignificant     |        |          |                          |                   |                          |
| <b>Likelihood</b> | Remote | Unlikely | Possible                 | Probable          | Highly<br>Probable       |

### Corporate Risk Register - Significant Risks

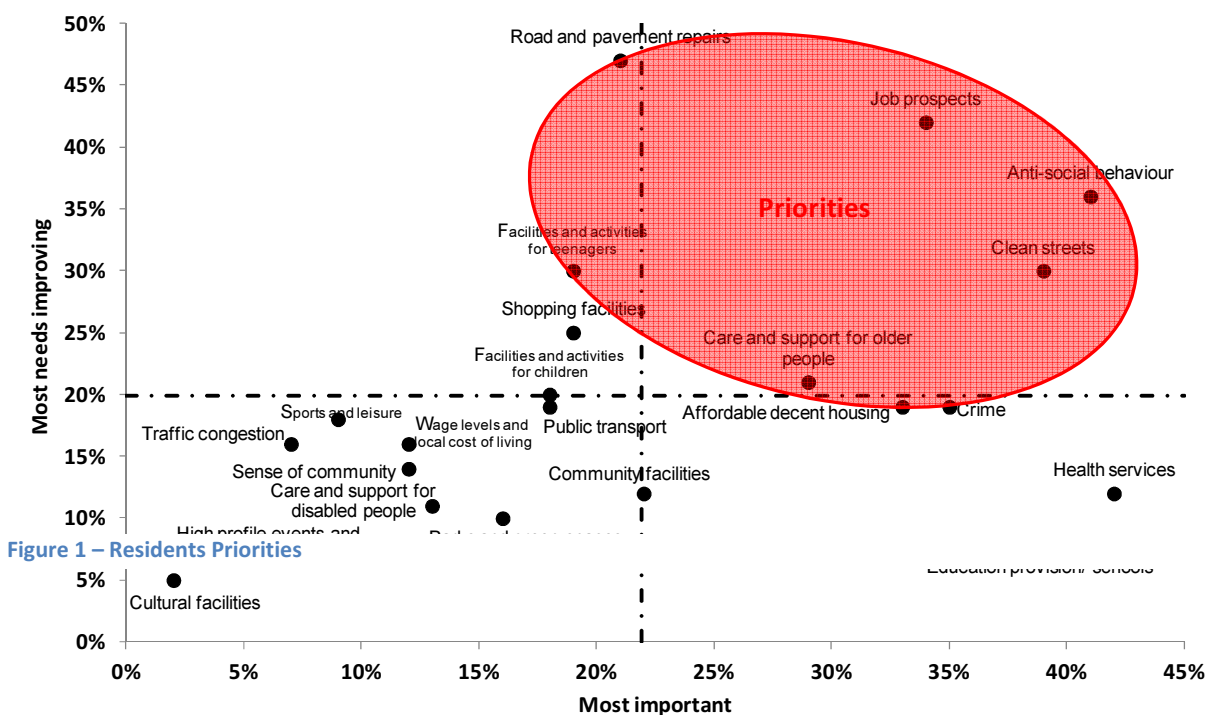
| Ref | Corporate Theme           | Risk  | Direction of Travel | Anticipated date when risk will be at an acceptable level  |
|-----|---------------------------|---|---------------------|--|
| 1   | Altogether Better Council | Slippage in delivery of the MTFP will require further savings, which may result in further service reductions/ job losses |                     | This will be a significant risk for at least the next 4 years. No further mitigation is planned at the current stage.        |
| 2   | Altogether Greener        | Failure to identify and effectively regulate Contaminated Land  |                     | The arrangements will be well established by March 2013, by when we will have reduced the risk to an acceptable level.       |
| 3   | Altogether Wealthier      | Coastal erosion and improved environment may be adversely impacted if a programme of repairs to Seaham                    |                     | To mitigate the risk, funds are being investigated as part of the 2013/14 budget for the design of repairs to the structure. |

| Ref | Corporate Theme                                 | Risk  | Direction of Travel                    | Anticipated date when risk will be at an acceptable level   |
|-----|---|---|--|---|
|     |   | North Pier is not undertaken  |  |   |
| 4   | Altogether Better Council                       | Potential claw-back from MMI (former insurers) under the Scheme of Arrangement (SOA)  | <b>Likelihood increased</b>            | The scheme of arrangement has been invoked. Decision on amount of clawback required due by March 2013.                        |
| 5   | Altogether Safer                                | Damage to Highways assets as a result of a severe weather event.  | <b>Impact and Likelihood increased</b> | Mitigating actions should be in place by April 2013.  |
| 6   | Altogether Better Council                       | Government budget plans to cut Local Government funding further for 2015/ 16 and 2017/ 18 as part of the next Comprehensive Spending Review would have major impact on services including frontline services that customers rely on |  | This is related to key risk 2 above.  |
| 7   | Altogether Better Council                       | Potential restitution of search fees going back to 2005   |  | Dependent upon the outcome of the negotiations/ litigation currently being defended by lawyers instructed in group litigation |
| 8   | Altogether Better for Children and Young People | School funding reforms & LACSEG reductions threaten viability of some centrally managed services for children and young people  | <b>NEW</b>                             | Mitigating actions should be in place by April 2013.  |
| 9   | Altogether Healthier                            | Viability of many accommodation-based services in   | <b>NEW</b>                             | Mitigating actions should be in place by February 2013.   |

| Ref | Corporate Theme | Risk   | Direction of Travel | Anticipated date when risk will be at an acceptable level |
|-----|-----------------|--|---------------------|---|
|     |                 | supported housing sector is threatened by proposed reductions in the Housing Benefit subsidy |                     |   |

## 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. Latest information about resident priorities indicate that residents' top three priorities for improvement are, reducing levels of anti-social behaviour, improving job prospects and cleaner streets.



The latest budget consultation also built on this approach through the council providing a range of opportunities for local people to get involved and have their views heard; including AAP forums, the Citizens' Panel, forums that represent protected characteristics and an online questionnaire available for all residents.

In December 2012, this extensive consultation process led to over 1,500 people giving their views on how the council has managed spending reductions so far, the impact that the reductions have had to date and ideas for making further reductions in the future. The main findings were:

- a high level of satisfaction with how the council has managed a difficult process so far. On a scale of 1 to 10, with 10 being excellent, the mean score from AAP forums was 7, and 6.2 from the citizens' panel. The most common score given by AAPs was 8 and 7 for the citizens' panel.
- a greater awareness amongst the public of central government cuts rather than the council's financial situation and how it is responding locally;
- 40% of respondents felt the move to alternate weekly refuse/recycling collections was positive compared to 12% who felt it had a negative impact;
- The largest response to some of the largest changes that have been implemented to date was 'no impact'. However net negative impact was largest for changes to contracted bus services and home to school transport;
- Suggestions and comments for managing further spending reductions fell into four categories: how we manage the reductions with a strong desire for continued public involvement; improving financial efficiency; council structures and service delivery; and specific service changes and improvements.

| Priority Theme   | Key Consultation Findings  |
|--|--|
| <b>Altogether Wealthier</b>                            | Job prospects identified as a priority issue by residents  |
| <b>Altogether Better for Children and Young People</b> | Facilities and activities for teenagers as a priority issue by residents   |
| <b>Altogether Healthier</b>                            | Care and support for older people as a priority issue by residents   |
| <b>Altogether Safer</b>                                | Levels of anti-social behaviour identified as a priority issue by residents  |
| <b>Altogether Greener</b>                              | Road and pavement repairs and clean streets as a priority issues by residents  |
| <b>Altogether Better Council</b>                       | Improving efficiency and reviewing council structures and service delivery were recognised as key areas to be considered for larger reductions but with a strong desire to maintain public involvement |

## Performance and Efficiency

The council has a framework which details out how the performance of its services is managed. Objectives setting out what the council wants to achieve over the next four years are developed together with key measures so we can determine the extent to which our objective are being met. Plans setting out the actions that we will take to achieve our objectives and maintain performance are also drawn up. Monitoring reports of the progress against these actions and performance against key measures detailed within this plan are considered by senior managers and councillors on a quarterly basis. A range of actions are taken where services are found to be underperforming including taking remedial action such as carrying out further investigations, allocating additional resources or employing new processes or working with other agencies to bring performance within target.

Council performance over the last year was dominated by the UK economy. The country started the year in recession. Since this time the economy has flat lined with no significant growth in Gross Domestic Product. This affects Durham locally through issues such as employment, increases in homelessness and applications for benefits and through indicators of a slow economy such as low numbers of planning applications, house completions and businesses created. Despite the stagnant

economy and the reduction in our resources, the council and its partners are still improving performance in some key areas such as decency levels in council housing, educational attainment of our children and young people, teenage conception rates, levels of crime, anti-social behaviour and domestic violence and benefits processing. Our impact on the environment has also continued to improve. Household recycling is increasing following the introduction of the countywide alternate weekly collection. Carbon emissions from local authority operations like our vehicle fleet, property estate and street lighting has been reduced.

The authority has also had a number of successes including:

- Overall satisfaction of local residents with the council has increased from 41% to 48% since the last residents' survey in 2009 and the proportion of residents agreeing that the council provides value for money (34%) remains consistent with 2009 levels (31%), a significant achievement given the context of the spending reductions the council has implemented since 2009.
- The numbers that feel well informed about it have increased considerably since 2009 (from 44% to 59%). A good example is Durham County News, which three in four residents (72%) say they have read at some point.
- A peer challenge of Durham County Council by a team of councillors and senior officers from other local authorities and managed by the Local Government Association gave the authority a clean bill of health regarding organisational capacity and corporate governance arrangements and commented favourably on the two areas we asked the team to give us independent feedback on which were our community engagement and economic development.
- It is the tenth year in succession that GCSE examination results have shown an improvement. Durham is also higher than the national average.
- 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'.
- Durham County Council was shortlisted for seven prestigious 2012 Local Government Chronicle awards. The council was joint winner of Management Team of the Year and was highly commended in Council of the Year and Low Carbon Council.
- The council was shortlisted in five categories in the 2012 Association of Public Service Excellence Awards and was nominated for Council of the Year.
- The council's approach to leisure centre transfers was shortlisted for Community Investor of the Year in the 2012 MJ Awards.
- Brass: International Festival won the digital media campaign award at the 2012 Chartered Institute of Public Relations PRide Awards
- The development of the new intranet, the Members' update and the Corporate Communications Team have been shortlisted in the 2012 Public Services Communications awards.
- The Prison Library Service was highly commended in this year's North East Prison After Care Society (NEPACS) Awards.
- County Durham Youth Offending Service won the Youth Justice Award 2012 for the Fully Integrated Pre Court system at the national Children and young people Now awards

## Equality and Diversity

Equality is at the heart of our planning processes. The council's Single Equality Scheme brings together our actions to advance equality in respect of age, disability, gender, gender reassignment, race, religion or belief and sexual orientation in line with the Equality Act 2010. This Single Equality Scheme is based on the actions in our Council Plan and Service Plans and is reviewed regularly so we have a consistent approach to planning and performance. Equality actions from our scheme, Council Plan and Service Plans are performance managed and reported on as part of the overall corporate performance management process.

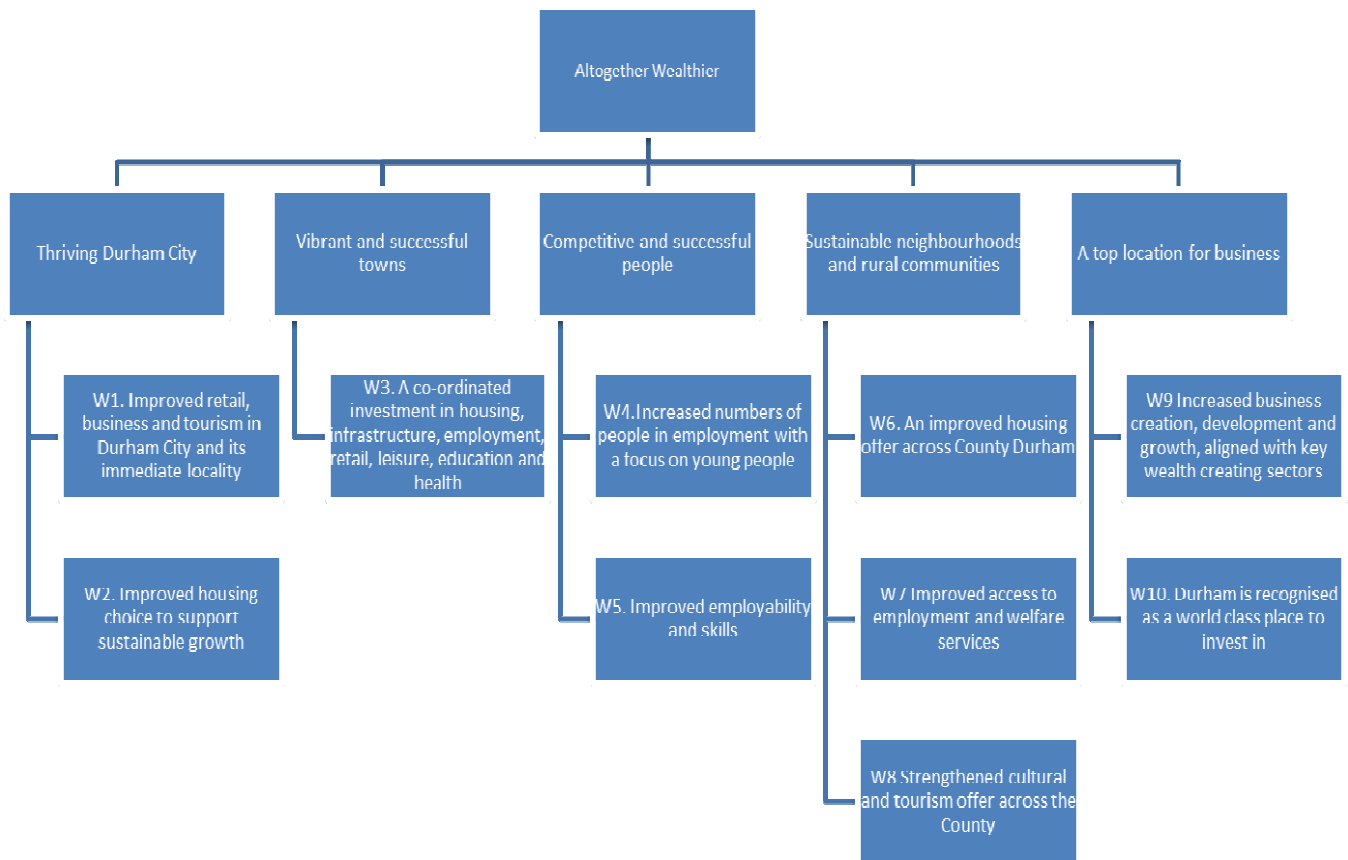
In addition we have an equality impact assessment process to identify actions relating to specific service or policy changes and key decisions including proposals for achieving savings within the MTFP (Medium Term Financial Plan).

## Conclusions

Our analysis of national policy imperatives, local needs, current performance and all available consultation data have helped us to formulate the priorities contained within this plan. There are three significant issues facing the council over the short to medium-term. Firstly, the council's requirement to make substantial savings following government grant reductions to balance our budget. It is important that this is effectively programme managed so that savings are realised in a planned way. Secondly reforms to the welfare system will see some significant challenges to the way in which the council operates, not least through the introduction of a local council tax support scheme to replace council tax benefit and the local welfare assistance scheme to replace the national Social Fund. Demand for many of the council's advice and guidance services may also increase. Our performance management framework is being adjusted to enable us to quantify workload and plan productivity improvements, through for instance, being able to deliver in some cases, greater caseloads with less resource available. Finally, there are a number of fundamental reforms to the way in public services are delivered by our partners. The transfer of public health services from the NHS to the council and the election of a Police and Crime Commissioner for Durham and Darlington will change the way in which the council operates. Individual performance issues highlighted through consultation and regular performance monitoring are picked up throughout the course of this plan.

Our plan is sub-divided into a section on each of our priority themes. Each section details the objectives and outcomes that we have developed following our policy analysis work. It also sets out the narrative of what we are trying to achieve. **Did you know** and **look out for** sections provide further information in relation to each objective for the reader. Through our performance management framework we have been able to measure and highlight some recent successes in the **going well** sections whilst the **cause for concern** sections show the areas under each objective where we would like to perform better. These issues are addressed in the **high level action plans** designed to deliver our ambitions for each objective. Progress against these action plans together with performance against the measures set out in **Appendix 1** are how we intend to monitor and report on this plan throughout the forthcoming year.

# Altogether Wealthier



Our ambition underpinning the vision of an Altogether Wealthier Durham is to shape a county where people want to live, work, invest and visit and enable our residents and businesses to achieve their potential. This ambition requires commitment to the transformation of the county, shared across public and private stakeholders and supported by residents. Placing Durham City as our key driver for growth, success will require us to capitalise on untapped potential in order to narrow the productivity and employment gap between the county, the region and the UK.

The County Durham Regeneration Statement looks over the next ten years to a challenging integrated programme of activity which takes advantage of our key assets and tackles constraints to growth. Our partnership Regeneration Statement has five key ambitions and objectives to drive forward activity; Thriving Durham City; Vibrant and Successful Towns; Competitive and Successful People; Sustainable Neighbourhoods and Rural Communities; and a Top Location for Business. We will strive to deliver a step change in the local economy by lifting the constraints on development and stimulating investment in infrastructure within a time of limited resources and significant national policy shifts. We have identified five long term measures of success to help steer and focus this challenge.

The key driver to stimulate 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. As a county we need to aim to achieve an increase of 30,000 jobs over the next 20 years, through business growth, inward investment and business creation. It is also important that we continue to invest in our human capital through skills development and by supporting our residents to access and maintain employment opportunities. We must continue to address the needs of our most vulnerable residents and mitigate the impact of welfare reform, in order to improve people's quality of life and improve economic prosperity.

## **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 potential and will help to 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 exploit Durham City's potential and what the city has to offer. By maximising the development opportunities of the city we will help to stimulate retail, business and housing growth, which will lead to job creation and increased business confidence. Durham City offers the potential to boost tourism performance across the entire county.

### **Going well**

- 78.7% of residents can access Durham Market Place by 8.30am using public transport, with a total journey time of one hour or less including walking time.
- Good usage numbers on the three park and ride sites with extension due at Snipерley to further improve parking availability.
- We are on target to deliver transport modelling for northern and western relief roads which would serve to ease traffic congestion in Durham City.
- Improvements to the public transport corridors across the county are ongoing and will deliver a range of improvements into 2013 that will provide better accessibility.
- The driver information project was launched in November 2012 which is aimed at helping drivers plan their journeys across the city.
- Durham City Homes are on track to achieve 0% performance against their social housing non decency target.
- We have delivered a new customer access point in a shared building with the library.

### **Cause for concern**

- The economic climate continues to make it difficult for the private sector to invest in schemes in the city.
- The number of new homes being built is at an all-time low.
- Traffic congestion in the city remains a concern, especially at Neville's Cross.
- The number of the top 20 retailers represented in Durham City has fallen from 15 to 13 as at December 2012.



## Did you know?

- The 'Lumiere' event in 2011 was a huge success and attracted over 150,000 people into the city over four days, which had an economic impact of £4.3 million and raised the profile of County Durham nationally and internationally.
- A World Heritage Visitor Centre for Durham Castle and Cathedral has been developed.
- The Olympic Torch relay spent three days in County Durham. Over 175,000 local people turned out to watch this event.

**Look out for:**

- The Lindisfarne Gospels will visit Durham City in July 2013. The exhibition is a must see contemporary interpretation of the North's most enduring story, the tale of our famous saint Cuthbert.
- Lumiere will return to Durham City in November 2013.
- The development of the old ice rink site next to the river into a mixed-use development.
- Flood lighting on the Cathedral.

## High level Action Plan

| Action   | Responsibility                           | Timescale      |
|--|--|----------------|
| Completion of a Regeneration Framework for Durham City   | Head of Economic Development & Housing   | July 2013      |
| Support existing businesses and encourage improvements to the overall retail offer in the City Centre through the development and implementation of the Business Improvement District (BID) Board. | Head of Economic Development and Housing | March 2014     |
| Optimise the potential of Durham City by increasing the number of visitors to the City making it a viable 48 hour stay for tourists.   | Head of Economic Development and Housing | March 2015     |
| Delivery of Durham City Regeneration Schemes including;<br><br>Aykley Heads (a mixed use development for employment – twin tracked with the County Durham Plan)                                    | Head of Economic Development and Housing | March 2017     |
| ○ Business case and accommodation strategy   |  | September 2013 |
| ○ Site allocated, upon adoption of the County Durham Plan  |  | July 2014      |

|  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Freemans Reach (former ice rink site), mixed use space including office and leisure <ul style="list-style-type: none"> <li>To commence on site</li> </ul> </li> </ul>   |   | 2013                                     |
| <ul style="list-style-type: none"> <li>North Road (major regeneration, gateway to the City) <ul style="list-style-type: none"> <li>Options appraisal, outlining the potential of North Road</li> <li>Works to commence (subject to private investment)</li> </ul> </li> </ul>  |   | September 2013<br>2016                   |
| <ul style="list-style-type: none"> <li>Flood alleviation project to allow redevelopment of river bank brown field sites, <ul style="list-style-type: none"> <li>works on-going with the Environment Agency, options appraisal completed</li> </ul> </li> </ul>   |   | December 2013                            |
| <p>Deliver traffic priorities in Durham City including, linking traffic signals to develop more effective flows of traffic, including:</p> <ul style="list-style-type: none"> <li>the use of technologies to reduce congestion on the network by 2015</li> </ul>   | Head of Transport and Contract Services | March 2017<br><br>Dec 2015               |
| <p>Enable new homes to be built in Durham City through the implementation of the County Durham Plan including:</p> <ul style="list-style-type: none"> <li>the allocation of sufficient sites</li> <li>identification of infrastructure needs including water, utilities sewerage, school and social provision</li> </ul> | Head of Planning & Assets               | To commence 2015<br><br>2014<br><br>2015 |

## 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 discernible 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. Through our 'Whole-Town' approach we will increase the vitality and vibrancy of our main settlements. This 'Whole-Town' approach is specific to each settlement and enables tailored solutions and coordinated investment for each place depending on its needs and service potential for its locality. Creating vibrant and successful towns is a complex task, dealing with interrelated issues and driven by wider economic and environmental factors. Each town is different, with its own opportunities to take advantage of and needs and issues to tackle. However, we aim to create places that are attractive, well managed, and well designed with a range of amenities and facilities for that given community.

### Going well

- Regeneration frameworks for Spennymoor, Newton Aycliffe, Durham City, Chester-le-Street, Peterlee, Consett, Stanley, Seaham, Bishop Auckland, Barnard Castle, Crook and Stanhope are progressing well.
- The Bishop Auckland Food Festival was very successfully held on the 20<sup>th</sup> April 2012.
- New joint Customer Access Point and Library opened to the public in Crook Civic Centre in July 2012, on time and within budget.
- Improvements have been made to the Durham Dales Centre in Stanhope, including a new business lounge.
- As part of the consultation on the preferred options for the County Durham Plan, over 100 consultation events were held to speak to local people and organisations about their views on where new housing, business, retail and infrastructure should be located over the next 15 to 20 years, over 1500 written responses have been received in relation to the consultation.

### Cause for concern

- The number of planning applications has fallen again this year due to the current economic climate and is expected to continue to decrease as a result of changes in the planning legislation regarding development rights.

### Did you know?

- The County Durham Plan will be published in the summer of 2014.
- The Chester le Street masterplan has now been approved.
- The Seaham Colliery housing site redevelopment will be put out to public consultation in January 2013.

### Look out for:

- Renovation plans for Auckland Castle are in place to turn the site into a cultural visitor centre.
- Regeneration Frameworks will be developed for Peterlee, Shildon, Newton Aycliffe and Spennymoor.
- The final phase of the redevelopment of Seaham Dock which already includes a marina, new dock gates and small business space. Shop front improvement

schemes in Church Street coupled with streetscape works have also improved the town centre.

- The works to Witham Hall in Barnard Castle to redevelop this valuable community hub.
- Improved roundabout (installation of signals) at Northlands, Chester-le-street which will improve traffic flows to and from Stanley, Birtley and the A1.
- The completion of the highway works at Durhamgate near Spennymoor and further regeneration at this site where Black & Decker were once based.
- St Johns Square, Seaham will be complete by May 2013.

## High level Action Plan

| Action  | Responsibility                           | Timescale    |
|---|--|--------------|
| Development of the County Durham Plan by 2014 which includes:   | Head of Planning & Assets                | July 2014    |
| <ul style="list-style-type: none"> <li>• Completion of statement of consultation for preferred options</li> </ul>   |  | May 2013     |
| <ul style="list-style-type: none"> <li>• Consultation on preferred options</li> </ul>   |  | October 2013 |
| <ul style="list-style-type: none"> <li>• Preparation for examination in public, including mock examination and pre-enquiry meeting</li> </ul>   |  | April 2014   |
| <ul style="list-style-type: none"> <li>• Full Council adoption</li> </ul>   |  | July 2014    |
| Delivery of regeneration projects and associated action plans from 2013 to 2017 in the towns of:  | Head of Economic Development and Housing | March 2017   |
| <ul style="list-style-type: none"> <li>• Seaham</li> <li>• Stanley</li> <li>• Consett</li> <li>• Chester-le-Street</li> <li>• Bishop Auckland</li> <li>• Crook</li> <li>• Barnard Castle</li> </ul> |  |              |
| This will include physical improvements to town centres, transport priorities and housing investment  |  |              |

|  |   |            |
|--|---|------------|
| Complete Regeneration Frameworks for the key towns of:                       | Head of Economic Development & Housing  |            |
|  |   | Sept 2013  |
| • Peterlee   |   | June 2013  |
| • Shildon  |   | Sept 2013  |
| • Newton Aycliffe  |   | June 2013  |
| • Spennymoor   |   |            |
| Deliver a programme of Transport Capital works across the County, including: | Head of Transport and Contract Services | March 2017 |
| Road schemes   |   |            |
| • A167 Sunderland Bridge junction at Durham                                  |   | 2015       |
| • A167 Northlands roundabout at Chester-le-Street                            |   | 2014       |
| • Belmont Business park junction A690  |   | March 2014 |
| • Horden link road   |   | 2013       |
| Public transport   |   |            |
| • Bishop Auckland rail stations  |   | 2013       |
| • Chester-le-Street rail station   |   | 2014       |
| • East Durham rail station   |   |            |
| • Amazon Park/Heighington rail station at Newton Aycliffe                    |   | 2015       |
| • Transit 15 bus priority improvements on key transport corridors            |   | 2017       |

### 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 and higher skills attainment levels, and above regional and national average economically inactive residents claiming benefits. We need to encourage people to develop their skills and recognise transferable attributes for current or future employment in order to increase individual success, improve life chances and

to ease the progression into work or within work. At a time of uncertainty, compounded with the onset of significant welfare reform and limited resources, we continue to work with partners, employers and employability support providers to ensure support for County Durham residents and to help them access employment opportunities.

It is important that we work closely with employers and continue to raise aspirations, participation and attainment of our young residents so they can make the most of available opportunities and have the best chance of being competitive and successful.

### **Going well**

- An Apprenticeship Strategy and action plan has been completed which aims to increase learning, progression and employment to boost the numbers of young people able to gain work experience within the private and public sector.
- The Durham County Council Apprenticeship Programme has assisted in the creation of 160 places and plans to launch phase two of the programme are well developed. Over 145 apprenticeship starts have been recorded in 2012/13.
- The Durham County Council work programme has assisted over 1,300 people with over 300 people progressing into employment.
- The European Social Fund Families Project, which helps families with multiple problems overcome barriers to employment, has received in excess of 180 referrals and over 60 families have started on the programme.

### **Cause for concern**

- Youth unemployment is a concern with 32.60% of all JSA claimants being aged 18-24, which is equivalent to 5270 people as of December 2012. Additional measures have been launched in 2012/13 which focuses on supporting this age group into employment.
- A slow rate of new job creation set against continued large scale job losses, particularly in Central and East Durham are contributing to a larger proportion of unemployed clients spending longer claiming JSA.

### **Did you know?**

- The Awards Ceremony of 'Future Business Magnates' was held on 6th July 2012, which celebrated the end of a six-month competition in which 22 schools and 160 young people participated from across County Durham.
- The Family Intervention Team has prevented homelessness in 100% of the cases that have been referred to them (based upon Q3 2012/2013).
- 2011 saw 7808 apprenticeships starts by County Durham Residents, a 15.2% increase in the number from the previous year. The increase was above the rate of increase at a regional and national level.

### **Look out for:**

- The development of a multi operator ticketing scheme across County Durham, making it easier for people to access training and employment.

## High level Action Plan

| Action   | Responsibility                           | Timescale  |
|--|--|------------|
| Implement the Apprenticeship Strategy and Action Plan to increase learning, progression and employment and to boost the numbers of people able to gain work experience within the private and public sector.   | Head of Economic Development and Housing | March 2014 |
| Sustain and develop family projects (for example the Family Intervention Project and Familywise Project) to improve the lives of those families with multiple needs.   | Head of Economic Development and Housing | March 2014 |
| Work with the welfare to work programme contractors to coordinate employability support delivered by partner agencies for County Durham residents with a focus on 18-24 year olds, this includes:  | Head of Economic Development and Housing | March 2016 |
| <ul style="list-style-type: none"> <li>• Delivery of the Work Programme contract to meet Avanta Job Entry rate and Job Outcomes/Sustainable targets</li> </ul>   |  | March 2014 |
| <ul style="list-style-type: none"> <li>• Exploring opportunities for further funding</li> </ul>  |  | March 2014 |
| Work with employers to co-ordinate skills development to ensure appropriate alignment to future employment opportunities, some key projects will include:  | Head of Economic Development and Housing | March 2017 |
| <ul style="list-style-type: none"> <li>• County Durham Employment gateway - a collaboration of key employability partners and providers responding to a small and large scale recruitment needs in the County</li> </ul>   |  | March 2014 |
| <ul style="list-style-type: none"> <li>• Business Enterprise and Skills Working Group - providing a local approach to supporting and shaping the delivery of Business, Enterprise and Skills (BES), including Market intelligence, Promotion of Opportunities and Influencing of Key Partners</li> </ul> |  | March 2014 |

- Job Brokerage initiative in response to redundancy in partnership with Job Centre Plus

March 2014

#### 4. Sustainable neighbourhoods and rural communities

Sustainable neighbourhoods and rural communities are places where people can live and want to live, places that help to enhance the wellbeing and potential of our communities. A sustainable place provides a quality built environment, with good housing and living conditions and access to services, through appropriate infrastructure. However, 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 have disproportionately affected some of our communities 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. There are varying needs and quality of place across the County and like the 'Whole Town' approach, each neighbourhood requires a different level or type of support to ensure sustainability. We will continue to provide tailored and appropriate solutions for our neighbourhoods. Investment in housing and transport is an essential component to regenerating our communities and improving our economic performance.

#### Going well

- Over 332 homes have been adapted using Disabled facilities Grant (DFG) in 2012/13 (as at December 2012).
- Housing regeneration area schemes at Craghead, Wembley, Esh Winning, Wheatley Hill, Ferryhill Station, Chilton, Dean Bank and Dawdon are progressing well.
- The Local Authority New Build Scheme at Park Avenue Close, Crook has been completed, delivering a further 16 units over and above those already delivered.
- The average relet times for a Durham City Homes property is currently 22 days. This is a huge improvement compared to June 2011 when it took 46 days.
- In excess of 188 affordable homes have been completed in 2012/13, against a profiled target of 165 (as at December 2012).
- Over the past year we have seen an increase in the usage of Link 2 service.
- The percentage of council housing classed as non-decent has continued to decline, with Durham City Homes achieving 0% non-decency at the end of 2011/12. East Durham Homes also deserve recognition, as their non-decency level has fallen from 74.57% in June 2011 to 45.51% in December 2012. However, overall there are still approximately 22.2% of properties classed as non-decent (as at December 2012).
- Delivery of high profile events:
  - The Halfords Cycle Race in Durham City attracted 8,000 people with average TV viewing figures of 305,000 for each of the 11 live TV shows and 65,000 for each of the repeated shows. The estimated economic impact was £126 per overnight visitor and £86 per day visitor.
  - The Marie Curie Cancer Care Etape Pennines mass participation cycling event reached its maximum capacity of 2,500 competitors.



- 200,000 attendees watched 101 people carry the Olympic Torch throughout Durham spending on average £14 each.
- BRASS: Durham International Festival and Durham Book Festival both proved to be a huge success.

### Cause for concern

- The number of homelessness presentations, statutory applications and acceptances have increased compared to last year, although the number of homelessness preventions has also increased.

### Did you know?

- Durham County Council delivers the Care Connect service to over 17,000 customers, helping vulnerable people to remain in their own homes.
- There are over 20,000 people registered for social housing on the Durham Key Options, Choice Based Lettings scheme.
- County Durham is a 'film friendly' area: George Gently and The Paradise are both filmed in the County.

### Look out for:

- Funding has been made available to reduce the number of empty homes in the County.
- The refurbishment of Gypsy Roma Traveller sites across the County.
- A preferred option for the future of council housing across County Durham.
- A new Durham Key Options policy will start in April 2013. This policy explains how over 40,000 homes owned by social landlords will be let across County Durham.
- A new tourism marketing campaign 'This is Durham, This is Dramatic', funded through a grant from Visit England.
- Improvements to Bishop Auckland Train Station and lobbying work to improve the frequency of services at Chester-le-street train station.
- Halfords Cycle Race, Durham City (May 13).
- Lindisfarne Gospels, Palace Green, Durham City (Jul – Sep 13).
- Marie Curie Cancer Care Etape Pennines mass participation cycling event (Oct 13).
- Lumiere Light Festival, Durham City (14 – 17 November 13).
- Brass: Durham International Festival.
- Durham Book Festival.
- Highlights rural touring scheme: a network of volunteer groups delivering high quality professional, theatre, music, dance and craft events in village halls, schools and community centres.

## High level Action Plan

| Action  | Responsibility             | Timescale     |
|---|----------------------------|---------------|
| Work with a wide range of partners to manage and deliver the Lumiere Light Festival.                  | Head of Culture & Sports   | November 2013 |
| Develop a varied programme of major events, educational programmes and exhibitions to commemorate the | Head of Culture and Sports | December 2013 |

anniversary of World War 1.

|   |                            |            |
|---|----------------------------|------------|
| Develop and deliver a co-ordinated Events Programme for the County. | Head of Culture and Sports | March 2014 |
|---|----------------------------|------------|

|  |  |            |
|--|--|------------|
| Reduce the number of empty domestic properties through a programme of targeted support, including the establishment of delivery mechanisms for the Empty Homes Cluster project, targeting 3 clusters in the County | Head of Economic Development and Housing | March 2014 |
|--|--|------------|

|  |  |               |
|--|--|---------------|
| Pursue the preferred option for the future of council housing across County Durham | Head of Economic Development and Housing | November 2014 |
|--|--|---------------|

|  |  |            |
|--|--|------------|
| Help residents with housing needs through the delivery of the Homelessness Strategy action plan, which aims to | Head of Economic Development and Housing | March 2017 |
|--|--|------------|

- |   |  |            |
|---|--|------------|
| <ul style="list-style-type: none"><li>• Increase internal and external funding streams to maximise service delivery</li></ul> |  | March 2014 |
|---|--|------------|

- |  |  |            |
|--|--|------------|
| <ul style="list-style-type: none"><li>• Deliver a consistent, prevention focussed housing solutions service across County Durham to cope with increased demand</li></ul> |  | 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 support and development opportunities and these must be sustained to serve the diversity that exists. Building on local circumstances and our assets we are taking an approach that builds on indigenous potential.

County Durham's business base grew reasonably strongly during the sustained growth of the last decade up to the start of the recession. However, we did not experience the same gains as other areas during a period of expansion and we have been harder hit in regards to employment since the economic downturn. Public sector contraction and government cuts since 2010 have compounded the issues. It is important we continue to take a balanced approach to growing and sustaining existing businesses, developing our labour force, establishing new businesses and attracting inward investment. Investment must embed with our local supply chains and networks to boost our economic potential. To become a top location for business we are supporting innovation, removing constraints to investment and growth, and enabling infrastructure development to improve our business offer.

### Going well

- £7m of Broadband Delivery UK money has been secured which will enable roll out to cover up to 90% of the county.
- The County's Business Enterprise and Skills Strategy is complete.

### Cause for concern

- The number of enquiries received for new business start ups has fallen considerably compared to last year. This has been attributed to the end of the Be Enterprising scheme last year.

### Did you know?

- More than 900 jobs will be created as part of a £4.5bn contract to build and maintain new inter-city trains at the Hitachi factory in Newton Aycliffe. Construction will start in 2013 and the facility will be operational from 2015.

### Look out for:

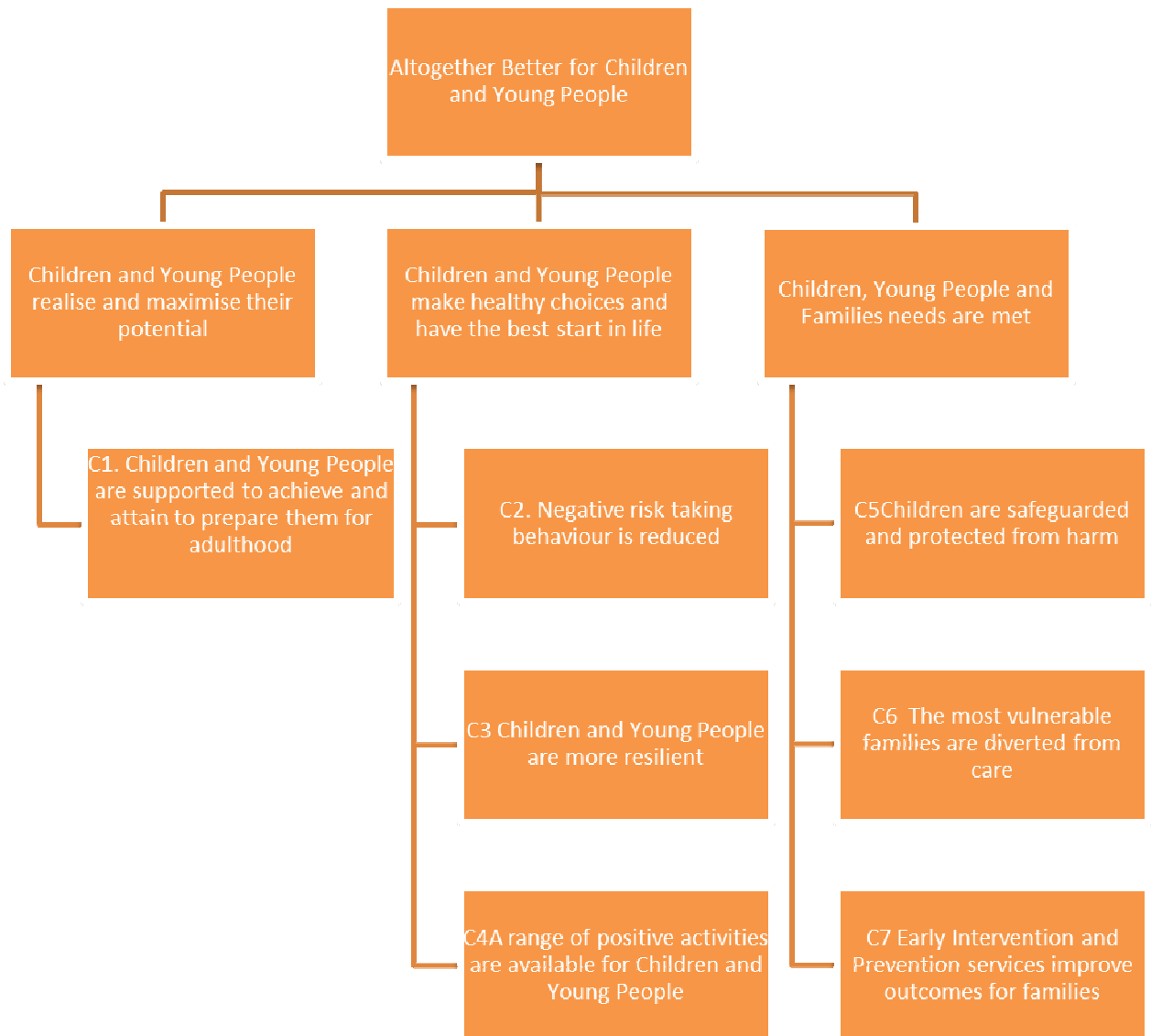
- After consultation involving 17 groups and 205 individuals, the Durham Tourism Management plan has been updated and circulated to all stakeholders.
- the council is working hard with Hitachi to ensure that many local residents and local businesses are able to access opportunities with the development. As construction begins on-site this year, more opportunities will arise and details will be available on the Business Durham website.

## High level Action Plan

| Action   | Responsibility                           | Timescale                               |
|--|--|---|
| Develop sustainable travel plans for the key employment sites across County Durham including: <ul style="list-style-type: none"><li>• The development of a sustainable travel plan for County Hall</li><li>• Improved transport links to the Hitachi site at Sedgefield</li><li>• A travel plan for NET Park at Sedgefield</li></ul> | Head of Transport and Contract Services  | March 2015<br><br>Sept 2013<br><br>2015 |
| Support the growth and profile of Durham as a place to visit, work and invest in including a targeted place marketing campaign and support for major festivals and events.   | Head of Economic Development and Housing | March 2015                              |

# 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. The latest Children, Young People and Families Plan (CYP&FP) 2012-2016 which was published in April 2012 was a complete refresh. The annual report reflecting on drivers for change and monitoring progress against the plan is scheduled for August 2013. The CYP&FP remains the overarching strategic multi-agency plan for the Children and Families Trust thematic partnership which focuses on the 'causes' of poor outcomes (meaning the reason) rather than the 'effects' (meaning the result/outcome).

The CYP&FP focuses on three main outcomes including: 'children and young people realise and maximise their potential'; 'children and young people are healthy and

have the best start in life'; and 'children and young people and families' needs are met'. To achieve these outcomes the Children and Families Trust have developed specific priorities that they will tackle. 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. The integrated, multi-agency One Point Service, launched in September 2012, and the Think Family programme are two developments which will take forward our strategy and we are confident they will contribute in helping us to achieve our outcomes.

We will also continue to 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 and their own ambitions are realised.

### **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.

#### **Our key priorities for 2013-17:**

- ✓ Children and young people are supported to achieve and attain to prepare them for adulthood.

#### **Going well**

- Continued year on year improvement in number of pupils achieving five or more A\*-C GCSE's (90.7%) and pupils achieving five or more A\*-C GCSE's including English and Maths (62.5%).
- At the end of December 2012, 97 schools and settings had achieved anti-bullying accreditation.

#### **Cause for concern**

- Data for December 2012 shows 9.4% (1630) of 16-18 years old had a status of 'not known' in relation to education, employment or training.
- The proportion of young mothers and care leavers in education, employment and training has decreased.
- Although the attainment gap narrowed at KS4 for SEN (54.8 to 50.9) and boys and girls (58.6 to 52.9) the gap did widen for 20% most deprived (19.9 to 20.9)
- 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 71,668\* school aged children and young people living in County Durham in our 283 schools: 227 Primary, 33 Secondary, 12 Nursery, ten Special and one Pupil Referral Unit (PRU). Of these, six primary schools, 14 secondary schools and one special school have converted to academies.\* (Source: January 2012 School Census).
- For the 2012/13 academic year 92% of primary aged pupils were offered their parent's first choice of school, and 97.5% of secondary agreed pupils were offered their parent's first choice of school.
- We have a 'Young Durham' Facebook page to engage and communicate with children and young people aged 13+ in County Durham.

### Look out for:

- There is one secondary school academy application awaiting approval.
- 'Confident Schools, Confident Parents' programme across the county.

### High level Action Plan

| Action   | Responsibility             | Timescale  |
|--|----------------------------|------------|
| Deliver effective support and provision for improving the educational attainment of looked after children:   | Head of Education Services | July 2013  |
| <ul style="list-style-type: none"><li>• Developing the quality of the Personal Education Plan (PEP).</li></ul>   |                            | July 2013  |
| <ul style="list-style-type: none"><li>• Implement the revised policy and procedure to address attendance issues for looked after children.</li></ul>   |                            | July 2013  |
| <ul style="list-style-type: none"><li>• Develop personal and social development programmes and access to counselling support for looked after children experiencing patterns of exclusion from school.</li></ul>                 |                            | March 2014 |
| Make effective arrangements to improve school attendance, manage school transfers and exclusion procedures and ensure that no children are missing from education.   | Head of Education Services | July 2013  |
| <ul style="list-style-type: none"><li>• Ensure school attendance statutory responsibilities are administered effectively to support schools and academies to reduce levels of persistent absence and raise attendance.</li></ul> |                            | July 2013  |

|  |  |           |
|--|--|-----------|
| <ul style="list-style-type: none"> <li>Establish, implement and develop a Central Enforcement Team.</li> </ul>   |  | July 2013 |
| <ul style="list-style-type: none"> <li>Ensuring pupils who are temporarily unable to attend school for medical / health reasons continue to access education and achieve.</li> </ul> |  | July 2013 |
| <ul style="list-style-type: none"> <li>Implement protocols to monitor the attendance of looked after children.</li> </ul>  |  | July 2013 |
| <ul style="list-style-type: none"> <li>Review and develop procedures to minimise school placement changes for looked after children.</li> </ul>                                      |  | July 2013 |
| Develop, implement and review NoT Known/NEET Reduction Action Plan in partnership with One Point.  | Head of Education Services/Head Early Intervention & Involvement | July 2013 |
| Support schools to raise standards, increase pupil progress particularly for the most vulnerable groups.   | Head of Education Services                                       | Sept 2013 |

## 2. Children and young people make healthy choices and have the best start in life

Children and young people need the best possible start if they are to be successful and thrive later in life.

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

We 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.

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. We will encourage children and young people to be able to look after themselves and others by making positive decisions about their behaviour.

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. 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 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 2013-17:**

- ✓ Negative risk taking behaviour is reduced.
- ✓ Children and young people are more resilient.
- ✓ A range of positive activities are available for children and young people.

#### **Going well**

- First time entrants to the Youth Justice System fell by 73.2% (2007/08 to 2011/12) using the Pre-Reprimand Disposal (PRD) programme.
- The Children and Young People's Survey 2012 told us 92.2% of children and young people feel that they can make friends easily and 96.8% always/sometimes feel happy.

#### **Cause for concern**

- Although teenage conceptions are falling in County Durham (38.8 per 1,000) they remain higher than the national rate (32.00).
- Obesity rates at Reception and Year 6 are above the national averages
- Year six obesity rates are above the national average.
- Alcohol related admission rates for under 18s are higher than the regional and national rates and a third of young people in year nine told us they always or sometimes drink alcohol (Source: Children and Young People's Survey 2012).
- Breastfeeding initiation in County Durham (56.2%) is lower than that for England (74.5%).

#### **Did you know?**

- 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).
- County Durham Youth Offending Service won the Youth Justice Award category of the Children and Young People Now Awards for their Pre-Reprimand Disposal scheme in 2012.
- Investing in Children have supported young people in County Durham to create three short films as part of a national pilot to tackle the stigma associated with children and young people's mental health.
- 205 public open spaces and play parks, 120 community centres, 39 libraries and eight swimming pools (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 exist across the county.

#### **Look out for:**

- The 4Real drug and alcohol service who offer free, bespoke training to anyone working with young people in County Durham.



- A countywide 'Resilience commissioning' strategy looking at addressing sexual health/ teenage pregnancy, smoking, alcohol and substance misuse and obesity.
- The get out there website ([www.getoutthere.info](http://www.getoutthere.info)) which is an activity directory for young people in the County Durham area.
- Baby café initiatives rolling out across County Durham encouraging mums to breastfeed in a non-judgemental environment.

## High level Action Plan

| Action   | Responsibility                           | Timescale      |
|--|--|----------------|
| Develop the Council's Fixed Play Strategy which will determine the distribution and range of fixed play equipment across the authority area. | Head of Culture and Sports               | September 2013 |
| Improve support to women to start and continue to breastfeed their babies.   | Director of Public Health                | March 2015     |
| Improve support to families with children who are obese or overweight.   | Director of Public Health                | March 2015     |
| Introduce contraceptive and sexual health clinics in all One Point Hub areas.  | Head of Early Intervention & Involvement | April 2014     |

### 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 they need. Our vision is one where every child is protected from neglect and grows up in a safe environment through effective working with our partner agencies. Together we will ensure that the support families receive is at the earliest possible opportunity, to ensure we divert the most vulnerable from care.

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 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. Programmes such as the 'Think Family' Programme will work with the most vulnerable families across County Durham to address issues faced by families. 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 cannot 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 working with the most vulnerable families across County Durham through the Think Family programme.

### Our key priorities for 2013-17:

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

### Going well

- 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.
- Our services have consistently received high ratings for the quality of safeguarding arrangements and were judged as 'outstanding' in January 2012.
- All children's homes have been judged as 'good' or 'outstanding' by Ofsted.

### Cause for concern

- Increase in the demand for Safeguarding services.
- Increasing number of complex cases requiring a coordinated intervention from a number of services and agencies.
- The percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time has increased from 11.2% in 2011/12 to 18.3% at the end of December 2012.

### 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 under single line management.
- 166,783 hours of short breaks delivered between April and December 2012, which was an increase on the corresponding period of 2011 (149,033 hours).
- The 'Think Family' Programme has been launched which is working with the most vulnerable families across County Durham.

### Look out for:

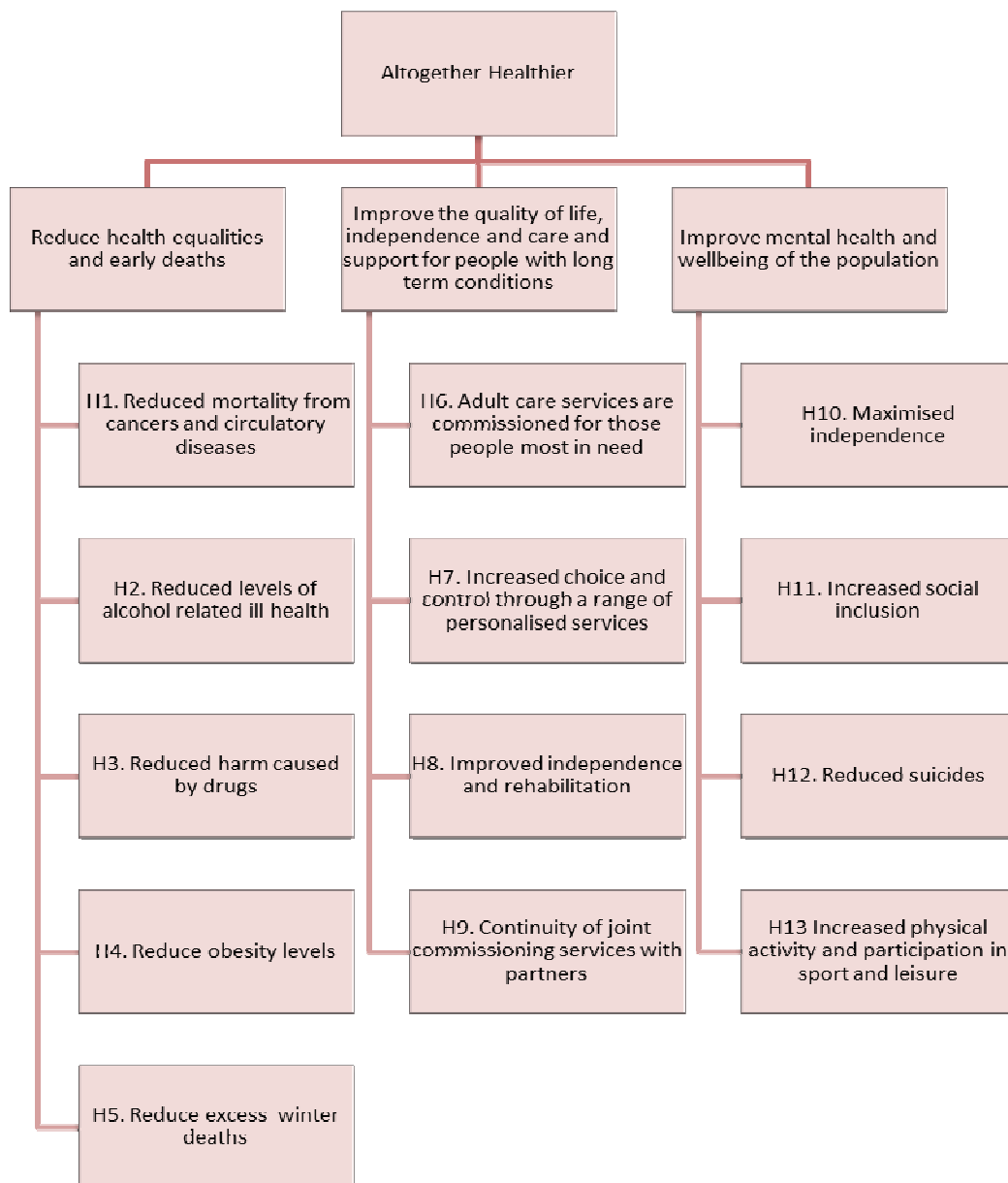
- Engagement of children, young people and parents in the continued development of the One Point Service.
- Joint working with providers to identify funding and commissioning opportunities to support delivery across our priorities.

## High level Action Plan

| Action  | Responsibility          | Timescale |
|---|-------------------------|-----------|
| Review and revise assessment processes in line with Munro recommendations by: <ul style="list-style-type: none"><li>• Developing a model for proportionate assessment processes for children in need resulting in more effective interventions for families with complex needs.</li></ul> | Head of Children's Care | June 2013 |

|   |   |            |
|---|---|------------|
| <ul style="list-style-type: none"> <li>Reviewing and revising 'front of house' services in line with revised assessment processes.</li> </ul> |   |            |
| Integrated services to work effectively with One Point with clear pathways in and out of Specialist Services.                                 | Head of Children's Care                             | March 2014 |
| Reshape the One Point Service to provide a dedicated youth support service for vulnerable teenagers.  | Head of Early Intervention and Involvement Services | March 2015 |
| Implement the 'Think Family' programme.   | Head of Early Intervention and Involvement Services | April 2015 |

# Altogether Healthier



The Altogether Healthier theme focuses on prevention, personalisation and partnership working to improve the health and wellbeing of the population.

Health in County Durham has improved significantly over recent years, but remains below average for England. Health inequalities remain persistent, levels of deprivation in County Durham are higher than the average for England and life expectancy is lower in County Durham than the England average. Like many local authorities areas in the country, County Durham has an ageing population which will place additional pressures upon health and social care services over the coming years.

The Health and Social Care Act 2012 has provided the opportunity through the Health and Wellbeing Board to work together to improve the health of the local population and reduce health inequalities. The Health and Wellbeing Board has developed the Joint Health and Wellbeing Strategy (JHWS), outlining a four year

vision for addressing these issues and setting priorities for commissioners to purchase health and social care services.

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.

The draft Care and Support Bill published in July 2012 aims to transform the social care system to focus on prevention and the needs and goals of people requiring care. It provides the legal framework for putting into action some of the main principles of the White Paper, 'Caring for our future: reforming care and support' and also includes a number of health measures, including assessment of carers' needs and support. In County Durham adult social care continues to be provided to the most vulnerable who are eligible to receive support.

Personal health budgets, which will combine health and social care budgets allowing people to have more choice, flexibility and control over the health services and care they receive, will be piloted when in County Durham.

### **1. Reduce health inequalities and early deaths**

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.

The introduction of public health into the authority will ensure health inequalities are considered across the whole of the authority's business, and to support strategic thinking about how to drive reductions in health inequalities, working closely with the NHS and other partners.

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. Levels of adult obesity in County Durham are worse than the England average and disproportionately affect the least well off.

Smoking is the biggest single contributor to the shorter life expectancy experienced in County Durham. Cancer and cardiovascular disease (CVD) account for 65% of early or premature deaths. Smoking is a major cause of health inequality in County Durham.

Alcohol is a significant contributor to ill-health across all age groups and all areas of the county. Rates of hospital stays for alcohol related harm remains significantly higher than the England average.

#### **Our key priorities for 2013-17:**

- ✓ Reduce mortality from cancers and circulatory disease.
- ✓ Reduce levels of alcohol related ill health.
- ✓ Reduce harm caused by drugs.
- ✓ Reduce obesity levels.
- ✓ Reduce excess winter deaths.

## Going well

- Life expectancy in County Durham for both men and women has improved over recent years.
- In 2011-12, the Stop Smoking Service helped 5523 people to stop smoking against a target of 5246 quitters. This exceeds the regional and national four week smoking quitter rates.
- Premature cardiovascular disease (CVD) mortality rates are reducing in County Durham.
- We have implemented the new National Food Hygiene Rating System, informing users if the restaurant, takeaway or food shop they want to eat at or buy food from has good food hygiene standards.

## Cause for concern

- Cancer contributes significantly to the gap in life expectancy between County Durham and England.
- Smoking is the biggest single contributor to shorter life expectancy in County Durham.
- Early deaths from heart disease and stroke in County Durham are worse than the England average.
- Levels of adult obesity are increasing in County Durham.

## Did you know?

- The Joint Strategic Needs Assessment for County Durham was completed in August 2012, which included updated information on the health and wellbeing of the local population and is accessible online JSNA.
- The Joint Health and Wellbeing Strategy for County Durham was completed In November 2012 and has informed commissioning plans for services in the county.
- A revised multi-agency Alcohol Harm Reduction Strategy for County Durham was published in November 2012.

## Look out for:

- Food and Nutrition Plan for County Durham.
- Healthy Weight Alliance Strategy.

## High level Action Plan

| Action   | Responsibility            | Timescale  |
|--|---------------------------|------------|
| Develop joint action plans with partners that will reduce the number of people who have cancer, heart disease and strokes through the implementation of systematic approaches to primary and secondary prevention. | Director of Public Health | March 2014 |
| Work with Clinical Commissioning Groups to ensure universal access to the Health Check Programme in County Durham by increasing the uptake of Health Checks from community providers.                              | Director of Public Health | March 2014 |

|  |                           |            |
|--|---------------------------|------------|
| Use all available tools to identify areas and groups at risk of poor health outcomes and intervene appropriately to reduce the widening gaps in life expectancy by;  | Director of Public Health | March 2014 |
| <ul style="list-style-type: none"> <li>• Developing a programme of health equity audits</li> <li>• Undertaking a CVD health equity audit</li> </ul>  |                           |            |
| Raise the profile of cancer awareness and earlier diagnosis and encourage the uptake of cancer screening programmes from communities where take up is low by reviewing the implementation of National Cancer Strategy locally for County Durham.   | Director of Public Health | March 2014 |
| Work together to reduce the number of people who misuse drugs and alcohol by developing a Drugs Strategy for County Durham.  | Director of Public Health | March 2014 |
| Commission effective substance misuse treatment services and work in partnership to reduce the number of people who misuse drugs by increasing the number of successful completions in relation to the national average.   | Director of Public Health | March 2014 |
| Integrate and roll out interventions to address the impact of fuel poverty on excess mortality and morbidity by: <ul style="list-style-type: none"> <li>• Identifying strategic leadership and pool resources to streamline services</li> <li>• Collect a baseline of current activity within County Durham</li> </ul> | Director of Public Health | March 2014 |
| Develop a Healthy Weight Alliance for County Durham: bring all key elements of an obesity strategy together, strengthen work programmes.   | Director of Public Health | March 2014 |

- Conduct an Obesity Self-Assessment based on NICE guidelines
- Develop a multi-agency cross cutting strategy
- Develop a local delivery plan

Develop and implement primary prevention programmes to improve health outcomes in general practice and save costs around quitting smoking, reducing problem drinking and improving exercise take up:

Director of Public Health

- Review Exercise referral Pathway and implement recommendations
- Continue with the current commissioning for weight management

March 2014

March 2015

Develop a comprehensive partnership approach to wider tobacco control actions to reduce exposure to second hand smoke, help people to stop smoking, reduce availability (including illicit trade), reduce promotion of tobacco, engage in media and education and support tighter regulation on tobacco.

Director of Public Health

March 2017

## **2. Improve quality of life, independence and care and support for people with long term conditions**

Durham County Council (DCC) has a statutory duty to assess the social care needs of people and their carers. The assessment process uses eligibility criteria to determine the level of need of individuals and the level of service required. People with the greatest care needs, having critical or substantial needs, are given priority.

An increasingly older population will see rising prevalence of mental health conditions, dementia, increased levels of disability and long term conditions and will significantly increase the number of people we need to provide care for. Long term conditions have a significant impact on reducing the length and quality of a person's life. They also impact upon family members who may act as carers.

People with long term conditions are the most frequent users of health care services accounting for 50% of all GP appointments and 70% of in-patient beds.

We continue to work towards mainstreaming self directed support as the core model for assessment and service delivery for adults in need of social care services. Self directed support enables people in need of services to have much more control over



their assessment and care planning, and have greater choice and control over the services they receive to meet their assessed needs.

The introduction of the Re-ablement Service in April 2011 continues to improve people's confidence and ability to regain their independence to remain in their own homes for as long as possible.

We continue to work with health partners to provide 'intermediate care' services for people, which promote faster recovery from illness, prevent unnecessary hospital admissions and maximise independent living.

#### **Our key priorities for 2013-17:**

- ✓ Adult care services are commissioned for those people most in need.
- ✓ Increased choice and control through a range of personalised services.
- ✓ Improved independence and rehabilitation.
- ✓ Continuity of joint commissioning services with partners.

#### **Going well**

- Increase in the number of carers receiving a service (including information and advice).
- In 2012 over 10, 000 people were in receipt of a Personal Budget.
- 87.5% of people discharged from hospital into reablement or rehabilitation services between January and June 2012 were still at home three months later. This compares to the latest England average of 82.7%.

#### **Cause for concern**

- The number of older people in the 85+ age range is predicted to increase by 108.5% by 2026 and by 157.3% by 2031.
- The number of carers aged 65 and over providing unpaid care is set to increase by 40.8% by 2030 (from 10,225 in 2011 to 14,401 in 2030).
- County Durham is higher than the England average for the number of people with long term conditions.
- The prevalence of dementia in County Durham is expected to increase from 6,153 in 2011 to 10,951 by 2030 an increase of 78%, placing much greater pressures on services.

#### **Did you know?**

- 40,000 people have been helped to stay in their own homes through the provision of community based services such as home care, day care, equipment, adaptations and respite care.
- 95% of respondents to the carers' survey said that they would recommend direct payments to other carers.
- Durham County Council have commissioned a service from the British Red Cross to facilitate a smooth transition home, reduce anxiety, promote recovery and in some cases may help to prevent a re-admission to hospital.
- Across the country as a whole, it is estimated that more than three quarters of people aged 75 years and older have one or more long term condition, with more than a quarter having three or more.

#### **Look out for:**

- The Personal Health Budgets pilot (combining health and care budgets) will be rolled out in County Durham.

- A new 'Telehealth' service which will provide equipment to people with diabetes to enable them to monitor their vital signs, including blood pressure, weight and blood sugar.
- Development of a County Wide Dementia Advisor Service.

## 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                  | March 2014 |
| Develop and deliver a formal project which incorporates specific tools and guidance for frontline staff on outcome focused models of care.                                | Head of Adult Care                  | March 2014 |
| Further develop the market to increase the availability of services which can be purchased through a virtual budget to offer more choice and control to the service user. | Head of Commissioning               | March 2014 |
| Implement the action plan from the Care and Support Bill, which will have an impact on the delivery of social care services in County Durham.                             | Head of Planning & Service Strategy | March 2016 |

### 3. Improve mental health and wellbeing of the population

In County Durham, improving the mental health and wellbeing of the population has continued to remain 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. It is the foundation for wellbeing and the effective functioning of individuals and communities. It impacts on how individuals think, feel, communicate and understand.

'No health without mental health', a cross-government mental health outcomes strategy for people of all ages emphasises how early intervention and prevention will help tackle the underlying causes of mental ill-health. Taking a lifecourse approach, it recognises that the foundations for lifelong wellbeing are being laid down before birth.

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.

#### **Our key priorities for 2013-17:**

- ✓ Maximised independence.
- ✓ Increased social inclusion.
- ✓ Reduced suicides.
- ✓ Increase physical activity and participation in sport and leisure.

#### **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.
- 81.8% of adults in contact with secondary mental health services in 2011/12 were living independently, with or without support. This compares to an England average of 57.8%, North East average of 72% and similar council average of 69.2%.
- During June 2012, we launched On the Ball, our new fully inclusive Five-A-Side Football Leagues for men, women and juniors.
- Our Wellness on Wheels (WOW) trucks continue to visit communities, particularly those isolated and socially deprived, offering opportunities to participate in fitness activities. Demand for activities at each location is analysed and where possible, legacy gyms, i.e. permanent facilities which the community runs itself, are set up.
- During 2011/12, our WOW trucks visited eight locations, resulting in four legacy gyms, bringing the total in the county to ten.
- 'Get Walking, Keep Walking Durham': In conjunction with Ramblers to make walking accessible to all; we are working with community groups, GP surgeries and workplaces to encourage people to become more active by building more walking into their everyday lives.

#### **Cause for concern**

- Suicide rates in County Durham for men were significantly higher than the England average.
- Almost 4,200 people in County Durham are registered with GP's with a diagnosis of mental illness.
- The prevalence of dementia in County Durham is expected to increase from 6,153 in 2011 to 10,951 by 2030 increase of 78%.
- 37.2% of people claiming Incapacity Benefit/Severe Disability Allowance are due to mental health problems (November 2011).
- The condition of many of the outdoor sport and leisure facilities is poor requiring a strategic solution to ensure future sustainability.
- Indoor facilities stock is ageing and requires capital investment
- Retention of income levels for Culture and Sports Services

#### **Did you know?**

- Nationally life expectancy is on average ten years lower for people with mental health problems due to poor physical health.
- 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.
- A new Mental Health Partnership Board has been developed to oversee and co-ordinate the local implementation of 'No Health without mental Health: A cross government outcomes strategy for people of all ages.
- Almost half of all adults will experience at least one episode of depression during their lifetime.
- Walking routes can be downloaded free from the 'Get Walking, Keep Walking Durham' website, and each walker receives a free step counter and Get Walking pack. A short walks group offers free walks of two to five miles in picturesque locations around County Durham.

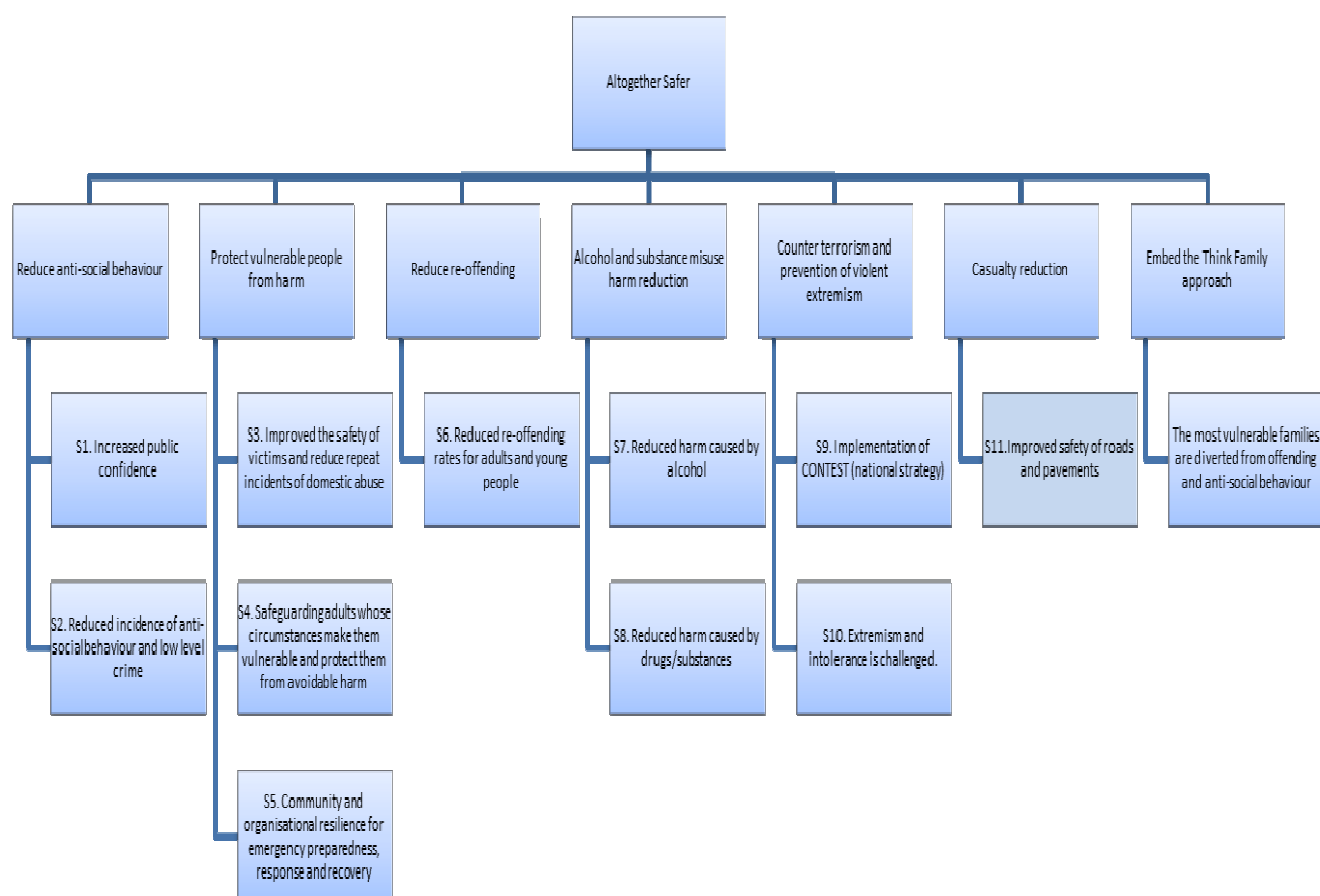
#### **Look out for:**

- Development of a Public Mental Health Strategy incorporating Suicide Prevention.
- Development of Consett Leisure Centre and rugby/football improvements.
- Further community gyms.

### **High level Action Plan**

| <b>Action</b>   | <b>Responsibility</b>                              | <b>Timescale</b> |
|---|--|------------------|
| Develop and implement programmes to increase resilience and wellbeing through practical support on healthy lifestyles by undertaking asset-mapping in an identified community.                    | Director of Public Health                          | March 2014       |
| Work with partners to provide a wide range physical activity opportunity across County Durham to support more active lifestyles by reviewing and co-ordinating a Physical Activity Delivery Plan. | Director of Public Health/Head of Culture & Sports | March 2014       |
| Develop and implement a multi-agency Public Mental Health and Suicide Prevention Strategy for County Durham.  | Director of Public Health                          | March 2017       |
| Strategy implemented  |  | 2013 – 2017      |
| Action plan refresh   |  | Annually         |
| Strategy refresh  |  | December 2015    |

# Altogether Safer



The Altogether Safer theme focuses on creating a safer and more cohesive county.

the council works with partner organisations, as a key member of the Safe Durham Partnership, to tackle crime and disorder in County Durham.

We support the Safe Durham Partnership in delivering the priorities which includes the strategic plan and delivery of the day-to-day operational response to issues impacting on our neighbourhoods. We 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 and will support the Safe Durham Partnership's work with the Police and Crime Commissioner.

## **1. Reduce anti-social behaviour**

Anti-social behaviour (ASB) is associated with everyday problems such as noise, vehicle crime, abandoned cars, vandalism, litter, intimidation, and harassment. ASB can also affect 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 ASB.

### **Our key priorities for 2013-17:**

- ✓ Increased public confidence.
- ✓ Reduced incidence of ASB and low level crime.

### **Going well**

- Anti-social behaviour incidents reported to Police decreased by 29% between April-December 2012 when compared to the same period the previous year.
- The percentage of people agreeing that the police and local council are dealing with concerns of ASB and crime has increased from 53% in 2010/11 to 58% in 2011/12 and 59.5% for the year ending June 2012.
- We were successful in our bid to share £1million national fund to help address ASB linked to underage drinking in three rural communities (Tow Law, Crook and Howden)
- ASB has reduced significantly across the 12 High Impact Locality areas
- Alcohol related ASB has reduced since a new alcohol seizure and referral process was implemented in July 2011.
- A new risk assessment matrix is now used to assess the vulnerability of a victim of ASB, to help identify individual needs and mitigate risks.
- The implementation and review of the ASB Escalation Procedure has provided a consistent partnership intervention model to deal with perpetrators of ASB.
- 1,200 County Durham school children attended an event aimed at improving their understanding of the harm that ASB can cause, along with having respect for one another and pride in their neighbourhood.

### **Cause for concern**

- Alcohol related admission rates for under 18's are higher than the regional and national rates.
- Alcohol related ASB is still a concern.
- There is intelligence to suggest that there are more than 40 domestic premises suspected of supplying illicit tobacco.
- Changes to Regulation of Investigatory Powers Act (RIPA) may result in some delays or restrictions in carrying out surveillance operations.
- Proposed changes to under age sales test purchasing guidance could restrict our ability to enforce the legislation.
- People's perceptions of ASB do not reflect the high performance achieved in the reduction of ASB incidents.
- The number of young people drinking out of sight in public places.

- The number of incidents of dog fouling has increased while the number of all other ASB has reduced. Perceptions of dog fouling are higher than perceptions of other forms of ASB.
- A new ASB Case Review Panel was implemented in May 2012 to look at cases not resolved at LMAP's

### Did you know?

- We have increased use of powers to tackle sales of alcohol and tobacco to people under the age of 18.
- Rubbish/litter and dog fouling are the main reasons why people have a high perception of ASB in County Durham.
- Horse related nuisance incidents in the South of the County have reduced by 31 incidents per week to just seven. This has been achieved by impounding illegally tethered horses, micro-chipping and issuing passports to stray horses.
- We were successful in our bid to share a £1 million national fund to help address ASB linked to underage drinking in three rural communities (Tow Law, Crook and Howden).
- We have set up a new partnership between the Police's Alcohol Reduction Unit and EHCP's enforcement staff to ensure targeted, effective enforcement.
- We have developed a protocol to fully investigate e-crime and have carried out our first covert investigation through Facebook.

### Look out for:

- Increased use of powers to tackle sales of alcohol and tobacco to people under the age of 18.
- Weeks of action in targeted areas to reduce environmental ASB, such a dog fouling and littering problems.
- Greater use of alcohol seizure powers to tackle underage drinking and reduce alcohol related ASB.

## High level Action Plan

| Action   | Responsibility                           | Timescale  |
|--|--|------------|
| Develop and implement performance frameworks for the Safe Durham Partnership to measure the agreed priorities within the Joint Intelligence and Threat Assessment and the Police and Crime Commissioner. | Head of Planning & Service Strategy      | July 2013  |
| Lead on the production of the Safe Durham Partnership's Strategic Assessment and Partnership Plan  | Head of Early Intervention & Involvement | March 2014 |
| Develop an integrated approach to co-ordinate activity with the new Police and Crime Commissioner.   | Head of Early Intervention & Involvement | March 2014 |
| In partnership, develop an action plan to increase public confidence in the Police and Council to tackle local   | Head of Early Intervention & Involvement | March 2014 |

crime and anti-social behaviour issues.

|   |  |            |
|---|--|------------|
| Develop action plans to tackle anti-social behaviour and low level crime. | Head of Early Intervention & Involvement | March 2014 |
|---|--|------------|

|   |   |               |
|---|---|---------------|
| Through the Community Action Team (CAT), deliver a 19 month programme of targeted interventions around environment, health and consumer protection. | Head of Environment, Health & Consumer Protection | December 2014 |
|---|---|---------------|

## 2. Protect vulnerable people from harm

Protecting vulnerable people from harm is a key priority for Durham County Council and partners through the Safe Durham Partnership. The priority includes effectively responding to, and better protecting, those vulnerable individuals and communities at most risk of serious harm and improving the safety of domestic abuse victims and their children and reducing repeat incidents of domestic abuse.

Safeguarding adults continues to remain a key priority for Durham County Council and partners and a zero tolerance approach has been adopted through the delivery of comprehensive training and communication strategies, national drivers and media attention linked to the care services industry. 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 and improved awareness of safeguarding.

Durham County Council has a statutory duty, as a Category 1 responder under the Civil Contingencies Act 2004 to provide an Emergency Response Service. Supported by Durham & Darlington Civil Contingencies Unit and alongside other Council services and key voluntary agencies, the council's Children and Adult Services play a significant part in providing organisational resilience and emergency preparedness, response and recovery arrangements as part of the council's overall Emergency Response Team.

### Our key priorities for 2013-17:

- ✓ Improved safety of victims and reduced repeat incidents of domestic abuse.
- ✓ Safeguarding adults whose circumstances make them vulnerable and protect them from avoidable harm.
- ✓ Community and organisational resilience for emergency preparedness, response and recovery.

### Going well

- Better training and education resulting in a greater recognition of incidents.
- Durham has a lower rate of repeat referrals (12% between April and December 2012) from high risk domestic abuse cases than other areas.
- We have set up have set up eight cold calling zones to tackle unwanted doorstep callers; and more are planned for 2013/14



- 64 referrals made, for individuals with a specific fire risk, to the Fire Death Protocol between Apr-Sep 2012. During this period accidental dwelling fires reduced to 92 from 106 compared to the same period in 2011.
- Levels of domestic abuse in County Durham have risen by 4% since 2010/11 which may indicate an increased awareness in all aspects of abuse.

### **Cause for concern**

- In 2011/12 physical abuse is the most common type of alleged abused.
- 44% of domestic abuse offences in County Durham in 2011/12 were alcohol related.
- Domestic abuse features in over half of all child protection conferences.
- Local research shows that signs of child sexual exploitation are not understood by agencies and organisations that work with children and young people.

### **Did you know?**

- Nine new self-contained units for women and their children escaping domestic abuse to provide a safe environment were developed in 2011/12.
- In 2011/12 there were 2,197 safeguarding adult referrals in County Durham.
- Levels of domestic abuse in County Durham continue to remain stable and have done since 2009/10.
- National Research has highlighted Teenage Partner Violence as an emerging issue.
- We administer and manage a Registered Trader Scheme which consists of more than 100 traders.
- National research identifies that under-reporting and availability of support are problematic for victims of disability-related harassment.
- Child Sexual Exploitation awareness raising sessions have been delivered to professionals and frontline workers across County Durham with over 600 delegates attending.

### **Look out for:**

- Multi Agency Public Protection Arrangements Guidance.
- Operation Bombay is a dedicated team set up to protect elderly and vulnerable residents from bogus officials.
- Commissioning of a countywide domestic abuse outreach service.
- Closer integration with Think Family.

## High level Action Plan

| Action  | Responsibility                           | Timescale      |
|---|--|----------------|
| Develop community resilience plan.  | Head of Policy and Communications        | June 2013      |
| Review and enhance the council's current emergency planning framework and plans to improve resilience.  |  | December 2013  |
| Develop and implement associated business and training plan.  |  | March 2017     |
| Commission a Countywide Domestic Abuse Outreach Service.  | Head of Early Intervention & Involvement | July 2013      |
| Working in partnership with the Probation Service, implement the new Multi Agency Public Protection Arrangements (MAPPA) Guidance, e.g. the statutory arrangements for managing sexual and violent offenders. | Head of Adult Care                       | September 2013 |
| Develop a programme of awareness-raising campaigns linked to existing annual events to cover the hate crime strands.  | Head of Early Intervention & Involvement | March 2014     |

### 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.

#### Our key priorities for 2013-17:

- ✓ Reduced re-offending rates for adults and young people.

#### Going well

- Significant reductions in first time entrants (FTEs) to the youth justice system continue to be achieved, falling from 1,129 in 2007/08 to 294 in 2011/12; equating a 74% reduction.
- Pre Reprimand Disposals (PRD) shows a 98% completion rate, with a 50% reduction in re-offending after the PRD compared to reprimand.

- The Safe Durham Partnership experienced a 61% reduction in offending for the Integrated Offender Management (IOM) cohort (prolific offenders) in 2011/12 compared to the same cohorts offending in 2010/11.

### Cause for concern

- The new national single indicator for measuring proven re-offending. County Durham has a rate of 29.3% of proven re-offending (latest figures January 2010 - December 2010) compared to the national figure of 26.7%.
- Nationally, it is estimated that approximately 10% of the active offender population are responsible for half of all crime and that a very small proportion of offenders (0.5%) are responsible for one in ten offences.

### Did you know?

- Success relies on the offender being motivated to change.
- Adult offenders are managed by Durham Tees Valley Probation Trust. Young people who offend (pre and post court) are managed by County Durham Youth Offending Service.

### Look out for:

- An increased focus on diverting women offenders from the criminal justice system.
- Greater emphasis on the use of restorative justice and restorative approaches across reducing re-offending services (adult and youth services).
- Closer integration with Think Family services.

## High level Action Plan

| Action   | Responsibility                           | Timescale  |
|--|--|------------|
| Prevent inter-generational and repeat offending by implementation of the Reducing Re-offending Strategy and Action Plan 2011/14. | Head of Early Intervention & Involvement | March 2014 |
| Support the introduction of Integrated Restorative Practice across the Safe Durham Partnership.                                  | Head of Early Intervention & Involvement | March 2014 |

## 4. Alcohol and substance misuse harm reduction

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

Excessive alcohol consumption is a contributory factor with respect to a range of offences including violence, disorder and ASB. The impact of this costing tax payers in County Durham almost £60 million per year.

Alcohol use can lead to people becoming more vulnerable to being both victims and offenders of crime. Alcohol is also a major factor in fire-related deaths and road traffic accidents. Drinking high levels of alcohol is also associated with family breakdown, worklessness, ill health and early death. Alcohol is a factor in approximately a third of children being involved in Initial Child Protection

Conferences and is reported as a factor in approximately 44% of domestic violence incidents. Alcohol harm reduction is a major public health priority in County Durham.

Substance misuse results in increased health problems for drug users, impacts significantly on families and is often a contributory factor to other social problems including ASB and acquisitive crime. Problems associated with substance misuse include mental ill health and social problems such as homelessness.

#### **Our key priorities for 2013-17:**

- ✓ Reduced harm caused by alcohol
- ✓ Reduced harm caused by drugs/substances

#### **Going well**

- In 2011/12 there were 1,759 drug users in effective treatment against a target of 1,888; 1,442 were Opiate or Crack users (OCU).
- The number of people successfully leaving substance misuse treatment is increasing.
- The Recovery Academy Durham has seen 12 individuals graduate since opening in Dec 2011 and nine graduated in partnership I Wing HMP Durham since Feb 2012. The graduates are now living completely drug free lives.
- Durham Recovery and Well Being centre is an aftercare facility for those leaving services abstinent from alcohol and has a healthy membership of people supporting each other and taking part in activities.
- An ambassador programme is now available to service users who have left treatment successfully so they can come back into services to support others.
- Between July 2011 and June 2012 960 under-18s were referred to 4Real following alcohol seizures.
- Best Bar None continues to increase in popularity amongst the on-licensed trade and has contributed to increased standards of management in the City and towns across the County.

#### **Cause for concern**

- Around 3% of school exclusions in County Durham are thought to be specifically due to alcohol, with a further 20% thought to be due to alcohol being a contributory factor.
- The percentage of the estimated drinking population in treatment with the Community Alcohol Service is below target.
- The most harmful drug, both to users and to communities, continues to be heroin.
- Cannabis is the most commonly used drug. The demand has resulted in more large scale/professional grows, often located in the more deprived areas where property is more available and cheaper.
- Alcohol is cheaper and more available than ever before.
- Between 38%-65% of the population of County Durham, over the age of 15, are drinking alcohol at levels that cause harm.
- Young adults are more likely to binge drink. The greatest number of increasing risk and higher risk drinkers can be found in the 25-44 year age group.
- More than 50% of offenders working with Durham Tees Valley Probation Service have alcohol problems.
- The most harmful drug, both to users and to communities continues to be heroin.

## Did you know?

- The National annual cost of drug related crime is £13.9 billion and drug treatment helps to reduce an estimated 4.9m crimes nationally per year with an estimated saving of £960 million.
- It is understood that for every £1 spent on drug treatment saves £2.50 in costs to society.
- More young people are choosing not to drink, but those who do drink are drinking more often.
- More than half of all violent crimes are alcohol related.
- Locally, the percentage of alcohol related violent crime reported in 2011/12 has risen by 4% from 2010/11.
- There continues to be a strong link between alcohol and certain forms of sexual assaults and child sexual exploitation.
- There is intelligence to suggest that there are more than 40 domestic premises suspected of supplying illicit tobacco.

## Look out for:

- 'Punched out cold' campaign, aimed at reducing drink fuelled violence.
- The Government's consultation on the level of a minimum unit price for alcohol.
- A refreshed County Durham Licensing Policy.
- An alcohol diversion scheme for binge drinkers who are arrested with an eligible alcohol related offence.
- The development of policy around new alcohol licensing legislation such as Early Morning Restriction Orders (which restricts the time after which alcohol may be sold) and Late Night Levy (a levy for businesses that supply alcohol late into the night).

## High level Action Plan

| Action   | Responsibility   | Timescale  |
|--|--|------------|
| Develop and implement a revised multi-agency Alcohol Harm Reduction Strategy for County Durham to: <ul style="list-style-type: none"><li>• prevent and tackle crime and disorder problems associated with alcohol misuse;</li><li>• reduce illegal sales of alcohol within the county.</li></ul> | Head of Early Intervention & Involvement / Director of Public Health | March 2014 |
| Work with partners to deliver a range of intelligence led interventions to reduce the harm caused by tobacco and alcohol.  | Head of Environment, Health and Consumer Protection                  | March 2014 |
| Reduce demand, restrict supply, build recovery and support people to live a drug free life.  | Head of Early Intervention & Involvement / Director of Public Health | March 2014 |

## 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.

Within County Durham the main focus is on the Prevent strand of the strategy. The new Prevent strategy has 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.
- Work with sectors and institutions where there are risks of radicalisation which we need to address.

Objective three of the new 'Prevent' strategy is underpinned by new research and understanding about the risks of becoming susceptible to terrorist propagandists. Sympathy for terrorism is highest among young people. Most terrorist offences are committed by those under 30 and some people, supportive of terrorist groups and ideologies, have sought or gained positions in schools. National research should not be interpreted to mean that schools within County Durham are at particular risk however agencies need to be aware of the general risk and act in a proportionate manner.

### Our key priorities for 2013-17:

- ✓ Implementation of CONTEST (the national strategy)
- ✓ Extremism and intolerance is challenged

### Going well

- Raised awareness of extremism through the use of workshops to raise Awareness of PREVENT, 'Trust Your Instincts' DVD and through internal communications.
- Awareness-raising of extremism in schools through 'staying safe on the Internet'.
- Awareness-raising in further education through the Safe Spaces initiative.
- Tested community resilience to extremism through the use of the tension monitoring.
- A system is in place in all prisons to ensure extremist behaviour is challenged and managed effectively through use of interventions
- Awareness-raising across acute and community health sectors.
- Developed best practice in emergency planning validation.

### 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.
- A system is in place in all prisons to ensure extremist behaviour is challenged and managed effectively through use of interventions.

### Look out for:

- Council's Community Resilience Plan.

## High level Action Plan

| Action   | Responsibility                           | Timescale  |
|--|--|------------|
| Maintain up to date understanding of the ideology behind the terrorist threat among the CONTEST Silver Group. <ul style="list-style-type: none"><li>• Deliver ongoing awareness raising training to members of the Silver group on both domestic and national ideologies delivered by national and regional bodies.</li><li>• Provide monthly Home Office updates from the Research, Information and Communications Unit to the Silver group and Durham County Council virtual Contest group.</li><li>• Achieve performance Level 3.</li></ul> | Head of Early Intervention & Involvement | March 2014 |
| Contribute to the implementation of the Channel Policy in order to prevent people from being drawn into terrorism and ensure that they are given appropriate advice and support. <ul style="list-style-type: none"><li>• Review and refresh Channel Policy.</li><li>• Contribute to the Channel process.</li><li>• Achieve Performance Level 3.</li></ul>  | Head of Early Intervention & Involvement | March 2014 |
| Deliver WRAP training to key individuals in order that they can recognise the signals of radicalisation and understand the support available to respond. <ul style="list-style-type: none"><li>• Staff trained to deliver WRAP.</li></ul>  | Head of Early Intervention & Involvement | March 2014 |

- Deliver WRAP training to key staff in youth offending.
- Deliver WRAP training to Key staff in schools.
- Achieve performance Level 3.

Implement the Hate Crime Action Plan.

Head of Early Intervention & Involvement

March 2014

## 6. Casualty reduction

The government has not as yet extended the casualty reduction targets beyond the 2010 timeframe set 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 reduction for the numbers of people killed or seriously injured, particularly children. During 2011 (January – September) the numbers of children involved in serious accidents has increased.

### Our key priorities for 2013-17:

- ✓ Improved safety of roads and pavements.

### Going well

- Overall, road casualties have fallen by more than half in the last ten years.
- 1300 young people put through the EXCELeRate Young Driver Training Scheme;
- We maintain:
  - 3,745 km of roads: 11% are 'A' roads, 11% 'B', 19% 'C', 59% unclassified
  - 592 road bridges
  - 3,486 km of footways and 491 footbridges
  - 87 cattle grids, 26 retaining walls
  - 104,000 gullies, in excess of 81,000 street lights and 5,500 lit signs

### Cause for concern

- County Durham pedestrians killed or seriously injured has increased by 33%.
- Children (0-15) killed or seriously injured has risen by 40%.
- Casualty rate per billion vehicle miles during 2011 increased by 12% since 2010 and those injured increased by 6%. Both are a higher rate than of the region.
- While young driver casualty numbers are falling, they are still disproportionately high given the number of young drivers actually using our roads.
- County Durham sits well above the England average for bus casualties when comparing casualties per population size.
- Child pedestrians and child car occupants account for 80% of all child casualties, with child pedal cyclists also being a significant issue.



### Did you know?

- 45% of roads are included in our winter maintenance plan and utilising the 42,000 tonnes of salt held in eight depots; our entire fleet pre-salts /ploughs roads round the clock. We also fill more than 2,000 salt bins and deploy more than 200 officers to clear priority footways and pavements.
- We oversee 193 school crossing patrols and deliver road safety training to more than 7,000 children each year.
- We have completed our new walking and cycling strategy and have started delivering the action plan to improve the safety of pedestrians and cyclists.

### Look out for:

- Government proposals to limit car use by new (young) drivers who are statistically more likely to have an accident.
- Improvements to the rail network including a new rail station at Horden, East Durham to encourage residents to leave their cars at home and use public transport.

## High level Action Plan

| Action   | Responsibility                          | Timescale  |
|--|---|------------|
| Develop and implement a risk based highway tree inspection regime in conjunction with Streetscene and Regeneration and Economic Development.   | Head of Technical Services              | March 2014 |
| Identify trends and install appropriate engineering solutions to reduce road casualties and implement a programme of engineering improvements. | Head of Transport and Contract Services | March 2014 |

## 7. Embed the Think Family Approach

In 2009, the government introduced its 'Think Family Strategy' with the aim of securing better outcomes for children, young people and families with additional needs by co-ordinating the support they receive from children's, young people's, adults' and family services.

Subsequently, in December 2011, the Government introduced the Troubled Families' Programme, with the intention of turning around lives of 120,000 troubled families in England. This programme will specifically target:

- getting children back into school;
- reducing crime and ASB;
- getting people back into work; and
- where parental substance misuse, domestic abuse and mental ill health are present since we know that these factors predominate in cases leading to care proceedings and are therefore of high cost to the public purse.

Embedding the 'Think Family' approach into how we tackle those individuals and families that commit crime and ASB is vital if we are to intervene at an early stage to tackle the underlying causes of crime that often pass from generation to generation.

The Safe Durham Partnership has had a strategic priority since 2011 to target 'High Impact Households.' High Impact households are identified as those that have

a disproportionate impact on partner agencies as either perpetrators or victims of crime or ASB. Some families experience complex health, social, economic and behavioural problems; which can then impact upon individual wellbeing and the wellbeing of those they live in close proximity to.

These households often contain 'victims' and 'offenders' and require the support of a wide range of services. This area of work will further develop as it is more closely integrated with Think Family at both a strategic and locality problem-solving level.

### **Our key priorities for 2013-17:**

- ✓ The most vulnerable families are diverted from offending and ASB.

### **Going well**

- Partnership agreements with key agencies have been set up to develop new ways of working with families and to support service and workforce transformation.
- A Think Family Mentor Network has been established to support lead professionals.

### **Cause for concern**

- The challenge of identifying a large number of families to work with over the next three years.

### **Did you know?**

- The intention is to work with 1,320 families across County Durham over the next three years.
- These families almost always have other often long-standing problems which can lead to their children repeating the cycle of disadvantage. One estimate shows that in over a third of troubled families, there are child protection problems. Another estimate suggests that over half of all children who are permanently excluded from school in England come from these families, as do one-in-five young offenders.
- Other problems such as domestic violence, relationship breakdown, mental and physical health problems and isolation make it incredibly hard for families to start unravelling their problems.
- The cost of these families to the public purse is very significant – approximately £9 billion a year, the vast majority spent on reacting to their problems. And most importantly, most of the money being spent is not providing lasting results and changing lives.
- The Safe Durham Partnership has 11 Locality Multi-Agency Problem-Solving Groups (LMAPS) which tackle those engaging in crime and ASB. These groups are being reviewed to fully embed the Think Family Approach.
- The Think Family Programme aims to see a 60% reduction in ASB across the family and the offending rate by all minors in the family reduced by at least 33%.

### **Look out for:**

- 'Think Family' E Learning Package for all Durham County Council staff and partner organisations.
- Level 4 Award (City and Guilds) Working with families with multiple and Complex Needs.

- A more co-ordinated approach with changes to the way services are provided to vulnerable families.

## High level Action Plan

| Action   | Responsibility                           | Timescale  |
|--|--|------------|
| Review Locality Multi-Agency Problem-Solving Groups (LMAPS) to ensure that Think Family is embedded into problem-solving.  | Head of Early Intervention & Involvement | March 2014 |
| Review Thematic Delivery Group action plans to ensure that Think Family is embedded into strategic approaches to tackle Anti-Social Behaviour, Reduce Re-Offending, Domestic Abuse and Substance Misuse. | Head of Early Intervention & Involvement | March 2014 |

# Altogether Greener



There is mounting evidence that the UK is experiencing changing climatic conditions and more extreme weather patterns due to the effect 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. Not only do we need to respond to any severe weather events, e.g. prolonged winter snow, heavy rain storms, high winds, but also we must develop adaptations that will ensure damage is limited and our services remain resilient. We have set challenging targets to reduce carbon emissions caused not only by our operations but also across the wider county. We will achieve these targets through programmed activity with residents and by working with local businesses.

Reducing waste, and re-using, recycling or composting what is produced, are important factors in sustaining our natural resources. The rollout of alternate weekly recycling and rubbish collection between January and June 2012 means residents now have wheeled bins for recycling increased the tonnage of dry recyclates collected from the kerbside. Although this, in turn, is helping to reduce landfill tonnages and costs, if our targets are to be achieved we need to further decrease the amount of waste produced, further increase re-use, recycling and composting levels, and where possible recover energy from waste.

The local environment consistently appears as a top priority for our residents and we recognise that the quality of the environment has a significant impact on feelings of happiness, security, well-being and pride. Clean streets, attractive towns and villages, and community cohesion all contribute to people's satisfaction with their area as a good place to live. We believe that by encouraging people to take pride in their environment and empowering communities to develop and deliver change in

their own neighbourhoods, we can collectively deliver improvements that will last for generations to come.

In addition, we must carefully manage both the natural and built environment to enhance and sustain our local environment. We will build on the importance placed on parks and open spaces and work with communities to ensure these areas meet their needs.

### **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 authority area by 40% by 2020. Working with our partners we will ensure the county is well prepared to adapt to the consequences of climate change, for example to be able to cope with any major flooding events or other severe weather event. In conjunction with the Environment Agency, we have identified areas which may be vulnerable to flooding and we will be implementing actions to mitigate the potential impact and protect our communities.

#### **Going well**

- We are on target to install 120 electric vehicle charging points across the county by 2014. So far, we have installed 30.
- We've ensured that the County Durham Plan takes climate change into account and have begun a project with the Environment Agency to consider future flood mitigation works on the River Wear in Durham City.
- We are reducing both energy costs and carbon emissions through a number of initiatives including: installing solar panels on 35 public buildings, de-illumination of signs, retrofit of older lighting apparatus with up-to-date energy efficient apparatus, dimming street lights and replacing older vehicles with more fuel efficient versions.

#### **Cause for concern**

- Issues with developers still using 2006 building regulation means that overall carbon savings are not as significant as anticipated.
- The reduction of the Feed-in-Tariff from the Government to support private householders to invest in low carbon energy generation (wind/ solar etc) will reduce our ability to lower carbon emissions.
- Increase in severe weather events including prolonged winter snow, heavy rain storms, and high winds.

#### **Did you know?**

- One of the world's leading solar panel manufacturers is based at NETPark in County Durham.
- There are currently two geothermal test sites in the County. Hot water has been found beneath sites at Eastgate in Weardale and at Hawthorn in East Durham.
- You can find out if you are at risk of flooding and sign up for flood warnings from the Environment Agency.

#### **Look out for:**

- Events throughout Altogether Greener week.
- Dimming of street lighting.
- New electric charging points.

## High Level Action Plan

| Action  | Responsibility                          | Timescale   |
|---|---|---|
| Deliver the Street Lighting Energy Reduction Project to achieve energy reduction in respect of street lighting electrical apparatus through a combination of: <ul style="list-style-type: none"> <li>• Design development</li> <li>• Procurement of equipment</li> <li>• Upgrade street lamps with new LED units and central control system</li> <li>• Identify potential locations for the de-illumination of traffic signs</li> </ul> | Head of Technical Services              | March 2019<br><br>April 2013<br>April 2013 to<br>March 2019 |
| Coordinate the development and implementation of a re-charging network for electric vehicles through the Local Transport Plan 3 and planning conditions for new developments: <ul style="list-style-type: none"> <li>• 35 electric charging points across the County</li> </ul>   | Head of Transport and Contract Services | March 2014<br><br>March 2014                                |
| Develop an approach to providing fuel efficient pool vehicles at major depots to manage and reduce business mileage.  | Head of Direct Services                 | March 2014  |
| Establish a carbon reduction baseline and subsequent targets for 2014 onwards in relation to the new Waste Service contracts.<br><br>Baseline established<br><br>Targets set  | Head of Project & Business Services     | August 2014<br><br>June 2015                                |
| Work in partnership with Registered Housing Providers to minimise Fuel Poverty and improve Energy Efficiency.   | Head of Economic Development & Housing  | December 2015   |
| Develop projects for renewable energy development on council assets and assist in the development of community renewable energy.  | Head of Planning and Assets             | March 2017  |

## 2. Promote pride in our communities

Consultation with our residents consistently identifies clean streets as a top priority. 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, and greener. We will continue to encourage local people to look at ways to improve their local area and to get involved in implementing their ideas.

### Going well

- 15 of our parks and open spaces have been awarded green flags, the highest number of all North East authorities. We have more cemeteries with green flags than any other burial authority in the country. And we continue to support both Northumbria in Bloom and Britain in Bloom.
- Each year more than 100 organised litter picks are carried out.

### Cause for concern

- Result of climate change impacting service delivery, eg increased verge/weed maintenance.

### Did you know?

- Countryside volunteers contribute almost £400,000 of work to the County Council each year.
- Our Pride Team not only organises litter picks but also supports community groups to organise their own clean up days by lending equipment.
- By June 2013, a number of 'how to' guides for 'Pride' activities will have been developed.

### Look out for:

- Events throughout Altogether Greener week.
- Declaration of an Air Quality Management Area in Chester-le-Street.
- Big Spring Clean 2013.

## High level Action Plan

| Action  | Responsibility                                      | Timescale      |
|---|---|----------------|
| Work with social housing providers to deliver environmental improvements through local campaigns and schemes targeting environmental issues within localities, for example, dog fouling, littering and dirty yards and gardens. | Head of Direct Services                             | April 2014     |
| Declare an Air Quality Management Area for Chester-le-Street and undertake further air quality assessment work.   | Head of Environment, Health and Consumer Protection | September 2014 |

### 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 well-being, therefore protecting the environment and enhancing biodiversity is a priority.

There have been many improvements to our natural environment; the air is cleaner, water quality has improved and our wildlife sites are in better condition. We will continue to take action to ensure that our natural environment is protected as a resource for future generations, including using large scale biodiverse landscapes to mitigate the impact of climate change.

The creation of Local Nature Partnerships (LNP's) will ensure a healthy and natural environment improving the multiple benefits we receive from the good management of the land.

#### Going well

- Countryside volunteers contribute almost £400,000 of work to the county council each year.

#### Cause for concern

- Changing weather patterns associated with climate change are expected to negatively affect habitats in Durham and the species they support.

#### Did you know?

- the council manages 120km of railway path and undertake biodiversity management and enhancement work at 70 sites totalling almost 1,200 hectares (five square miles).
- 30% of the North Penines AONB is in County Durham.

#### Look out for:

- Community conservation days in your area and the Countryside Events programme.
- Environment Awards 2013.

### High level Action Plan

| Action   | Responsibility              | Timescale     |
|--|-----------------------------|---------------|
| Development and support of landscape-scale partnerships and designations and the delivery of associated actions plans, including:  | Head of Planning and Assets | March 2014    |
| <ul style="list-style-type: none"><li>• Delivery of the Limestone Landscapes Heritage Lottery Fund programme, which includes the consolidation of Hawthorn Hythe Lime Kiln and Field training for staff and volunteers</li></ul> |                             | November 2013 |



#### 4. Enhance, conserve and promote Durham's built environment

Our built environment is the place where most people both live and work. Appearance is important but good design is not only how things look, it uplifts communities, transforms how people feel and behave, and ensures resources are used effectively and imaginatively.

We must carefully plan our built environment. As the population ages, it is important places are welcoming, inclusive, and designed for the convenience and the enjoyment of all. The challenge of climate change has meant we must fundamentally re-think the way we plan and design our built environment, both to mitigate by using local and sustainable materials and ensuring future energy use is minimised and to adapt, by ensuring that development is fully prepared for more extreme weather.

##### Going well

- The annual partnership programme of Heritage Open Days was held successfully in September 2012. As part of the event a Durham Booklet was produced, user feedback has been that it is of an excellent standard and is a useful information guide to the heritage assets in County Durham.
- Completion of works to improve town centres, ranging from shop front improvement schemes in Seaham and Consett to group repair schemes in Dawdon (part-funding improvements to doors/windows/ guttering).

##### Cause for concern

- The judicial review of the development of sites for supermarkets in Peterlee is restricting the further regeneration of the town centre. A regeneration framework for the town is due for completion later in the year which will set out how we will improve the built environment of this important town centre.

##### Did you know?

- County Durham has 28 buildings listed on the Heritage at Risk Register maintained by English Heritage

##### Look out for:

- Events throughout Altogether Greener week.
- Heritage Open days?

#### High level Action Plan

| Action  | Responsibility              | Timescale    |
|---|-----------------------------|--------------|
| Manage promote and deliver an annual partnership programme of Heritage Open Days. | Head of Planning and Assets | October 2013 |

#### 5. Reduce waste

The European landfill directive was introduced to prevent or reduce as far as possible negative effects on both the environment and human health from the landfilling of waste. The legislation has important implications for waste handling and disposal as it contains targets for the landfilling of biodegradable waste that the UK must achieve. The UK Landfill tax is the mechanism for meeting these targets because by increasing the cost of landfill, other waste treatment technologies become more financially attractive. We not only continue to search for more

innovative ways for disposing of waste but also reducing the amount of waste produced.

### Going well

- The percentage of household waste re-used, recycled or composted continues to increase from 43% during 11/12 to 43.4 during 12/13.
- Alternate Weekly Collection (AWC) has resulted in more dry recycling being collected from the kerbside 5000 more tonnes during 12/13 than 11/12.

### Cause for concern

- The possibility of less recycling due to a downturn in the market price of recyclates.

### Did you know?

- Last year, our refuse and recycling team emptied household bins / containers over 20 million times; handling almost 240,000 tonnes of household waste, of which almost 105,000 tonnes were recycled or composted (43.4%).

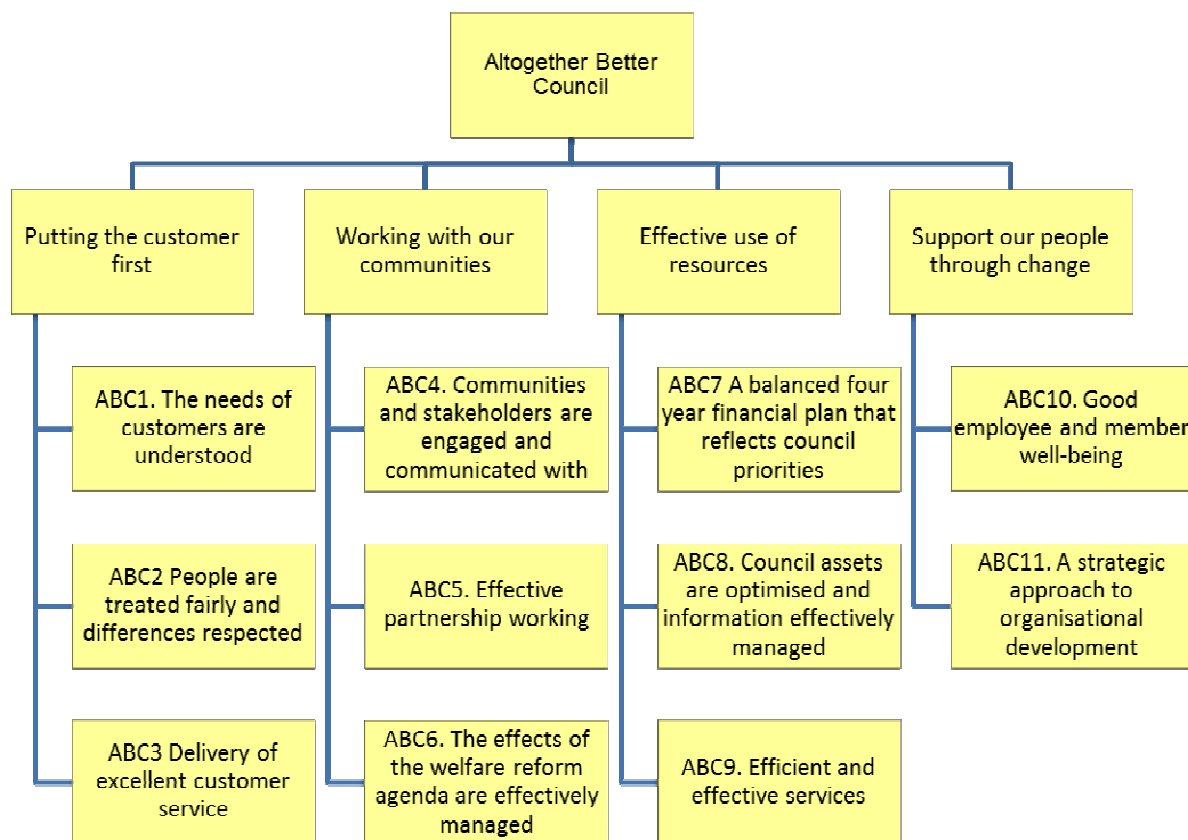
### Look out for:

- Waste awareness campaigns and roadshows.
- Events throughout Altogether Greener week.

## High Level Action Plan

| Action   | Responsibility                         | Timescale      |
|--|--|----------------|
| Produce a new Waste Strategy for Durham County Council             | Head of Projects & Business Services   | September 2013 |
| Deliver the Waste Transfer Stations Capital Improvement Programme: | Head of Projects and Business Services |                |
| • Annfield Plain   |  | December 2014  |
| • Heighington Lane, Newton Aycliffe                                |  | December 2014  |
| • Stainton Grove   |  | December 2014  |
| • Thornley (demolish and rebuild)                                  |  | December 2015  |

# Altogether Better Council



The Altogether Better Council priority theme contains the enablers that allow us to effectively manage change and deliver improvement across the other themes within this plan. Much work has been done during 2012/13 to rationalise the range of objectives and outcomes within this theme. Our plans in this area are now structured around four key objectives of serving our customers effectively, working with our communities, using our resources in an effective manner and supporting our people through change. These are key areas and they relate to all services within the council. It is imperative that we deliver against these objectives and they become increasingly important in times of significant change.

## 1. Putting the customer first

Local authorities exist to serve their customers and our new Customer First Strategy is been refreshed to reflect changing needs. Residents and customers pay for the services that we deliver through their taxes and through fees and charges. It is imperative that we understand what services our customers want from their local council and that they have a say in the shaping of services delivered to them. Increasingly, people want to do their business with the council at a time and place which is convenient to them. Many people are comfortable with booking tickets for the cinema, paying bills or reporting a fault online either on their computer or their mobile phone. It is more cost effective for the council and the customer to divert much of the business transacted with customers to be delivered online. However, we

also recognise that for some transactions, it is more convenient for customers to receive services face to face or by telephone. This is why we are spending time in enhancing our website and also investing in improving our telephone system and customer access points. The council's new Customer First Strategy will set out how we intend to further improve how we deliver services to our customers.

#### Going well

- We have completed a major project at Clayport Library in Durham City: refurbishing all three floors and relocating the Customer Access Point bringing council services together under one roof in a convenient and accessible location.
- We have transformed Crook Civic Centre to provide a new Customer Access Point and library, resulting in much-improved facilities for local residents.
- We have developed a new Primary School at Esh Winning including a library for use by both pupils and the community.
- Introduction of DisabledGo website providing detailed access information for disabled residents, visitors and their families on over 1,000 venues across the county.
- This year the council opened a new register office at Aykley Heads House which provides a choice of celebratory rooms in an elegant listed building.

#### Cause for concern

- Performance in terms of answering telephones and dealing with people face to face has been variable throughout the year and has fallen below target in some months, but is being addressed.

#### Did you know?

- Each year Customer Services answer more than 800,000 telephone enquiries and deal with almost 210,000 face to face enquiries.
- Care Connect were awarded the National Telecare Services Association 'Platinum' accreditation for providing an excellent service across the County.
- We maintain more than 6,000 homes in Durham City. Repairs can be reported via text message and we'll confirm the appointment time, by text, the day before we arrive. You can also set up a password in advance of visits so you can confirm our identity.
- Durham County Council is on Facebook and Twitter.

#### Look out for:

- Our refreshed Customer First Strategy.
- Additions to the DisabledGo County Durham website.
- Analysis of the 2011 census results for County Durham.

### High level Action Plan

| Action                                 | Responsibility                         | Timescale |
|--|--|-----------|
| Develop a new Customer First Strategy. | Head of Projects and Business Services | May 2013  |

|   |  |                             |
|---|--|-----------------------------|
| Improve understanding of customer and population needs <ul style="list-style-type: none"> <li>• Sub-county analysis of performance and population needs</li> <li>• Census profiles</li> </ul> | Head of Planning and Performance       | June 2013<br><br>March 2014 |
| Evaluate electronic channels and identify which customers will be encouraged to use them and develop a programme to promote their use.  | Head of Projects and Business Services | December 2013               |
| Re-launch the council's website as a principal service channel.   | Head of Policy and Communications      | April 2014                  |
| Adopt a suite of golden numbers for the council to enable easier access to services for customers.  | Head of Projects and Business Services | December 2014               |

## 2. Working with our communities

Effective engagement with local residents has been a key focus for Durham County Council since local government reorganisation. Our 14 Area Action Partnerships (AAPs) across the county are a key to achieving this. The Government is also placing a great emphasis on connecting with communities through the Localism Act 2011. This gives councils a general power of competence and residents now have the power to instigate referendums on any local issue. They will also be able to veto council tax increases above 2%. 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.

The Welfare Reform Act 2012 is one of the largest policy changes introduced by the current government. One of the aims of welfare reform is to simplify a very complex array of benefits available to people who are unemployed, disabled, unable to work, have childcare responsibilities or who are on low incomes.

It is therefore 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 Equality Act 2010. The public sector 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 an on-going programme of Equality Impact Assessments to adhere to its Public Sector Equality Duty also included within the act.

### Going well

- Three large participatory budgeting events were held in 2011 attracting 104 proposals for local projects. 37 projects were successful and were granted £150,000 funding.

- A participatory budgeting event run jointly by Durham County Council and Stanley Town Council in Stanley last year attracted 1353 attendees making it the largest in England.
- A peer challenge of the council conducted by a team of councillors and officers from other authorities in July 2012 reported that AAPs are working well, have a strong focus on action and an impressive record of running exciting events and projects.
- The council has set up a network of regular meetings to work with the voluntary sector and town and parish councils to maintain dialogue and identify opportunities to work together in delivery of local services.

### Cause for concern

- National reforms to the welfare system may impact negatively on our residents and communities

### Did you know?

- A new chair for the County Durham Economic Partnership Board, Professor Brian Tanner, was appointed in June 2012.
- Area Action Partnerships have attracted an additional £11.8 million in matched funding linked to area budgets since their inception. That is £1.65 of external money brought in for every £1 of council money spent.
- The latest census results show that the population has grown to 513,200.

### Look out for:

- More local participatory budgeting events.
- World War I centenary commemoration.

## High level Action Plan

| Action   | Responsibility                                   | Timescale         |
|--|--|-------------------|
| Implementation of Local Council Tax Support Scheme and Welfare Assistance arrangements.  | Head of Finance<br>(Financial Services)          | April 2013        |
| Renew our Sustainable Community Strategy.  | Head of Partnerships and<br>Community Engagement | September<br>2013 |
| Completion and monitoring of all risk and project plans, and compliance with the Electoral Commission's performance standards for the following elections; | Head of Legal &<br>Democratic Services           |                   |
| County & Local Elections   |  | May 2013          |
| European Union Elections   |  | June 2014         |
| Parliamentary Elections  |  | May 2015          |

|   |   |                |
|---|---|----------------|
| Establish a robust approach to consultation on budget reductions and service changes.                                   | Head of Partnerships and Community Engagement | September 2013 |
| Manage a programme of projects to monitor and respond to the impact of welfare reform on our residents and communities. | Head of Policy and Communications             | December 2013  |
| Develop a robust performance framework to capture the effectiveness of AAPs.  | Head of Partnerships and Community Engagement | September 2013 |
| Implementation of a community buildings strategy.   | Head of Partnerships and Community Engagement | May 2014       |

### 3. Effective use of resources

The council continues to face unprecedented levels of reduction in Government support over the medium-term with a third year of very demanding reductions. 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.

A number of planned savings reflect the benefits to the council of becoming a unitary authority offering an opportunity for significant efficiency savings and modernisation opportunities. For example, consolidation of some of our computer systems onto a single platform following local government reorganisation has allowed us to achieve significant efficiency savings. The implementation of the council's Accommodation Strategy is also achieving reductions in premises costs which will deliver a net saving.

We have gained a better understanding of our costs and how they relate to performance in comparison with other service providers. Following the abolition of the national performance framework we have also developed a local new performance management framework that is designed to meet local needs and ensure scarce resources are targeted where they can achieve the greatest impact.

#### Going well

- The on-going development and delivery of the council's MTPF.
- The statutory deadline for the completion of final accounts was achieved.
- The Audit Commission's value for money conclusion identified that the council has proper arrangements in place to secure financial resilience.
- Successful Peer Challenge visit completed in July 2012.
- Preparation for the Local Council Tax Support Scheme.



### Cause for concern

- The potential financial impact of the Business Rates Retention Scheme.
- The outcome of the next Comprehensive Spending Review for Local Government.
- The potential for increasing levels of need to be met by the Local Council Tax Support Scheme.
- The impact of the Government's welfare reforms.

### Did you know?

- The Council Chamber from the former Easington District Council Offices is being dismantled and re-built at Beamish Museum.
- There are 236,000 chargeable properties in County Durham with a gross Council Tax liability of £251m and over 80% of properties are in bands A-C
- There are an estimated 67,000 claims for Council Tax Support each year.
- Housing benefit payments to private and social landlord tenants total £188m in County Durham. Around 70% of social housing tenants are in receipt of housing benefit.

### Look out for:

- The roll out of Oracle Business Intelligence functionality and conversion of the Oracle financial system onto the new R12 version during 2013.
- The development of a Joint Regeneration Investment Plan for the council and its partners.

### High level Action Plan

| Action  | Responsibility                               | Timescale                        |
|---|--|----------------------------------|
| Develop and monitor detailed plans for achieving the required savings set out in our MTFP.  | Head of Policy and Communications            | April 2013                       |
| Effective management of the council's assets through: <ul style="list-style-type: none"><li>• Development of Service Asset Management Plans for each service grouping</li><li>• Review and deliver the council's Office Accommodation Strategy in accordance with agreed timescales</li></ul> | Head of Planning and Assets                  | September 2013<br><br>March 2017 |
| Produce a Regeneration Investment plan to maximise external funding for the council and its partners.   | Head of Strategy, Programmes and Performance | September 2013                   |



|   |   |               |
|---|---|---------------|
| Undertake a review of the Local Council Tax Support Scheme.   | Head of Finance<br>(Financial Services) | December 2013 |
| Delivery of financial savings through procurement activity and reviews.   | Head of Finance<br>(Corporate Finance)  | December 2013 |
| Deliver a programme of data protection health checks to ensure that personal data held by the council is managed effectively. | Head of Planning and Performance        | December 2013 |
| Refresh and update the MTFP.  | Head of Finance<br>(Corporate Finance)  | February 2014 |

#### 4. Support our people through change

The Authority is continuing to undergo significant change in relation to the workforce over the medium term, 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 would lose 1,600 full-time equivalent posts from its establishment during the period 2011/2012 to 2014/2015 to meet our existing savings targets. The targets set for each year 2011/12 and 2012/13 will be achieved and the figure will continually be reviewed in our forward planning towards 2017 in light of any further changes to the council's budget position.

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 on compulsory redundancies in meeting the significant savings that were required. We will continue to engage with the workforce in helping us to manage and implement the necessary changes, alongside developing strategic workforce development plans that can support the development of skills and capacity in a continually changing workforce, in order to support the future needs of the organisation over this period.

#### Going well

- The Durham Manager Programme was successfully launched in 2012.
- The development of the ResourceLink computer system; for example on-line expenses and mileage claims.
- The development of regional partnerships for Human Resources activity.
- Pay and conditions following implementation of single status has been agreed with the trade unions.

#### Cause for concern

- Increase in employee sickness absence.
- Data quality issues with performance information for staff appraisals completed.

#### Did you know?

- Almost 3,000 managers and employees attended manager/ employee

support programmes related to the MTPF.

- The Pay and Conditions Helpdesk handled over 3,000 telephone calls and almost 1,000 email queries between May and October 2012.
- The council held its first corporate annual staff awards ceremony in 2012 making awards for Employee of the Year, Team of the Year, Working Together, Excellent Service and Innovation.
- A staff survey on internal communications conducted in 2012 highlighted that 80% of respondents felt that their efforts were valued and recognised, 86% felt free to express their views to managers and 81% would speak highly of the council outside of work. These results compare very favourably to national benchmarks<sup>12</sup>.

#### Look out for:

- A new Attendance Management Framework across the council.
- Induction and support of newly elected Members following the local election in May 2013.

### High level Action Plan

| Action  | Responsibility   | Timescale      |
|---|--|----------------|
| During 2012/13, develop a member induction programme for roll out following the May 2013 local election                         | Head of Human Resources and Organisational Development | May 2013       |
| Implement actions to improve attendance and the management of sickness absence.   | Head of Human Resources and Organisational Development | June 2013      |
| Implement actions to improve the quality of data used to report on the percentage of staff appraisals completed.                | Head of Human Resources and Organisational Development | June 2013      |
| Revise the council's Organisational Development Strategy to strengthen the approach towards workforce planning and development. | Head of Human Resources and Organisational Development | September 2013 |

<sup>12</sup> Chartered Institute of Personnel and Development (2012) *Employee Outlook*: Autumn 2012, CIPD.

**Appendix 1 will include a corporate basket of performance indicators that are currently being reviewed and will be incorporated into the plan prior to Full Council.**

**MTFP Budget Savings 2013/14 to 2016/17 to be included in Appendix 2 following approval by Full Council**

## Glossary

|                   |  |                 |   |
|-------------------|--|-----------------|---|
| <b>AAPs</b>       | Area Action Partnerships                   | <b>LEQS Pro</b> | Local Environmental Quality Survey. LEQS pro is a system to monitor and analyse data from street cleansing activity, highways infrastructure etc. |
| <b>ACE</b>        | Assistant Chief Executive's                | <b>LMAPS</b>    | Locality Multi-Agency Problem Solving Groups  |
| <b>AONB</b>       | Area of Outstanding Natural Beauty         | <b>LNP</b>      | Local Nature Partnerships   |
| <b>ASB</b>        | Anti-Social Behaviour                      | <b>Lumiere</b>  | A spectacular festival of art and light in Durham in Nov 2011   |
| <b>AWC</b>        | Alternate Weekly Collection                | <b>MMI</b>      | Municipal Mutual Insurance  |
| <b>CAS</b>        | Community Alcohol Service                  | <b>MTFP</b>     | Medium Term Financial Plan  |
| <b>CAT</b>        | Community Action Team                      | <b>NEET</b>     | Not in Education, Employment or Training  |
| <b>CERT</b>       | Carbon Efficiency Reduction Target         | <b>NEPACS</b>   | North East Prison After Care Society  |
| <b>CTB</b>        | Council Tax Benefit                        | <b>NHS</b>      | National Health Service   |
| <b>CVD</b>        | Cardiovascular disease                     | <b>NNDR</b>     | National Non Domestic Rates   |
| <b>CYP&amp;FP</b> | Children, Young People and Families Plan   | <b>OCU</b>      | Opiate or Crack Users   |
| <b>DCC</b>        | Durham County Council                      | <b>Ofsted</b>   | Office for Standards in Education   |
| <b>DECs</b>       | Display Energy Certificates                | <b>ONS</b>      | Office for National Statistics  |
| <b>DWP</b>        | Department for Work and Pensions           | <b>RIDOR</b>    | Reporting of Injuries, Diseases and Dangerous Occurrences Regulations   |
| <b>EHCP</b>       | Environmental Health & Consumer Protection | <b>RIPA</b>     | Regulation of Investigatory Powers Act  |
| <b>FTE's</b>      | First Time Entrants                        | <b>PRD</b>      | Pre-Reprimand Disposal  |
| <b>FIT</b>        | Feed in Tariff                             | <b>SOA</b>      | Scheme of Arrangement   |
| <b>FSM</b>        | Free School Meals                          | <b>UC</b>       | Universal Credit  |
| <b>GP</b>         | General Practitioner                       |                 |   |
| <b>GCSE</b>       | General Certificate of Secondary Education |                 |   |
| <b>HB</b>         | Housing Benefit                            |                 |   |
| <b>HWRC</b>       | Household Waste Recycling Centre           |                 |   |
| <b>ICT</b>        | Information and Communication Technologies |                 |   |
| <b>IFS</b>        | Institute for Fiscal Studies               |                 |   |
| <b>IOM</b>        | Integrated Offender Management             |                 |   |
| <b>JSA</b>        | Job Seekers Allowance                      |                 |   |
| <b>JSNA</b>       | Joint Strategic Needs Assessment           |                 |   |

## Contact Details

Any comments or queries about this document can be directed to:

Corporate Improvement Team  
 Planning and Performance  
 Assistant Chief Executive  
 County Hall  
 Durham  
 DH1 5UF  
 Telephone : 03000 268011  
 e-mail: corporate.improvement@durham.gov.uk

**Please ask us if you would like this document summarised in another language or format.**

العربية (Arabic) (中文 (繁體字)) (Chinese) اردو (Urdu)  
 polski (Polish) ਪੰਜਾਬੀ (Punjabi) Español (Spanish)  
 বাংলা (Bengali) हिन्दी (Hindi) Deutsch (German)  
 Français (French) Türkçe (Turkish) Melayu (Malay)

03000 268015

corporate.improvement@durham.gov.uk



**Braille**



**Audio**



**Large  
Print**

**County Council**

**20 February 2013**



**Interim Arrangements for the Discharge  
of Functions for the period between the  
County Council Elections and the  
Reconstitution of Council Bodies**

---

**Report of the Corporate Management team**

**Colette Longbottom, Head of Legal and Democratic Services.**

**Councillor Alan Napier, Portfolio Holder Resources**

---

**Purpose of the Report**

- 1 To seek delegated authority for the discharge of County Council functions in the period between the County Council elections and the reconstitution of Council bodies.

**Background**

2. On 2 May 2013, with the exception of the Chairman and Vice-Chairman of the Council, all Members of the County Council will retire from office. In order to ensure that adequate arrangements are in place to enable urgent business to be dealt with during the period from 2nd May up to the Annual Meeting of the County Council) on the 22<sup>nd</sup> May, the Council is recommended to delegate authority to the Chief Executive, in consultation with the Chairman or Vice-Chairman of the Council (who remain in office until the first annual meeting of the new Council) to take any urgent action necessary in the interests of the Authority.
3. It is further proposed that this delegation be continued during the period from the Annual Council Meeting until the appropriate Council bodies are reconstituted and that in that period the Members to be consulted would be the new Chairman or Vice-Chairman of the County Council.

**Recommendations and Reasons**

4. That Council agrees:
  - (i) To delegate authority to the Chief Executive, to take any urgent action necessary in the interests of the Authority from the 2<sup>nd</sup> May 2013 until the Annual Council Meeting in consultation with the current Chairman or Vice-Chairman.

- (ii) From the Annual Council Meeting until the appropriate Council bodies are reconstituted to delegate Authority to the Chief Executive to take any urgent action necessary in the interests of the council and that in that period the Members to be consulted are be the new Chairman or Vice-Chairman of the County Council.

---

|                 |                           |                           |
|-----------------|---------------------------|---------------------------|
| <b>Contact:</b> | <b>Colette Longbottom</b> | <b>Tel: 03000 269 732</b> |
|-----------------|---------------------------|---------------------------|

---



---

## **Appendix 1: Implications**

---

**Finance** – none specific in this report.

**Staffing** - none specific in this report.

**Risk** - none specific in this report.

**Equality and Diversity / Public Sector Equality Duty** - none specific in this report.

**Accommodation** - none specific in this report.

**Crime and Disorder** - none specific in this report.

**Human Rights** - none specific in this report.

**Consultation** - none specific in this report.

**Procurement** - none specific in this report.

**Disability Issues** - none specific in this report.

**Legal Implications** - none specific in this report.

This page is intentionally left blank

## County Council

20 February 2013

### Request for Reduction Of Council Size: Trimdon Parish Council



---

## Report of Colette Longbottom, Head of Legal and Democratic Services

---

### Purpose of the Report

1. To consider the request from Trimdon Parish Council to reduce the number of Parish Councillors on the Parish Council from 21 to 13.

### Background

2. In March 2012, Trimdon Parish Council expressed an interest in reducing their council size for the following reasons:
  - (i) Most parish councils with greater budgets than Trimdon operate with fewer Councillors;
  - (ii) the Parish Council is seeking "Quality Status". One of the main criteria for this is adherence to the democratic process;
  - (iii) the Parish Council is concerned that the people of the Parish have proper representation and firmly believe that the Council size needs to be reduced;
  - (iv) the Parish Council believes that a reduction of Councillors will ensure that the Council is able to continue to be active and effective within the community it serves.
3. In undertaking any form of community governance review the County Council is guided by the following:
  - Section 93 of the Local Government and Public Involvement in Health Act 2007;
  - Guidance issued by the Secretary of State (Guidance on Community Governance Reviews published in March 2010 by the Department for Communities and Local Government (DCLG) and the Local Government Boundary Commission for England (LGBCE);
  - Relevant parts of the Local Government Act 1972 ("the 1972 Act");
  - following regulations which guide, in particular, consequential matters rising from any review (if applicable):
    - (i) Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625);

(ii) Local Government Finance (New Parishes) Regulations 2008 (SI2008/626).

4. On the size of parish councils, legislation establishes five councillors as the minimum but does not make any link between the number of electors and the size of the council. The National Association of Local Councils (NALC), the body which represents Parish Councils, has indicated that it believes that seven should be minimum size.
5. Research conducted by Aston Business School in 1992, indicates that councils servicing parishes between 2,501 and 10,000 people have 9 to 16 councillors. Trimdon has 3882 registered electors.

### **Warding Arrangements**

6. The Parish is currently split into 2 wards – Old Trimdon Ward comprising Trimdon Village and Trimdon Grange, and New Trimdon Ward comprising Trimdon Grange and Trimdon Colliery. The Councillor split is 13 and 8 respectively.
7. In the event of the Council size reducing to 13 Councillors, the suggested warding arrangements are as follows:
  - Old Trimdon Ward – 8 Councillors
  - New Trimdon Ward – 5 Councillors

### **Review**

8. In reviewing this request the Council should consider:
  - Whether the decrease in size is sustainable in the medium to long term;
  - Any recognised good practice on council size; and
  - The other options open to it.

### **Consultation**

9. The relevant notice advertising the proposed reduction was published in the Northern Echo on 30 November 2012 and individual letters were sent to local county councillors, the Member of Parliament for the North Durham Constituency, East Durham Area Action Partnership (“AAP”). No objections to the request have been received during the consultation period. Responses were received as follows:-
10. Councillor P Brookes responded to the consultation and was fully supportive of the proposal, particularly because of the problems which had been experienced by the Parish Council in attracting candidates to join the Council.
11. The Right Honourable Mr P Wilson, Member of Parliament for the Sedgefield Parliamentary Constituency, responded to the consultation and had no objections to the proposals.

12. The County Durham Association of Local Councils responded to the consultation and while they were not in objection to the proposal, they did make observations as follows:
- CDALC were concerned about the loss of local democracy in the Trimdon area due to such a substantial reduction and queried why Trimdon Parish Council were not seeking more candidates to stand for election rather than reducing numbers;
  - CDALC questioned whether Trimdon Parish Council would be leaving themselves more exposed to election costs, highlighting that the reduction could mean a greater likelihood of an election being called with the possibility of costs being incurred.
13. In response to the concerns raised by CDALC, Trimdon Parish Council have advised as follows:
- Rather than the Trimdon area losing local democracy, the reduction would actually allow the Parish Council to wholly participate in the democratic process. It was acknowledged that there would be a greater likelihood of an election being called, the Parish Council would welcome the opportunity to be a fully democratically elected and accountable body.
  - The Parish Council are keen to work towards achieving Quality Status, the criteria of which requires that a minimum of two thirds of the Council must have been elected.
  - Trimdon Parish Council last had a full election in 2007 which was uncontested, since then they have held 3 by-elections to fill vacancies, 1 contested and 2 uncontested. As such Trimdon Parish Council believe that the reduction will be a pragmatic approach to resolving a long running problem

## Conclusion

14. The review is focused entirely on the size of the Parish Council. The only options which can be considered are to leave the Parish Council at the current size, or to reduce its size. There has been no objection to the proposal and the reasoning behind the Parish Council's request appears appropriate under the circumstances.

## Recommendations and reasons

15. The County Council are **RECOMMENDED** to agree the request and that an order be made reducing the number of councillors on Trimdon Parish Council from 21 to 13.

## Background Paper(s)

Trimdon Parish Council Community Governance Review File

**Finance - None**

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

**Risk – Identified in previous reports.**

**Equality and Diversity / Public Sector Equality Duty – None specific within this report.**

**Accommodation – None specific within this report.**

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

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

**Consultation – Within the body of the report.**

**Procurement – None specific within this report.**

**Legal Implications – Within the body of the report.**

## County Council

20 February 2013

**Request for Changes to the Boundary  
between Shincliffe Parish Council and  
Cassop-Cum-Quarrington Parish – Draft  
Terms of Reference**

---

**Report of Colette Longbottom, Head of Legal and Democratic  
Services**

---

**Purpose of the Report**

1. To consider the request from Shincliffe and Cassop-Cum-Quarrington Parish Councils for the proposal to transfer the area of the former Cape Asbestos Site at Bowburn from Shincliffe Parish to Cassop-cum-Quarrington Parish.

**Background**

2. This request was agreed by the Constitution Working Group on 17 December 2012. Members expressed the view that they would prefer the review to be completed in time for the May 2013 Parish Council Elections.
3. Since the December meeting, advice was sought from the Local Government Boundary Commission for England who advised as follows:
  - All residents of the affected area (Bell Ward) be consulted;
  - Details should be provided to the parishes and the residents of the affected area what the proposal would mean in terms of changes to precept;
  - Consideration should be given to the affect the movement of electors from one parish to another would have on Council size and impact on any existing warding arrangements;
  - The consultation should be staged over 3-4 months.
4. To be effective for the May 2013 election a Council decision on the proposal is therefore necessary before 18 March 2013.
5. Under normal circumstances the time frame for undertaking this review would require more time; however, there is a level of support for this to be completed in time for the May Election.

**Terms of reference**

6. A set of draft terms of reference are attached for consideration.

**Consultation**

7. The consultation process is set out in the terms of reference.

## Timetable for the review

8. The timetable for the review is set out below.

| Action  | Time span | Dates             |
|---|-----------|-------------------|
| Publication of Terms of Reference and consultation on draft proposals |           | 20 February 2013  |
| Closing date for comments on the proposals                            | 12 days   | 4 March 2013      |
| Analysis /evaluation of responses and preparation of final proposals  | 2 days    | 5 – 6 March 2013  |
| Despatch of Special Council Agenda                                    |           | 7 March 2013      |
| Special Council and publication of final recommendations              |           | 15 March 2013 TBC |
| Preparation and publication of any reorganisation Order               |           | 15 March 2013     |

## Recommendation

7. Council's instructions are sought on whether to progress the request, within the limited timeframe and in accordance with the draft terms of reference detailed in the report; and that should the request be agreed, that a Special Meeting of the Council be convened to be held no later than 15 March 2013 to ensure that arrangements can be made in preparation for the local elections in May.

---

**Contact: Sharon Spence****Tel: 03000 269 731**

---



---

## **Appendix 1: Implications**

---

**Finance** - The main costs will be in respect of the necessary consultation and will be met from the budget identified for community governance reviews.

**Staffing** – The work will impact on staff time.

**Risk** - None

**Equality and Diversity** - None

**Accommodation** - None

**Crime and Disorder** - None

**Human Rights** - None

**Consultation** – See report

**Procurement** - None

**Disability Discrimination Act** - None

**Legal Implications** – The review will be undertaken in line with current legislation and Regulations.

This page is intentionally left blank

# **SHINCLIFFE AND CASSOP-CUM-QUARRINGTON PARISH COUNCILS - COMMUNITY GOVERNANCE REVIEW**

## **TERMS OF REFERENCE**

### **Introduction**

On 20 February 2013, Durham County Council resolved to undertake a small community governance review covering the parished areas of Shincliffe and Cassop-cum-Quarrington.

In undertaking the Review, the Council will be guided by Part 4 of the Local Government and Public Involvement in Health Act 2007, the relevant parts of the Local Government Act 1972, Guidance on Community Governance Reviews issued in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Department of Communities and Local Government and the Local Government Boundary Commission for England in March 2010, and the following regulations which guide, in particular, consequential matters arising from the Review: Local Government (Parishes and Parish Councils) (England) Regulations 2008 (SI2008/625); Local Government Finance (New Parishes) Regulations 2008 (SI2008/626). (The 2007 Act has transferred powers to the principal councils which previously, under the Local Government Act 1997, had been shared with the Electoral Commission and the Boundary Committee for England).

The County Council has also given due consideration and carefully considered the Guidance on Community Governance Reviews issued by the Secretary of State for Communities and Local Government published in March 2010.

### **What is a community governance review**

A Community Governance Review is a legal process whereby the Council will consult with electors and other interested parties on the most suitable ways of representing the people in Bell Ward of the Shincliffe Parish Council area.

This means making sure that electors and other interested groups have a say in how local services are delivered in their area. Electors will receive a letter informing them of the proposals and their feedback will be sought.

A community governance review can consider one or more of the following options:

- creating, merging, altering or abolishing parishes;
- the naming of parishes and the style of new parishes and the creation of town councils;
- the electoral arrangements for parishes (for instance, the ordinary year of election; council size; the number of councillors to be elected to the council, and parish warding);

- grouping parishes under a common parish council or de-grouping parishes;
- other types of local arrangements.

The Council is required to ensure that community governance within the area under review:

- will be reflective of the identities and interests of the community in that area;
- consider what community governance arrangement is effective and convenient to the community in that area;
- consider what other arrangements there could be for the purpose of community governance or engagement;
- consider the size, population and boundaries of the local community or parish.

### **Why is the council undertaking the review**

An Electoral Review of Durham County Council was carried out by the Local Government Boundary Commission for England (LGBCE), between 2008 and 2011. The final recommendations for the review were published in November 2011 and, following scrutiny by Parliament, a final order was made on 30 May 2012.

As part of the electoral review, the LGBCE were required to have regard to the statutory criteria set out in Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act).

The Schedule provides that if a parish is to be divided between different divisions or wards it must also be divided into parish wards, so that each parish ward lies wholly within a single Electoral Division.

The LGBCE were unable to recommend changes to the external boundaries of parishes as part of an electoral review but had jurisdiction to make changes to parish electoral arrangements arising out of a direct consequence of their recommendations. To ensure that they met their obligations under the Act, the LGBCE proposed consequential parish warding arrangements for a number of the parishes, including Shincliffe. They recommended that Shincliffe Parish Council should comprise seven councillors, as at present, representing two parish wards: Shincliffe parish ward (returning six parish councillors) and Bell parish ward (returning one parish councillor).

The proposed parish ward takes in the area of the Cape site, an area which consists of around 110 properties. There are currently 148 electors resident on this site and the County Council expects the development to progress at a rate of 30 dwellings per annum. By 2016 there will be 160 homes, and some 255 electors with no planned development expected to take place beyond the boundary of the Cape Site.

Local evidence has been provided, and is supported by both parishes suggesting that residents living in these properties along with future residents moving into the area will look to the village of Bowburn for their immediate local services (doctors, leisure, social activities and shopping). Bowburn sits within the parish boundary of Cassop-Cum-Quarrington.

Indeed, the recommendations of the LGBCE stated that they were persuaded that *“the development of the Cape Site would be an integral part of Bowburn village and adopted the Council’s proposed amendment to include the area within the revised Coxhoe Electoral Division as opposed to the Durham South Electoral Division”*.

Should the request be granted, it would mean that on current information, 148 electors would be moving between the two parishes. It is suggested that the current boundary and warding arrangements provide a good basis for future administration of both parish councils.

This review will consider whether:

- the area referred to as the Bell Ward of Shincliffe Parish Council should remain in the current parish or be transferred to Cassop-Cum-Quarrington parish;

and, should the request be granted;

- that the Council size of both parishes be reviewed to ensure that it accords with relevant legislation and;
- that the warding arrangements for Cassop-Cum-Quarrington Parish Council be reviewed.

### **Who is undertaking the review**

Durham County Council is responsible for undertaking any review within its electoral area. The full Council is responsible for agreeing the terms of reference for the review and agreeing the draft and final recommendations prior to any Community Governance Order being made.

The County Council has delegated a number of functions to a working group which will oversee the review process, propose terms of reference, initial options for consideration and produce recommendations for consideration by the full Council.

### **Consultation**

The Council has drawn up and now publishes these Terms of Reference. This document sets out the aims of the review, the legislation that guides it and some of the policies the Council considers important in the review. In coming to its recommendations in a review, the Council needs to take account of the view of the local people.

The Council recognises that the development of strong, sustainable communities depends on residents' active participation in decision making and making a positive contribution to improving the place where they live. The Council is therefore committed to engaging effectively with the diverse communities it serves and to enabling local people to participate meaningfully in decisions that affect their lives, where all people feel able to take an active part in influencing service delivery.

The Council intends to undertake consultation with electors in the affected Parish Ward (Bell Parish Ward) and other stakeholders in the area, including any community associations, local county councillors, Member of Parliament, residents associations, voluntary groups and societies, the local area action partnership and the County Durham Association of Local Council's.

The Council will also be pleased to receive comments from any other person or body that wishes to make representation during the review.

The Council intends to clearly publish all decisions taken during the review, give reasons for taking such decisions and conduct the process transparently so that local people and local stakeholders who may have an interest are made aware of the outcome of the decisions taken on them and the reason.

Representations should be sent to:

Democratic Services  
Room 1/142  
Durham County Council  
County Hall  
DURHAM  
DH1 5UL

or alternatively, written representation can be submitted by email to [democraticservices@durham.gov.uk](mailto:democraticservices@durham.gov.uk)

#### **Timetable for the review**

| <b>Action</b>   | <b>Time Span</b> | <b>Dates</b>     |
|---|------------------|------------------|
| Publication of Terms of Reference and consultation on draft proposals | 12 days          | 20 February 2013 |
| Analysis/evaluation of responses and preparation of final proposals   | 2 days           | 5 – 6 March 2013 |
| Publication of final recommendations                                  |                  | 15 March 2013    |
| Preparation and publication of any reorganisation Order               |                  | 15 March 2013    |

### **Order and commencement**

The Review will be completed when the Council publishes its final recommendations. The revised electoral arrangements for the existing parish councils will come into force at the local elections being held on 2 May 2013.

### **Publication of terms of reference**

These Terms of Reference will be published on the Durham County Council website [www.durham.gov.uk/communitygovernance](http://www.durham.gov.uk/communitygovernance) and are available for inspection at the offices of the Council.

### **Date of publication**

20 February 2013.

DRAFT

This page is intentionally left blank



**County Council**

**20 February 2013**

**Members Allowance Scheme 2013/14**



---

**Report of the Corporate Management Team**

**Colette Longbottom, Head of Legal and Democratic Services.**

**Councillor Alan Napier, Cabinet Portfolio Holder for Resources and Deputy Leader**

---

**Purpose of the Report**

- 1 To request that Council agree a Members Allowance Scheme for 2013/14 having due regard to the recommendation of the Independent Remuneration Panel.

**Background**

2. Under the Local Authority's (Members' Allowances England), Regulations 2003 ( the "Regulations") the County Council shall make a scheme in accordance with the Regulations which provide for the payment of an allowance in respect of each year to each member of the Council. This is referred to as the "basic allowance".
3. The scheme may also provide for special responsibility allowances to such members of the authority that carry out special responsibilities in relation to the authority as are specified in the scheme and fit within one or more of the categories set out in the Regulations.
4. The Regulations also provide that before the beginning of each year the authority shall review the scheme and before confirming or amending it, members shall have regard to the recommendations made in relation to it by the Independent Remuneration Panel.

**Independent Remuneration Panel**

5. The Independent Remuneration Panel for Durham met in January 2013 and considered a revision to the scheme. The report of the Panel is attached at Appendix 2.
6. Members should note that no changes are recommended for 2013/14 and the Panel, having considered specifically the question of allowances in relation to the Police and Crime Panel and the Health and Wellbeing Board concluded that no allowances should be payable. Council will note that the panel is

willing to consider the question of allowances for the Police and Crime Panel when more is known about its workload and has also given the view that any suggestions for an increase in the allowance scheme should be supported by evidence which could be considered if requested by the newly elected Council.

### **Recommendation**

7. That the Council consider the Members Allowance Scheme for 2013/14, taking into account the recommendation of the Independent Remuneration Panel.

---

**Contact: Colette Longbottom Tel: 03000 269 732**

---

---

## **Appendix 1: Implications**

---

**Finance** – There is budgetary provision for the current scheme.

**Staffing** – None specific within the report.

**Risk** – None specific within the report.

**Equality and Diversity / Public Sector Equality Duty** – None specific within the report.

**Accommodation** - None specific within the report.

**Crime and Disorder** - None specific within the report.

**Human Rights** - None specific within the report.

**Consultation** – None specific within the report.

**Procurement** - None specific within the report.

**Disability Issues** – None specific within the report.

**Legal Implications** – Within the body of the report

---

## **Appendix 2: Report of the Independent Remuneration Panel**

---

**County Council**

**20 February 2013**

### **Report of the Independent Remuneration Panel**



---

### **Report of Colette Longbottom, Head of Legal and Democratic Services**

---

#### **Purpose of the Report**

1. To advise the Council of the outcome of the review of Members allowances carried out by the Independent Remuneration Panel for 2013/14.

#### **Background**

2. On the 23 January 2013, the following members of the panel met to review the allowance for 2013/14:-

Gill Stephenson  
John Cuthbert  
John Hitchman  
Kate Welch  
Professor Ray Hudson

3. The panel was made aware of a request by one Member for extra payment for members of the Fostering Panel for the amount of paperwork that has to be read in Members' spare time. They were also aware of a comment made by one Member in relation to the Police Crime Panel, which was that he was of the view that the question of allowances for this panel should be delayed for at least 12 months.

#### **Police and Crime Panel**

4. Members were made aware of significant developments in relation to the Council Constitution for the forthcoming year. In a report from the Head of Legal and Democratic Services, the panel was advised of how the Police

Authority had ceased to exist as a result of the Police and Crime Panel, and the election of the Police and Crime Commissioner in November 2012.

5. The panel understood that the immediate impact of this was that allowances for the Police Authority members are now no longer applicable and that in the place of the authority a panel of 10 members comprising 7 members from Durham County Council and 3 from Darlington Borough Council, together with 2 independent members, has been formed under the Police Reform Social Responsibility Act 2011. The panel understood that this is an entirely new body, with the functions of the Police Authority passing to the elected Police and Crime Commissioner.
6. The panel was advised of the functions of the panel as set out in its Terms of Reference and of the number of shadow meetings and full meetings held hitherto. The panel was also advised of the number of meetings planned until the end of March and of the Panel's role of scrutinising and calling to account the Police and Crime Commissioner, although the panel acknowledged that this was a role that had still to be developed.
7. The panel was aware that the current Chair of the panel is the Cabinet Portfolio Holder, but as the panel is entitled to vote its Chair each year, it is possible that the panel could be chaired by a non-executive member, in which circumstance, consideration of an allowance for the Chair or Vice Chair was of relevance.
8. The members considered using the current allowance for Chairs and Vice Chairs of Scrutiny as a guide for considering whether there should be allowances.
9. The panel was of the view that there should be no allowances payable for members of the panel. It also considered whether payment should be made for Chairs or Vice Chairs. Whilst it noted the allowances for Chairs and Vice Chairs of Scrutiny Committees, the panel was of the view that it was too early to set separate allowances for the Chairmanship and Vice Chairmanship of this panel.
10. The work of the Police Authority had passed to the Police and Crime Commissioner. Whilst the panel has a scrutiny function, it is not the sole body exercising a scrutiny role in relation to crime and disorder. Whilst the initial workload of the panel may have been high because of its new establishment and the need to be prepared for the election of the Commissioner, it remains to be seen what the workload of this panel is likely to be and no allowances are proposed for the forthcoming year.
11. Should members wish to have this matter re-examined for next year, the panel would wish to see evidence of the workloads and, if necessary hear from any members in support.

## **Health and Wellbeing Board**

12. The panel also noted that the Health and Wellbeing Board was about to be formed for the Council. It was noted that there were as yet no regulations establishing the exact nature of this Committee. It was aware the legislation already required the Leader or a nominee at least to be a member and that it would comprise officers.
13. The panel considered whether any allowances should be payable for this role. It was of the view that no additional allowances should be paid be it for members of the executive or any other member. Members of the executive receive special responsibility allowances, but if any non-executive member were to sit on the Committee, the members were of the view that this would form part of the general responsibility of democratic representation.

## **Allowances Scheme Generally**

14. Members also considered the Members Allowance Scheme in 2 stages:-

### **(i) Whether mileage rates should be reconsidered**

15. The view of panel members is that the mileage rates for both Members and Officers is adequate and would not propose to change them. The panel considered whether there should be parity between Members and Officers in that it was noted that the current Officers' mileage rate does not have an adjustment for cylinder capacity, and 48p per mile is paid for the first 10,000 miles with 25p being paid for mileage above 10,000.
16. The panel was advised of practical difficulties in changing the Officers' scheme, given how recently the negotiations on this point had completed. Whilst the panel was minded initially to consider recommending changes to the Members Allowance Scheme to ensure complete parity, the panel was of the view allowances being paid according to vehicles and their cylinder capacity had ecological benefits and should therefore remain.
17. The panel therefore concluded that the mileage rates should remain as they are.

### **(ii) The Allowance Scheme**

18. The panel considered the Members Allowance Scheme in general and whether it should recommend changes.
19. In considering this, the panel was aware that other Councils who replied to requests for information were not proposing to make any changes in their allowance schemes for the forthcoming year.
20. The panel was also aware of a number of circumstances prevailing in relation to Members' Allowances. It was aware that issues of Members Allowances had been raised in a recent document produced by the Department of

Communities of Local Government (DCLG) which lists 50 suggested ways to save money. One of these states “freeze Councillor allowances” alongside the stated belief of DCLG that Councillors should be volunteers and not “bank rolled staff of the municipal state”.

21. The panel was also aware of the consultation carried out by the Council in relation to the budget and how this had provided a range of opportunities for people to get involved and have their views heard including Area Action Partnership Forums and the Citizens Panel. The panel was aware that 40% of all relevant comments in responses fell into the category of Council Structures and Service Delivery when the most common response (9.8%) suggested that the Council should review Members allowances and the number of Members.
22. The panel was also aware of the report of a recent enquiry in Parliament that looked at the role of a modern Councillor which identified 3 key practical barriers to people becoming and remaining Councillors. One of these was the levels of allowances paid to Councillors to cover their expenses. The panel noted this report with interest and is aware of the debate to incentivise new Members to stand for election. The panel was, however, aware of the current climate of austerity and was of the view that there was a conflict of principles of whether Members should be paid Officials or ‘servants of democracy’. The panel did not feel that it was appropriate for it to increase the Members’ Allowances on the basis of such a report without legislation or national policy as guidance. It was of the view that incentives could be provided for new candidates by changing the times of meetings.
23. The panel is also aware that there has been no increase in allowances since the Members Allowance Scheme was set following Local Government Review in 2009, and that the allowances were recommended by the panel against the backdrop of austerity, with the panel declining to recommend the level and allowances referred to in the bid for Local Government Review.
24. The panel was therefore of the view that there should be no change in the Members Allowance Scheme. It is, however, aware of the fact that this scheme has not changed since Local Government Review and if, on formation of a new council, Members wish to have a further exploration of the level of allowances, then the panel would wish to carry out such a review based upon evidence of working hours lost, times required for meetings, numbers of members of the community served. This evidence could be provided both in written and verbal form.

## **Recommendation**

25. For Members of the Council to note the following decisions of the Members Remuneration Panel, that:-
  - (i) No allowances be paid to the Chair and Vice Chair or members of the Police and Crime panel;

- (ii) No allowances be paid to members of the Health and Wellbeing Board;
- (iii) Mileage rates remain unchanged;
- (iv) There should be no changes in the Members Allowances Scheme.

---

**Contact: Colette Longbottom Tel: 03000 269 732**

---



---

## **Appendix 1: Implications**

---

**Finance** – None specific within the report.

**Staffing** – None specific within the report.

**Risk** – None specific within the report.

**Equality and Diversity / Public Sector Equality Duty** – None specific within the report.

**Accommodation** - None specific within the report.

**Crime and Disorder** - None specific within the report.

**Human Rights** - None specific within the report.

**Consultation** – None specific within the report.

**Procurement** - None specific within the report.

**Disability Issues** – None specific within the report.

**Legal Implications** – None specific within the report

This page is intentionally left blank

**County Council**

**20 February 2013**

**Proposed Amendments to the  
Planning Code of Practice Section  
of the Constitution**



---

**Report of Head of Legal and Democratic Services**

---

**Purpose of the Report**

1. This Report recommends amendments to the Planning Code of Practice which are necessary as a consequence of changes made to the Ethical Standards Regime by the Localism Act 2011.

**Background**

2. There is a strong link between the Code of Practice for Members and Officers dealing with planning matters and the Council's Code of Conduct for Members. The Code of Conduct for Members was revised last year to reflect the changes made in the Localism Act 2011. Those changes impact on the Planning Code of Practice and recommended amendments to that Code of Practice are highlighted in Appendix 2. The amendments also take into account the implications of Section 25 of the Localism Act 2011 on the concept of predetermination. This provision highlighted that Members had greater freedom to participate in discussion on applications prior to their determination provided that they make it clear that they will keep an open mind until they have heard all of the representations at Committee. The existing common law prohibition on any one participating in a decision where they may be perceived as being biased, remains in place and must be observed.

**Impact of the Localism Act Changes on Members Freedom to Speak  
when they have a prejudicial interest**

3. The Code of Conduct originally introduced under the Localism Act 2000 had the effect of preventing Members from speaking on matters where they had a prejudicial interest. Therefore if a planning application affected a Councillor in his private capacity as owner or occupier of land in the County, the Councillor could not enjoy the same human rights as his constituents and speak in support of or opposition to the proposal. A Councillor who attempted to exercise those rights was found by the Standards Board to be in breach of the Code of Conduct and was disciplined. This led the Government to change the Code in 2007 when Members had restored to them the same speaking rights as members of the public. If a Council permitted members of the public to speak at its meetings, then a Councillor with a prejudicial interest would enjoy the same right but on strict condition that once he had spoken he left the meeting for the duration of the debate and decision and played no further part.

4. The Localism Act 2011 did not repeat this exception from the normal rule that a member with a prejudicial interest must play no part in any discussion of the matter at the meeting. Furthermore the Localism Act makes it a criminal offence for a member to contravene that prohibition. The criminal sanction is restricted to the category of disclosable pecuniary interests defined in Regulations made under the Act. This list is set out in Annex 2 to the Council's Code of Conduct a copy of which is attached to this Report at Appendix 3. When adopting its Code of Conduct, the Council chose to include a category of other registerable personal interests at Annex 3 a copy of which appears at Appendix 4. This step was taken because the category of disclosable pecuniary interests was not regarded as sufficient to cover all circumstances where members have to be restricted from participating in business to avoid risk of legal challenge on the grounds of bias.
5. It has been necessary on several occasions to advise Members wishing to speak at one of the Council Planning Committees of the greater restrictions applicable under the new Code compared to the old Code. Before preparing this Report I have consulted with colleagues of the North East Local Authorities on the approach adopted to Members wishing to speak in circumstances where they would have been permitted to do so between 2007 and July 2012. It is fair to say that there is a disparity of approach between authorities. Some are prepared to permit Members, particularly Ward Members relating to matters in their own electoral division to speak if the public can speak. Others adopt a more cautious line that to permit Members to speak in such circumstances exposes them to a risk of allegation of breach of the Code. If the interest is a disclosable pecuniary interest, that could expose the Member to risk of prosecution if the Director of Public Prosecutions authorised it. Participation may also expose the Authority to risk of judicial review on the grounds that it should not have permitted participation by a Member who was known to have an interest.
6. The law in this area is now far from clear as a consequence of the amendments made last year. The Association of County Secretaries and Solicitors have drawn these problems to CLG's attention encouraging them to introduce amendments so that everyone would know where they stood. CLG's approach has been that common sense would prevail and the spirit of the legislation should be followed. The spirit of the new Code was intended to reduce bureaucracy and frivolous and vexatious complaints removing many of the technical legal arguments which had proved time consuming and costly under the old Code. Unfortunately the likelihood is that the new Code will increase scope for such challenges if people have the appetite to test it.
7. In those circumstances Constitution Working Group accepted the recommendation that Durham County Council should adopt the cautious approach pending clarification of the impact of the Localism Act and the new Code. A specific example in the amendments presented to you today relates to paragraph 5 of the Planning Code of

Practice dealing with development proposed by the Council or Council owned company. The existing Code of Practice permits a local member to speak on matters of local concern but not vote even though they are on the board of the company making the application. There was an instance recently where my staff had to advise a Board Member that he should not speak because the company was making application in a neighbouring electoral division. If the application had been in his own division, the Code of Practice would have suggested that he could speak although I would have found it difficult to reconcile that position with the accompanying Code of Conduct. My recommendation therefore is that the wording at paragraph 5.3 of the Code of Practice should be amended to remove the exception in favour of a Board Member who is also a local Member. I do believe it will be difficult to justify that exception if the Council were ever challenged as a decision making authority which permitted a limited category of its own Board Members to speak on such matter

Constitution Working Group did however express the view that members should not be prevented from attending planning committee and speaking in a personal capacity if they were the applicant for planning permission in circumstances when any other applicant could attend and speak. Paragraph 3.2 of the planning code of practice has been amended accordingly.

### **Recommendation**

8. The County Council is recommended to approve the amendments to the Constitution identified in Appendix 2 to this Report.

---

**Appendix 1: Implications**

---

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

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

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

**Equality and Diversity / Public Sector Equality Duty** – None specific within this report.

**Accommodation** – None specific within this report.

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

**Human Rights** - This Reports recommends restriction of Members participation where they have a prejudicial interest.

**Consultation** – None specific within this report.

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

**Disability Issues** – None specific within this report.

**Legal Implications** – Set out in the body of the Report.

## **Code of Practice for Members and Officers Dealing with Planning Matters**

This Code of Practice supplements the Council's Code of Conduct for Members and where appropriate members should refer to the Code of Conduct which is set out in the Council's Constitution. The Council's Monitoring Officer's advice may be sought on the interpretation of the Code of Conduct or this Code.

### **1. INTRODUCTION**

- 1.1 Planning affects land and property interests, including the financial value of land and the quality of their settings. It is not an exact science. It is often highly contentious because decisions affect the daily lives of everyone and the private interests of members of the public, landowners and developers. Opposing views are often strongly held by those involved. A key role of the planning process is balancing the needs and interests of individuals and the community.
- 1.2 The planning system can only function effectively if there is trust among those involved. There must be trust between members and officers and between the public and the council. The Third report of the Committee on Standards in Public Life (the Nolan Committee) (1997) recommended that each local authority's practices and procedures were set out in a local code of planning conduct to avoid allegations of malpractice in the operation of the planning system.
- 1.3 The general principles that underlie the Council's Code of Conduct for Members and apply to this Code of Practice are:
  - Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
  - Members should not place themselves in situations where their honesty or integrity may be questioned.
  - Members should make decisions on merit.
  - Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
  - Members may take account of the views of others but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
  - Members should respect the impartiality and integrity of officers.
- 1.4 The Council is committed to open, fair and transparent decision-making. Planning decisions should be made impartially, with sound judgment and for justifiable reasons.

- 1.5 This Code of Practice sets out practices and procedures that members and officers of the County Council shall follow when involved in planning matters. Planning matters include the consideration of planning applications, the preparation of development plans and other planning policy and the enforcement of planning control.
- 1.6 This code is largely based upon the Local Government Association's revised guidance note of good practice issued in 2002, which takes account of the new ethical framework for local government introduced by the Local Government Act 2000 (as amended). It takes account of the Royal Town Planning Institute's Code of Professional Conduct and advice issued by the Audit Commission, the Commissioners for Local Administration in England and the National Planning Forum. It complements the Council's Code of Conduct for Members. This code is consistent with meeting the requirements of Article 6 of the European Convention on Human Rights which confers a right to procedural fairness, transparency and accountability in the determination of civil rights and obligations. In respect to the advice contained at paragraph 7 regarding Member engagement in pre-application advice, account has been had of advice issued by the Planning Advisory Service, the Standards Board for England and the LGA advice leaflet 'Positive Engagement' issued in 2009.
- 1.7 Failure to follow this code without good reason, could be taken into account in investigations into possible maladministration against the Council, or have implications for the position of individual elected members and officers. Breaches of this Code may also amount to breaches of the Council's Code of Conduct for Members. If in doubt about what course of action to take, a member or officer should seek the advice of the Council's Monitoring Officer.

## **2. THE ROLE AND CONDUCT OF MEMBERS AND OFFICERS**

- 2.1 Members and officers have different, but complementary roles. Both serve the public but members are responsible to the electorate, while officers are responsible to the Council as a whole.
- 2.2 Whilst members have a special duty to their ward constituents, including those who did not vote for them, their overriding duty is to the whole community. This is particularly pertinent to members involved in making a planning decision. A key role of the planning system is the consideration of development proposals against the wider public interest.
- 2.3 Members' decisions shall not discriminate in favour of any individuals or groups and, although they may be influenced by the opinions of others, they alone have the responsibility to decide what view to take. Members must, therefore, consider all of the material issues in the light of Development Plan policies, Government advice and their own individual judgment and make a decision in the interests of the County as a whole.



- 2.4 Whilst members should take account of all views expressed, they shall not favour any person, company, group or locality, nor put themselves in a position where they appear to do so.
- 2.5 ~~Members shall follow the advice in the Council's Code of Conduct about accepting gifts and hospitality.~~ Members should treat with extreme caution any offer of a gift or hospitality which is made to them personally; the normal presumption should be that such offers must be courteously declined. Similarly, officers shall politely decline offers of hospitality from people with an interest in a planning proposal. If receipt of hospitality is unavoidable, officers shall ensure it is of a minimal level and declare it in the hospitality book as soon as possible.
- 2.6 Officers who are Chartered Town Planners are guided by the Royal Town Planning Institute's (RTPI) Code of Professional Conduct. Breaches of that code may be subject to disciplinary action by the Institute.
- 2.7 That the Council may not always follow the advice of their professional planning officers is perfectly proper. The professional officer too, may have a change of opinion, but this must be on the basis of professional judgement, and not because an authority, its members or other officers, have prevailed upon the officer to put forward his or her professional view as something other than it really is.
- 2.8 The County Council endorses the statement in the RTPI code that, 'RTPI members shall not make or subscribe to any statements or reports which are contrary to their own professional opinions', and extends it to apply to all officers in the authority advising on planning matters.
- 2.9 The County Council shall have a designated head of the planning service, who is qualified for election to membership of the RTPI and who has direct access to elected members as their professional adviser on planning matters. A superior officer shall not have the power to overrule the professional advice of the head of the planning service.
- 2.10 Officers shall follow the guidance on their standards of conduct as set out in the County Council's Staff Guidance, the Code of Conduct for Employees in the Council's Constitution and any National Code of Conduct for Local Government Officers issued by the Secretary of State under Section 82 Local Government Act 2000 (as amended).

### 3. DECLARATION OF NON REGISTERABLE PERSONAL INTERESTS

- 3.1 The Council's ~~Model~~ Code of Conduct advises members on the disclosure of a non-registerable personal interest and whether it is a prejudicial interest which would lead to non participation in Council business. Personal interests include those of ~~relatives or friends~~ members of your family or any persons with whom you have a close association or their employer, any firm in which they are a partner or company of which they are a director or shareholder. ~~Relatives~~ Members of your family are defined in the Code. You have a close

association with someone if your relationship is such that a reasonable member of the public might think you would be prepared to favour ~~or disadvantage~~ that persons when deciding on a matter which affects them. Friends are not defined but ~~the Standards Board for England suggests~~ it is suggested that it is someone well known to the member and regarded with liking, affection and loyalty, that is a closer relationship than mere acquaintance. If in doubt the Monitoring Officer's advice should be sought.

- 3.2 If the **non-registerable** interest is personal and prejudicial the member shall declare it at the earliest opportunity, **must not participate in any discussion or vote taken on the matter at the meeting**, ~~must withdraw from the~~ **leave the** room where the matter is being considered and must not try to influence those making the decision or take any part in the consideration or determination of the matter. This restriction does not prevent a member attending committee in a personal capacity and speaking when the member is the applicant and any other applicant would have the right to attend and speak..
- 3.3 Where a member has a **non-registerable** personal interest that is not prejudicial under the Council's ~~Model~~ Code of Conduct, the member, when attending a meeting of the Council at which the matter is considered, shall declare it at the commencement of the meeting and may participate in the discussion and vote on the matter.
- ~~3.4 If a Member, in advance of the decision-making meeting, has taken a fixed view on the planning matter, the Member would not be able to demonstrate that all the relevant facts and arguments had been taken into account and she or he would have fettered his or her discretion. In that case, the Member would have to declare a personal and prejudicial interest. Therefore Members should scrupulously avoid forming a fixed view on the issue in advance and avoid giving the impression that they have predetermined the issue. The test is whether a fair minded and informed observer, having considered the facts, would decide that there is a real possibility that the Member had predetermined the issue.~~ **New rules in relation to bias and predetermination have been introduced by section 25 of the Localism Act 2011. The new rule applies if there is an issue about the validity of a decision and it is relevant to that issue whether a member had or appeared to have a closed mind when making the decision. Under the new rules a member is not to be taken to have had, or appeared to have had a closed mind when making the decision just because she or he had previously done anything that directly or indirectly indicated the view the member took, or would or might take, in relation to a matter relevant to the decision,**
- ~~3.5 Members who have previously participated in a decision to propose a particular development shall declare a personal and prejudicial interest at the commencement of the planning committee when the application is considered and shall withdraw and not participate in the discussion or vote on the matter. An example would be a Member who was a governor of a school which was putting forward a planning application.~~ **The principle that members must not participate in decisions where**

they are perceived to be biased remains. An example would be a member who was a governor of a school which was putting forward a planning application

- 3.6 Serving members who act as agents for persons pursuing planning matters within their authority shall play no part in the decision-making process for those proposals. Similarly, if they submit their own proposal to the authority on which they serve, they should play no part in its consideration. When submitting proposals on behalf of themselves or others, the member shall inform the Monitoring Officer of the submission.
- 3.7 Officers must always act impartially. An officer who believes he or she may be seen to have a personal and prejudicial interest in a planning matter, shall declare it at the earliest opportunity, so advising the Head of Planning and the Monitoring Officer and have no further involvement in the processing or consideration of that matter.
- 3.8 Planning officers shall never act as agents for persons pursuing a planning matter within the county or one outside significantly affecting the county.

#### **4. 'DUAL-HATTED MEMBERS'**

- 4.1 The Council's Code of Conduct does not automatically prevent members from considering the same issue at more than one tier of local government, including speaking and voting at both tiers.
- 4.2 For example, if a member is also a member of a parish council, and the parish council is consulted on a planning application to be determined by the Planning Committee, the member may participate in the discussion and vote at the parish council meeting; but it would be prudent to inform the parish council that the member will reconsider the matter taking into account all the information that is put before the Planning Committee. At the subsequent meeting of the Planning Committee the member should declare a personal (but not prejudicial) interest as a member of the parish council which has already expressed a view on the matter, but make it clear that this view does not bind the member who will consider the matter afresh. The member will be free to participate in the debate and vote on the matter.
- 4.3 However, if the Planning Committee considers a planning application by an authority or body on which a member serves, then the member should declare a non-registerable personal and prejudicial interest and withdraw from the meeting.

#### **5. DEVELOPMENT PROPOSED BY THE COUNCIL OR A COUNCIL OWNED COMPANY**

- 5.1 Planning legislation allows the Council to submit and determine proposals for development that it proposes to carry out itself. Council owned companies also submit proposals that are decided by the Council.

- 5.2 Proposals submitted by the Council or a Council owned company shall be considered in the same way as those by private developers.
- 5.3 Members of the planning committee who sit on the board of a Council owned company which has submitted a planning proposal shall declare a **non-registerable** personal and prejudicial interest and take no part in the discussion and determination of that proposal, ~~except where they are the local Member when they may speak on matters of local concern but shall not vote.~~
- 5.4 Officers who are involved in the preparation of development proposals shall not advise on, or take any part in the consideration of, planning applications in respect of such proposals.

## **6. LOBBYING OF AND BY MEMBERS**

- 6.1 Lobbying is a normal and proper part of the political process. The applicant, supporters or those who may be affected by a proposal will often seek to influence the decision by an approach to their local member or members of a planning committee. However, reacting to lobbying can lead to the impartiality of a member being called into question and require that member to declare an interest.
- 6.2 The information provided by lobbyists is likely to represent an incomplete picture of the relevant considerations in respect of a planning matter. The views of consultees, neighbours and the assessment of the case by the planning officer all need to be considered before a member is in a position to make a balanced judgement on the merits of the case. Members should provide officers with copies of any lobbying material they may have received, whether in favour or against a proposal.
- 6.3 The time for individual members of the planning committee to make a decision on a proposal is at the committee meeting when all available information is to hand and has been duly considered.
- 6.4 A planning committee member shall be free to listen to a point of view about a planning proposal and to provide procedural advice (in particular referring the person to officers). Even though they may agree with a particular view, planning committee members should take care about expressing an opinion indicating they have made up their mind before the decision-making meeting. To do so, without all the relevant information and views, would be unfair and prejudicial. A decision is at risk of being challenged if members do not retain open minds and are not genuinely susceptible to persuasion at the decision-making meeting. Members should make clear that they reserve their final decision on a proposal until the committee meeting.
- 6.5 Members of the planning committee shall not, in general, organise support or opposition for a proposal, or lobby other members (other than when addressing the planning committee). Members of the

Council shall not put improper pressure on officers for a particular recommendation.

- 6.6 The local member who is not a member of the Planning Committee will be allowed to attend and speak at the decision-making meeting but not vote. The member of an adjacent division substantially affected by the proposal shall, at the discretion of the chair of the planning committee, be allowed to attend and speak but not vote. A local member who has a personal or prejudicial interest in an application, within the meaning of the ~~Model~~ Code of Conduct should seek prior advice from the Monitoring Officer about his or her position.
- 6.7 If a member of the Planning Committee identifies himself or herself with a group or individual campaigning for or against an application, he or she shall declare a **non-registerable** personal and prejudicial interest and not vote or decide on the matter. However, that member shall be given the opportunity to address the Committee.
- 6.8 Members of a planning committee must be free to vote as they consider appropriate on planning matters. Political group meetings prior to the committee meeting shall not be used to decide how members should vote at the planning committee.

## **7. PRE-AND POST-APPLICATION DISCUSSIONS AND NEGOTIATIONS**

- 7.1 Discussions between an applicant and a planning authority, prior to the submission of an application can be of considerable benefit to both parties and is actively encouraged in accordance with the Council's protocol on pre-application advice. Continued discussions and negotiations between these parties, after the submission of proposals, is a common and important facet of the planning process. However, they should take place within clear guidelines, as follows.
- 7.2 It should always be made clear at the outset that the discussions will not bind the Council to making a particular decision and that any views expressed are those of the officer only, and are provisional.
- 7.3 Advice should be consistent and based upon the Development Plan and material considerations. There should be no significant difference of interpretation of planning policies by individual planning officers.
- 7.4 A written note should be made of all potentially contentious meetings. Two or more officers should attend potentially contentious meetings. A note should also be taken of potentially contentious telephone discussions.
- 7.5 Members need to preserve their role as impartial decision makers and should not ordinarily take part in pre-or post-submission discussions and negotiations with applicants regarding development proposals. The exception to this is for those major schemes which are considered to be of importance to the County or schemes that are likely to be highly contentious and are therefore subject to the Council's Pre-Application

Member Engagement protocol which provides for structured arrangements with officers and a prospective developer. Members must avoid indicating the likely decision on an application or otherwise committing the authority during contact with applicants.

- 7.6 Members may receive information from applicants and give information to applicants and members of the public but, to safeguard their impartiality, they should maintain a clear distinction between receiving information and negotiating. Any information received by members should be provided to the officers dealing with the application.

## **8. OFFICER REPORTS TO COMMITTEE**

- 8.1 The Head of Planning will submit written reports to the Planning Committee on planning applications to be determined by the County Council. The reports will give the background to the application including any relevant planning history of the site, a description of the proposals and their likely effects, and the relevant Development Plan and Government policy considerations, together with any other material considerations. Where a planning application requires an environmental impact assessment the Head of Planning shall include in his/her report a summary of the environmental statement, comments by bodies consulted and representations from members of the public together with his/her own comments. The reports will include a summary of representations made about the application including those made by the applicant. The Head of Planning in his/her report will give a reasoned assessment of the proposals and a justified recommendation.
- 8.2 Oral reports (except to present and update a report) should be extremely rare and fully minuted when they do occur.
- 8.3 The Head of Planning will have available for inspection by members the full planning application, environmental statement (where required) and representations from bodies consulted and members of the public.

## **9. THE DECISION MAKING PROCESS**

- 9.1 Members shall recognise that the law requires that where the Development Plan is relevant, decisions should be taken in accordance with it, unless material considerations indicate otherwise.
- 9.2 Where an environmental impact assessment is required, the Planning Committee shall take the information provided in the report into consideration when determining the application.
- 9.3 If the report's recommendation is contrary to the provisions of the Development Plan, the material considerations which justify this must be clearly stated.
- 9.4 Where the Planning Committee decide to adopt the recommendation of the Head of Planning, the reasons contained in his/her report will be

minuted, together with any additional reasons determined by the Committee.

- 9.5 Where the Planning Committee is minded to approve or to refuse a planning application, contrary to the recommendation of the Head of Planning, agreement shall be reached at the meeting on the reasons for that decision. They shall be fully minuted by the Head of Legal and Democratic Services.

## **10. SITE VISITS BY THE COMMITTEE**

- 10.1 A site visit by members of the Planning Committee may be held where a proposal is complex and the impact is difficult to visualise or assess from the plans and supporting information.

- 10.2 Site visits will be organised in accordance with the following procedures:

- (i) The Planning Committee may authorise a site visit.
- (ii) However, in circumstances when it is considered that a planning application is complex so as to merit a special meeting of the Planning Committee (and site visit, if necessary), the Head of Planning and the Head of Legal and Democratic Services, following consultation with the Chairman and Vice-Chairman may make the necessary arrangements for the holding of such a meeting (and site visit if required) without prior authorisation by the Planning Committee. In such cases the Head of Planning shall provide reasons for the holding of a site visit
- (iii) The Head of Legal and Democratic Services will invite the local County Councillor to site visits. Where a proposal would have significant direct impact upon an adjacent electoral division, at the discretion of the Chairman of the Planning Committee, the local County Councillor for the adjacent division will also be invited.
- (iv) The role of the applicant during a site visit shall only be to secure access to the site in accordance with health and safety provisions. The applicant shall not participate in any discussions on site but may be asked to provide factual information.
- (v) Objectors will not normally be invited to attend a site visit or participate in any discussions on site.
- (vi) On assembling at the site, at the time specified, the Chairman will explain the purpose and procedures of the site visit so that all are aware that it is a fact finding exercise only and that no decision will be taken until the committee meeting. The Head of Planning, or his/her representative, will explain the application as it relates to the site and relevant viewpoints. Following any questions to the Head of Planning, the Chairman will bring the site visit to a close.

- (vii) When a site visit is held prior to the meeting of the Planning Committee it is desirable that all members attending the Planning Committee should also attend the site visit. Members voting on a planning application without having attended the visit to the particular site may give the impression that they have not taken the opportunity to be fully informed about the application.

## **11. REPRESENTATIONS ON PLANNING APPLICATIONS**

- 11.1 Wherever possible, objections or representations to planning applications should be made in writing. Written representations received will be made available for public inspection and objections summarised and reported to the Planning Committee. Members of the Council will be given the opportunity to inspect all letters received before the decision on the application is made.
- 11.2 There will be occasions when applicants or objectors, or both, may wish to make representations in person to the Planning Committee. In such circumstances the following procedure will apply:
  - (i) The applicant will be informed that the application and all supporting documents will be taken into account. The objectors will be informed that their written representations will be taken into account. Both the applicant and the objectors will also be informed that they have the right to attend the Committee and make representations in person. They will be asked to indicate whether they wish to do this and, if so, they will be invited to the meeting at which the decision is to be made.
  - (ii) Each group of speakers (objectors and supporters) will be allowed a maximum of five minutes to address the committee. In the event that more than one person wishes to speak for or against a proposal the time will be divided. Groups of speakers will be encouraged to appoint a spokesperson.
  - (iii) At the meeting the Head of Planning will present his / her report first.
  - (iv) The objectors will make their representations, subject to a time limit of 5 minutes (except at the discretion of the Chairman), and may be asked questions by the Committee.
  - (v) The applicant will then make his or her representations, subject to a time limit of 5 minutes (except at the discretion of the Chairman), and may be asked questions by the Committee.
  - (vi) Officers may comment on the representations and the merits of the application.
  - (vii) The Committee will proceed to debate the application and make a decision. The minute will include the reasons for the decision.



- (viii) Where a representative of a Parish/Town Council wishes to speak they will address the meeting before the objectors.

## **12. REVIEW OF DECISIONS**

- 12.1 The Audit Commission's Report, 'Building in Quality', recommended that elected members should visit a sample of implemented planning permissions to assess the quality of decisions. This can improve the quality and consistency of decision-making and help with reviews of planning policy.
- 12.2 Visits to application sites previously considered by the County Council shall be organised in tandem with visits to current application sites, as appropriate. Briefing notes shall be prepared in each case.
- 12.3 Attendance at the review site visits shall be restricted to members of the committee and the local County Council members.

---

### Appendix 3: Annex 2 to Code of Conduct

---

#### **Annex 2 to Code of Conduct**

##### **Disclosable Pecuniary Interests**

*(as defined by Regulations made by the Secretary of State under section 30 Localism Act 2011)*

**Please Note:** The following interests are Disclosable Pecuniary Interests if they are an interest of either (a) **yourself**, or (b) **your spouse or civil partner**, or (c) **a person with whom you are living as husband and wife**, or (d) **a person with whom you are living as if you were civil partners** (all of whom are referred to as “relevant persons”):-

**Employment, office, trade, profession or vocation** - Any employment, office, trade, profession or vocation carried on for profit or gain.

**Sponsorship** - Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out your duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

**Contracts** - Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Council:-

(a) under which goods or services are to be provided or works are to be executed; and

(b) which has not been fully discharged.

**Land** - Any beneficial interest in land which is within the area of the Council.

**Licences** - Any licence (alone or jointly with others) to occupy land in the area of the Council for a month or longer.

**Corporate Tenancies** - Any tenancy where (to your knowledge):-

(a) the landlord is the Council; and

(b) the tenant is a body in which the relevant person has a beneficial interest.

**Securities** - Any beneficial interest in securities of a body where:-

(a) that body (to your knowledge) has a place of business or land in the area of the Council ; and

(b) either –

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Note: In the above descriptions, the following words have the following meanings:-

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

This page is intentionally left blank

**Annex 3 to Code of Conduct**

**Other Registerable Personal Interests**

The other interests which you must register under paragraph 11(b) of the code are:

1. Any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Council;
2. Any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management);
3. Any person from whom you have received within the previous three years a gift or hospitality with an estimated value of more than £50 which is attributable to your position as an elected or co-opted member of the Council.

Note: These mean only your interests and not those of your spouse or civil partner

This page is intentionally left blank

**County Council**

**20 February 2013**



**Proposals to Rationalise Committee Functions in Dealing with Planning Applications for Wind Turbines**

---

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

**Councillor Neil Foster, Cabinet Portfolio Holder for Regeneration and Economic Development**

---

**Purpose of the Report**

1. To propose amendments to the Council's constitution to ensure that decisions on applications for wind turbines of a certain size and scale are dealt with by the appropriate planning committee.
2. The proposals follow discussion with the Chairs and Vice Chairs of the Planning Committees. The recommendation in the report was agreed at the Constitution Working Group meeting 17 January 2013.

**Background**

3. Part 3 'Responsibilities for Functions', of the Councils constitution contains a list of functions for the four Planning Committees. Three of these for the Area Planning Committees are exactly the same but the County Planning Committee has a different and wider list of responsibilities that reflect the more strategic and County wide role of that Committee and the type of planning proposals it considers. For example minerals and waste, renewable energy and major industrial and commercial developments.
4. With regard to planning applications for wind turbines the responsibilities specifically state that development proposals for erection of two or more wind turbines where the output of each is 1.5 megawatts or greater, will be determined by the County Planning Committee

**Issues for Consideration**

5. The present definition of the scope of Committee responsibilities effectively means that only very large proposals for wind farms (2+) and large turbines over 70 metres or so high, necessitate reporting the applications to the County Planning Committee. All other wind turbine applications, other than those dealt with under officer delegated powers, are considered by the three Area Planning Committees.

6. Recent experience of planning applications received for wind turbines has shown that many of these, even for single turbines, are often between 40 and 70 metres high (to blade tip) and that these can raise significant local opposition, and involve detailed consideration of complex issues involving cumulative landscape assessment, ecology, noise, shadow flicker and aviation, which can have an wide influence not just locally, but also County wide.
7. Such developments are currently below the threshold of the County Planning Committee functions set out within the constitution and fall to be determined by the Area Planning Committees.

## Proposed Changes

8. Officers have recently explored the categorising of turbines as part of the work on the County Durham Plan to define the different types of wind turbine and policy requirements for the Local Plan. The suggested categorisation based on evidence from the Department of Energy and Climate Change and experience countrywide is set out below.

| Scale        | Capacity     | Height    | Typical applications  |
|--------------|--------------|-----------|---|
| Micro        | <2.5kw       | NA        | Turbines mounted on buildings, roofs, caravans etc  |
| Small        | 2.5 – 10kw   | <25m      | Free-standing turbines serving individual domestic properties   |
| Medium       | 10-100kw     | 25-40m    | Turbines serving individual businesses or community facilities.   |
| Medium-large | 100-500kw    | 40-70m    | Typically commercial turbines subsidised under FIT  |
| Large        | 750kw – 3 MW | 70 – 130m | Typically commercial turbines subsidised under ROC but including some 70-85m low-capacity machines subsidised under FIT |

9. Based upon this categorisation an adjustment has recently been made to the roles and responsibilities of the Planning Officer teams dealing with wind turbine applications to reflect the differing roles of the area planning and strategic planning teams.
10. The revised working practices mean that applications for the medium to large and large wind turbine applications (40m >) are handled by the strategic planning team who have developed a collaborative working approach with many of the specialist internal and external consultees which has assisted in developing a strong understanding and County wide approach to dealing with these types of applications.
11. Conversely, the scale and volume of micro, small and medium wind turbines (40m<) is such that the issues these raise are most often of a localised rather than strategic nature where a level of local knowledge is often of greater benefit to their assessment. These types of application are therefore considered to be more appropriately dealt with by the area planning teams.



12. In view of the range of issues raised by recent wind turbine applications it is considered that the County Planning Committee functions in determination these types of application should be extended to include a wider range of wind turbine types reflective of the wider and strategic influence that these developments have upon the County as a whole.

13. It is therefore recommended that the function of the County Planning committee set out within part 3 page 50 the Constitution be revised as set out below to reflect the circumstances outlined above.

*Except where the matter is delegated to an officer:*

*1. To exercise the Council's functions relating to town and country planning and development control as set out in Section A of Schedule 1 to the 2000 Regulations, in relation to the following matters:*

- Residential development proposals involving 200 or more dwellings or a site area of 4 hectares or more*

- All non-residential development proposals (including commercial, retail and industrial developments) of 10,000 or more square metres floorspace or a site area of 2 hectares or more.*

- Development proposals involving the erection of one or more wind turbines described as Medium –large or Large and having a height in excess of 40 metres to the blade tip***

- Applications for renewable energy. developments (including Biomass, Hydro-Electric, Geothermal, Gasification or Photovoltaics) of 1,000 or more square metres or a site area of 1 hectare or more.*

- All development proposals relating to minerals or waste*

- Development which in the opinion of the Head of Planning Services is of strategic significance, including strategic schemes promoted by the County Council.*

## **Recommendation**

1. That the 'Responsibilities for Functions' in relation to planning applications is changed in accordance with the details shown at paragraph 13 above.

## **Background papers**

Durham County Council Local Plan Preferred Options, September 2012

---

**Contact: Stephen Reed      Tel: 0191 387 2212**

---

---

**Appendix 1: Implications**

---

**Finance**

None

**Staffing**

None

**Risk**

Not a key decision

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

None

**Accommodation**

None

**Crime and Disorder**

None

**Human Rights**

None

**Consultation**

None

**Procurement**

None

**Disability Discrimination Act**

None

**Legal Implications**

The report makes recommendation which will impact of the delivery of a legally based service and changes to the Council's Constitution. The implications contained in this report have been agreed in consultation with the Head of Legal and Democratic Services

County Council

20 Feb 2013



**New Byelaws for Acupuncture, Tattooing,  
Semi-permanent Skin Colouring,  
Cosmetic Piercing and Electrolysis (To  
seek approval to adopt legislation)**

---

**Report of Corporate Director, Neighbourhood Services  
Councillor Bob Young, Cabinet Portfolio Holder for Strategic  
Environment**

---

**Purpose of the Report**

- 1 The purpose of this report is to seek approval to adopt legislation that will enable the creation of new byelaws in respect of acupuncture, tattooing, semi-permanent skin colouring, cosmetic piercing and electrolysis.

**Background**

- 2 The Local Government (Miscellaneous Provisions) Act 1982 introduced specific controls for certain skin piercing activities such as ear piercing, tattooing, acupuncture and electrolysis. The controls enable Local Authorities to require the registration of such activities to ensure that operators meet hygienic standards. The principal reason for the introduction of the controls was related to the risks of transmission of blood borne diseases such as Aids and Hepatitis.
- 3 Since the initial controls were introduced there have been a number of developments in skin piercing primarily associated with fashion trends. Consequently the current practices of what are known as cosmetic body piercing for studs, rings etc., and also semi-permanent skin colouring are in effect unregulated. Local Authorities have expressed concern for a number of years that these practices also pose potential health risks for the transmission of blood borne diseases.
- 4 In recognition of these concerns the Government introduced, through Section 120 and Schedule 6 of the Local Government Act 2003, powers to require the registration of businesses which provide cosmetic piercing and skin colouring services. The powers must first be adopted by a Local Authority and regulation will be subject to compliance with a set of model byelaws.

## **Current Position**

- 5 Following local government review, any byelaws that had been previously adopted by the 7 former district authorities were transferred to Durham County Council and remain in force in the geographical areas of the former districts.
- 6 These byelaws do not contain provision to deal with issues relating to cosmetic skin piercing, other than ear piercing, or semi-permanent skin colouring. It is considered desirable to take this opportunity to harmonise the bye-laws across the County as well as making provision for the control of cosmetic skin piercing and semi-permanent skin colouring.
- 7 In order to create a single set of byelaws covering the whole of County Durham, Council must first resolve that Sections 14 to 17 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) will apply to the area of County Durham.
- 8 Following the adoption of the legislation a further report will be submitted to the County Council requesting that model byelaws are adopted by Durham County Council.

## **Recommendations and reasons**

- 9 To agree that:
  - i) Durham County Council resolves that the following provisions of the Local Government (Miscellaneous Provisions) Act 1982 shall apply to the area of this Council:

Section 14 – Acupuncture

Section 15 – Tattooing, semi-permanent skin-colouring, cosmetic piercing and electrolysis;

Section 16 – Provisions supplementary to Sections 14 and 15;

Section 17 – Power to enter premises (acupuncture etc.);
  - ii) These provisions will come into force on 14 May 2013.

## **Background papers**

Local Government Act 2003: Regulation of Cosmetic Piercing and Skin-Colouring Businesses, Guidance on Section 120 and Schedule 6, Department of Health.

---

|                 |                      |             |                     |
|-----------------|----------------------|-------------|---------------------|
| <b>Contact:</b> | <b>Joanne Waller</b> | <b>Tel:</b> | <b>03000 260924</b> |
|-----------------|----------------------|-------------|---------------------|

---

---

## **Appendix 1: Implications**

---

### **Finance**

The legislation allows for reasonable fees to be charged for registration of persons carrying on businesses of cosmetic piercing which should cover the cost of introducing and enforcing the requirements of any byelaws.

### **Staffing**

Fees from registration will be reinvested in the service, and it is expected that the introduction and enforcement of any byelaws can be met from existing resources.

### **Risk**

A risk assessment was carried out for the submission of the report of November 2010; no reportable risks were identified. There is no change to this risk assessment.

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

An assessment as carried out for the submission of the report of November 2010; Adoption of new byelaws will ensure all operators of skin piercing businesses are treated equally. There is no change to this assessment.

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**

Legal Services have been consulted regarding this report. The report, if approved will apply Sections 14, 15, 16 and 17 of the Local Government (Miscellaneous Provisions) Act 1982 to County Durham and allow the council to create the byelaws referred to in the report.

This page is intentionally left blank