

**20 February 2013**

**Report from the Cabinet**



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**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.

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## **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