

Use of Resources Auditor Judgements 2007

February 2008



# **Use of Resources Auditor Judgements**

**City of Durham District Council**

**Audit 2007/08**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

### **Status of our reports**

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any member or officer in their individual capacity; or
- any third party.

### **Copies of this report**

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2008

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 020 7828 1212 Fax: 020 7976 6187 Textphone (minicom): 020 7630 0421

[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

# Contents

<b>Introduction</b>	<b>4</b>
<b>Use of resources judgements</b>	<b>5</b>
<b>Theme summaries</b>	<b>6</b>
Financial reporting	6
Financial management	7
Financial standing	8
Internal control	9
Value for money	10
Conclusion	13
Use of resources 2008	13
<b>Appendix 1 – Changes to the UoR key lines of enquiry 2008</b>	<b>14</b>

## Introduction

- 1 The use of resources (UoR) assessment evaluates how well councils manage and use their resources. The assessment is carried out each year and focuses on the importance of strategic financial management, sound governance and effective financial reporting arrangements. These should support your Council in the achievement of its priorities and improving services, whilst delivering value for money.
- 2 This is the third assessment we have undertaken at City of Durham District Council. Our assessment is based on the key lines of enquiry for 2007. These include new requirements for councils as part of the Commission's approach to phasing in those elements that need more lead in time and to supporting improvement by gradually raising the standard of the assessment. The period assessed for 2007 has also been aligned with the financial year 2006/07. Councils may, however, provide evidence that becomes available after the end of the financial year, to demonstrate their arrangements are working effectively and are embedded.
- 3 The overall use of resources assessment is made up of five themes. Judgements have been made for each theme using the Audit Commission's scale. This scale is used across its inspection and performance assessment frameworks.

---

**Table 1 Standard scale used for assessments and inspections**

1	Below minimum requirements – inadequate performance
2	Only at minimum requirements – adequate performance
3	Consistently above minimum requirements – performing well
4	Well above minimum requirements – performing strongly

- 4 In forming our assessment, we have used the methodology set out in the Use of Resources Guidance for Councils 2007, which can be found on the Commission's website. We have also taken account of our findings and conclusions from previous years' assessments and updated these for any changes and improvements to the Council's arrangements.
- 5 The five theme scores for City of Durham District Council are outlined overleaf.
- 6 This summary sets out our key findings in relation to each theme and key areas for improvement.
- 7 Attached at Appendix 1 are the changes to the use of resources key lines of enquiry for 2008. The improvement areas raised in this report do not cover the changes in requirements.

## Use of resources judgements

**Table 2 Summary of scores at theme and KLOE level**

<b>Key lines of enquiry (KLOEs)</b>	<b>Score 2007</b>	<b>Score 2006</b>
<b>Financial reporting</b>		
1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	3	3
1.2 The Council promotes external accountability.	3	2
<b>Financial management</b>		
2.1 The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities.	3	2
2.2 The Council manages performance against budgets.	3	3
2.3 The Council manages its asset base.	3	3
<b>Financial standing</b>		
3.1 The Council manages its spending within the available resources.	3	2
<b>Internal control</b>		
4.1 The Council manages its significant business risks.	3	3
4.2 The Council has arrangements in place to maintain a sound system of internal control.	3	3
4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	3	2
<b>Value for money</b>		
5.1 The Council currently achieves good value for money.	3	3
5.2 The Council manages and improves value for money.	3	3

## Theme summaries

- 8 The key findings and conclusions for each of the five themes are summarised in the following tables.

### Financial reporting

**Table 3**

<b>Theme score 3</b>	
<b>Key findings and conclusions</b>	
<p>The Council produced accounts in accordance with relevant standards and within deadlines. The accounts contained only a small number of non-trivial errors. The accounts were subject to robust member scrutiny and an unqualified opinion was issued. The Council considered the views of a range of stakeholders before deciding to publish an annual report.</p>	
<b>Improvement opportunities</b>	
<p>KLOE 1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.</p>	<p>Ensure that the accounts are supported by exemplary working papers.</p>

## Financial management

**Table 4**

<b>Theme score 3</b>	
<b>Key findings and conclusions</b>	
The Council's medium-term final strategy, budgets and capital programme are soundly based and in line with its strategic objectives. The Council have developed a register of partnerships including financial arrangements of its partnerships.	
<b>Improvement opportunities</b>	
KLOE 2.1 The Council's medium-term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities.	The Council's MTFS could be improved by including in financial terms joint plans agreed with its significant partners.

## Financial standing

**Table 5**

<b>Theme score 3</b>	
<b>Key findings and conclusions</b>	
<p>The Council sets a balanced budget and spending is consistently maintained within budget. The Council has a treasury management strategy that reflects the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has continued to develop processes to evaluate the effectiveness of recovery actions.</p>	
<b>Improvement opportunities</b>	
<p>KLOE 3.1 The Council managed its spending within available resources.</p>	<p>Members should continue to set challenging targets and monitor key financial health indicators.</p>



## Internal control

**Table 6**

<b>Theme score 3</b>	
<b>Key findings and conclusions</b>	
<p>Risk management has been further strengthened by the introduction of training to all appropriate Members and staff.</p> <p>The Council has identified its significant partnerships and has ensured that appropriate governance arrangements are in place for each of them.</p> <p>The Council's whistleblowing policy is now available on the Council's website, intranet site and has been published in Communication Matters.</p>	
<b>Improvement opportunities</b>	
4.2 The council has arrangements in place to maintain a sound system of internal control.	The introduction of an electronic partnerships register would further strengthen arrangements in this area.
4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	The Council should specifically consider the risk of fraud and corruption in the overall risk management process.

## Value for money

**Table 7**

<p><b>Theme score 3</b></p>
<p><b>Key findings and conclusions</b></p>
<p>The Council ensures that it provides a range of high quality services that are delivered to meet statutory duties and local needs, while maintaining relatively low overall costs. External factors that impact on costs are understood by the Council.</p> <p>The Council has a well managed capital programme linked to priorities, with most projects completed on time and within budget.</p> <p>There is clear and readily available information on Council costs and how they relate to others and the quality of service provision. The Council's priorities, particularly to provide 'Quality Public Services' incorporate providing and improving VFM.</p> <p>Customer satisfaction levels (as shown in BV indicators) are increasing. The Council is also gaining increasing external recognition and accreditation for the quality of its services.</p> <p>The Council has implemented the final parts of its performance management arrangements including the consolidation of service planning arrangements across all service areas. Scrutiny has been effective in considering and highlighting key issues relating to performance and VFM.</p> <p>Achieving and improving value for money is becoming integral to the Council's performance management arrangements, and this is beginning to result in improved levels of understanding and awareness across the organisation. The progressive implementation of the performance management arrangements is helping to embed a culture of VFM across the organisation. VFM is an integral part of service planning and individual performance appraisal relates this to staff performance, satisfaction and cost. Performance management is ensuring the setting of robust objectives for all staff.</p> <p>There is clear evidence that the council sets and achieves ambitious targets to improve efficiency and value for money corporately and in services. Targets are used 'intelligently' to reflect potential for improvement.</p>

**Theme score 3****Key findings and conclusions**

Opportunities for joint procurement with partners are actively pursued and the council works with the LSP and other partners to improve value for money. Where appropriate there is a strategic approach to seeking external funding. The council has a successful track record of securing external funding and using it to deliver required outcomes and increased value for local people.

Members, senior managers and service managers are managing costs alongside quality of services and are responding to local needs. The impact on service users is assessed to ensure that costs are not simply cuts without regard to outcomes.

The Council can demonstrate that there is equity in access to services across the community.

**Improvement opportunities**

KLOE 5.1 The Council currently achieves good value for money.

Ensure consistency and stability in the performance of planning services. Performance relating to planning services is mixed and has not fully maintained the levels achieved in 2005/06. The Council has identified reasons for this and is taking action to ensure that performance improves. The Council is monitoring closely the impact of this action and early indications are that it is proving successful.

<b>Theme score 3</b>	
<b>Improvement opportunities</b>	
	<p>Continue to monitor the level of un-apportioned overheads, and to reduce as planned costs over the medium term. The cost per head of un-apportioned overheads has increased from last year and is above the average of others in the CIPFA nearest neighbours comparator group; it is also going against the trend of the group because others council's overheads are falling whereas City of Durham's continue to rise. This increase is the result of the costs of early retirements and capital financing charges on ICT systems. Both costs are incurred for five years only, and both schemes are generating efficiency savings in direct and support services. The Council forecasts that the level of un-apportioned overheads will begin to fall from 2010/11 onwards.</p>

## Conclusion

- 9 The Council's performance demonstrates that it has continued to actively improve its performance in this area and remains well above the minimum requirements.

## Use of resources 2008

- 10 The Commission has published its key lines of enquiry for 2008 on its website. There is an annotated version of the key lines of enquiry available which show all the changes from 2007. This should assist you in pin pointing the changes. (For information the changes to the UoR key lines of enquiry have been summarised at Appendix 1). We will be reporting our scores and findings from our 2008 assessment to you at a similar time next year.
- 11 The Commission consulted on the changes to the key lines of enquiry for 2008 during April to June 2007. The Commission's response to the consultation can be found on its website. The key lines of enquiry for 2008 reflect some of the changing priorities for councils as they respond to the major challenges facing them and the higher expectations of them. Making further improvements in efficiency will be critical for councils in responding to: the changing demographic profile of communities, increasing public expectations of public services and expected constraints on funding from Government.
- 12 The key lines of enquiry give more emphasis, mainly at level 4, to areas such as: sustainability, working in partnership and using IT to secure service and value for money improvements; strategic asset management and joint procurement. These areas signal the changes which will be given more emphasis in the use of resources assessment under Comprehensive Area Assessment, the new performance framework for local services.

## Appendix 1 – Changes to the UoR key lines of enquiry 2008

**Table 8 Changes to the UoR key lines of enquiry 2008**

The key changes to the assessment are summarised here.

KLOE	Level	Summary of change
<b>Financial reporting</b>		
1.1	2	An unqualified opinion in the published statements.
1.2	2, 3	Published information is available to the public in a timely way and in accessible formats in compliance with duties under the equalities legislation.
1.2	4	The annual report or similar document includes information and analysis about a council's environmental footprint.
<b>Financial management</b>		
2.1	2	The impact of strategies is assessed for their impact to comply with duties under the equalities legislation in relation to race, gender and disabilities.
2.3	3	The asset management plan provides strategic and forward looking goals showing how land and buildings will be used to deliver corporate priorities. The Council holds accurate information on the efficiency, effectiveness and values of assets, to support decision making on investment and disinvestment in assets.
2.3	4	Asset management and planning is fully integrated with business planning.
2.3	4	Asset management is used as an enabler of change. The management of assets is integrated with other local public agencies to identify opportunities for shared use of property and to deliver cross-sector, cross-agency and community-based services to users.
2.3	4	Asset management includes challenge as to whether all assets are fit for purpose, provide value for money and deliver corporate priorities. The Council rationalises its holding of property.

KLOE	Level	Summary of change
<b>Financial standing</b>		
3.1	3	The approved level of balances is adhered to; the Council's financial standing is sound and supports the achievement of its long term objectives.
3.1	3	Targets for income collection and recovery of arrears stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets.
<b>Internal control</b>		
4.1	4	Reports which support strategic policy decisions and initiate major projects require a risk assessment which includes an appraisal of the impact on sustainable development.
4.2	3	Effective scrutiny function to ensure challenge and improve performance.
4.2		'Statement of internal control' has been replaced with 'governance statement'.
4.2	4	Evidence of the viability of significant contractors'/partners' business continuity plans.
4.3	2	Preparation for the role of the standards committee in local investigations and determination.
4.3	3	Publicising the work of the standards committee.
4.3	3, 4	Enhanced standards for whistle blowing arrangements, demonstrating employees of contracting organisations are aware of the arrangements and staff have confidence in them.
4.3	4	Application forms have fair processing notification permitting data sharing for prevention and detection of fraud and corruption.

16 Use of resources auditor judgements | Appendix 1 – Changes to the UoR key lines of enquiry 2008

KLOE	Level	Summary of change
<b>Value for money</b>		
5.1	2,3,4	Descriptors for capital programming have been strengthened by including references to the outcomes of a well managed capital programme, ie projects are completed on time, to budget and deliver outcomes which are fit for purpose (and for level 4 – transform services for users and citizens).
5.2	2,3,4	Understanding unit and transaction, as well as, overall costs.
5.2	2, 3, 4	Data quality arrangements should be reliable (level 2) or exemplary (level 4), and including at level 4, an agreed approach with partners. Auditors will rely on the findings of the data quality audit for this descriptor.
5.2	2, 3, 4	The descriptor which assesses community needs and impact of decisions on diverse communities has been revised to better reflect statutory requirements on equality impact assessments. It also makes it clearer that reducing inequality in outcomes ought to be integral to a council's drive to improve VFM.
5.2	2, 3, 4	Demonstrating improvements in value for money by tracking performance over recent years.
5.2	2, 3, 4	More emphasis on stronger, longer-term, full cost evaluation, including (at levels 3 and 4) consideration of environmental and social in its assessments of costs and benefits in decision making.
5.2	2, 3, 4	Improving value for money through partnership working, with an understanding of resources at the disposal of partnerships and planned outcomes. There are opportunities to improve value for money (reduce costs or improve outcomes) through better partnership working. Performance reflects differing levels of engagement with partners to improve outcomes.
5.2	2, 3, 4	Use of ICT to improve services, value for money and access to services.



## Agenda Item 5(a)

**STATUS PUBLIC**

<b>Portfolio Member/Director</b> Councillor Dennis Southwell/ Paul Darby	<b>Portfolio</b> Finance
<b>Subject</b> Financial Report for the Period 01.04.07 to 31.12.07 – Incorporating a Probable Outturn Position at 31.03.08	<b>Date</b> 05 March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Paul Darby, Director of Financial Services Tel : 0191 301 8622 Email : <a href="mailto:pdarby@durhamcity.gov.uk">pdarby@durhamcity.gov.uk</a>	<b>Previous Minutes</b> 201 – 05/09/2007 368 – 30/11/2007
<b>Purpose of Report</b> <p>The purpose of this report is to consider the City Council's financial performance for the period 1 April 2007 to 31 December 2007, highlighting areas of over and under spend against the year to date budgets and projecting this to the year end, taking into account known actions and issues for the remaining months of this financial year for the following:</p> <ul style="list-style-type: none"> <li>◆ General Fund Revenue Account</li> <li>◆ Housing Revenue Account</li> <li>◆ General Fund Capital Programme</li> <li>◆ HRA Housing Business Plan – Capital Expenditure</li> </ul> <p>The report also provides details of the position against a range of additional "balance sheet" financial information at 31 December 2007. Reporting of such data is a key requirement of the Audit Commission's Use of Resources assessment framework.</p>	
<b>Executive Summary</b> <p><b>General Fund Revenue Account</b>  For the period 1 April to 31 December 2007, the City Council's net expenditure stands at £8,300,006 compared to a profiled budget for this period of £8,775,628, £475,622, or 5.8%, less than anticipated.</p> <p>The City Council's anticipated General Fund net expenditure at 31 March 2008 is £13,222,774 against an original budget of £13,282,467 an estimated saving of £59,693, or 0.5%.</p> <p><b>Housing Revenue Account</b>  Gross expenditure on Council Housing at the end of December 2007, including HRA negative subsidy payable to the Government, was £12,201,501 compared to a profiled budget of £11,997,538 – a £223,963 over spend; or 1.9%. Gross income from Housing Rents and other income, stands at £12,366,735 compared to a profiled budget of £12,087,539 – additional income of £279,196; or 2.3%. The net underspend on the HRA therefore standing at £55,233 at the end of December 2007.</p>	

### **Executive Summary (Continued...)**

The probable outturn for the HRA at 31 March 2008 has been calculated using the December position. Gross expenditure on Council Housing at the end of the financial year, including HRA negative subsidy payable to the Government, is anticipated to be £16,398,393 compared to a budget of £16,120,004 – a £278,389 over spend; or 1.79%. Gross income from Housing Rents and other income for the end of the year is estimated to be £16,501,207, compared to a budget of £16,120,004 – additional income of £381,203; or 2.36%. Therefore the HRA is forecast to return a net £102,814 underspend at the year end.

### ***General Fund Capital Programme***

Gross expenditure at 31 December 2007 amounted to £4,027,475 which equates to approximately 70% of the (revised) planned total General Fund capital expenditure for the year of £5,748,175. The revised capital programme includes a forecast overspend on the Town Hall refurbishment offset by corresponding further reductions in the ICT capital programme.

### ***HRA Housing Business Plan – Capital Expenditure***

Gross expenditure at 31 December 2007 against the HRA Housing Business Plan (Capital Expenditure only) amounted to £4,351,877, compared with the revised annual total gross expenditure of £5,295,732. Therefore at the end of December, approximately 82% of the planned total HRA Housing Business Plan (Capital Expenditure only) had been incurred.

### ***Ushaw Moor Community Investment Fund***

At 31 December 2007 no expenditure has been incurred against the approved schemes in the Ushaw Moor Community Investment Fund. It is anticipated that this will be fully expended by the end of the financial year.

### ***Bowburn Community Investment Funds***

Gross expenditure at 31 December 2007 against the Bowburn Community Investment Fund amounted to £21,000, compared with the revised annual total gross expenditure of £555,854. Therefore at the end of December, approximately 4% of the planned total had been incurred, it is anticipated that this will be fully expended by the end of the financial year.

### ***Flourishing Communities Fund***

Gross expenditure at 31 December 2007 against the Flourishing Communities Fund amounted to £116,698, compared with the revised annual total gross expenditure of £228,496. Therefore at the end of December, approximately 51% of the planned total had been incurred.

A full report detailing the Council's financial position and the reasons for any under or over spending across each budget head can be found at Appendix A. This report and its associated Annexes also set out full details of the revisions to the Capital Programmes and the position against a range of additional "balance sheet" financial information at 31 December 2007 – with comparative figures provided for 31 December 2006 and 31 March 2007.

**Portfolio Member Recommendations or items Requiring a Cabinet Decision**

**That Cabinet note the financial performance in the period 1 April to 31 December 2007, the estimated outturn position at 31 March 2008 and the projected year-end balances in terms of the General Fund Reserve, the Housing Revenue Account Working Balance and other Earmarked Funds and Reserves;**

**That Cabinet note and agree the Programmes and Financing arrangements as set out in the appendix in terms of the General Fund Capital Programme and Housing Business Plan; and**

**That Cabinet note the year to date position for the various key balance sheet items reported, including the movement on earmarked and non-earmarked funds;**

**Reasons for Recommendations**

To present and account for the City Council's financial performance to 31 December and project this to the year-end to give members an estimated outturn position and the estimated impact that this will have on its reserves and balances.

To ensure that members are aware of areas of over and under spend against its approved budgets and the reasons for this, together with any mitigating actions that are being taken to address any issues that have arisen.

This report is an integral part of the Councils Corporate and Financial Governance arrangements

**Alternative Options to be Considered**

Members may wish to ignore or amend the adjustments made to the capital programme, or ignore the advice of officers regarding application of reserves and balances. However, the figures included in the report are factual and the amendments to Capital programmes and its financing are in line with decisions taken by Cabinet (5 September 2007 and 30 November 2007) and Council (27 September 2007).

**Consultation**

Each budget is assigned to a responsible officer and relevant Director / Head of Service – these are deemed the “budget holders”. Once approved by Council, all budgets are loaded and profiled within the Council's Financial Management Information System based on anticipated spending patterns within various services. Monthly budget reports are produced directly from the financial management system and considered within departmental management teams on a monthly basis. A summary overall year to date position is considered by Officers Management Team on a monthly basis.

Service Managers have investigated and provided reasons for year to date variances and have been fully involved in the preparation of outturn projections. In addition, the Council's Officers Management Team have considered and approved this report as both a true reflection of the Council's financial performance to 31 December 2007.

### **Financial, Legal and Risk Implications**

There are no specific legal risks associated with this report.

Financial risks from a forecast reduction in capital receipts have been mitigated through revisions to the Capital Programmes as set out above and in the attached appendices. Officers Management Team will continue to monitor this situation closely on a monthly basis. To further mitigate this issue the Council holds sufficient sums in its General Reserve and within the HRA working Balance should the need arise.

The quality of the information included in this report is to a great extent based on the quality of the data contained within the financial management system and is therefore reliant on the internal controls and performance management frameworks within the Council to ensure this is accurate and reliable. The internal control environment that exists within the Council provides for regular (weekly / monthly) reconciliation's of key business critical systems. These controls extend to detailed procedures notes and their application is tested via internal and external audit. No significant issues have been identified.

### **Resource Implications**

The financial performance to 31 December 2007, impact on reserves and balances, details of the revisions to the capital programmes and the current position in respect of key balance sheet items are set out in detail in Appendix A.

There are no other resource implications arising from this report.

### **Timescale for Action**

Not applicable – the recommendations contained within this report are not time related, save for the 2007/08 financial year end being 31 March 2008.

### **Associated Policies and Plans**

- Annual Statement of Accounts 2006-07;
- Revenue and Capital Budgets 2007/08 (Approved by Council 26 February 2007);

### **Supporting Documents**

- Appendix A – Financial Report for the Period 01/04/07 to 31/12/07 – Incorporating Probable Outturn position at 31 March 2008.

### **Background Papers**

- Report to Cabinet 5 September 2007 – Financial Report for the Period 01/04/07 to 30/06/07
- Report to Cabinet 30 November 2007 – Financial Report for the Period 01/04/07 to 30/09/07, incorporating a probable outturn to 31 March 2008
- Monthly Budgetary Control Reports to Officers Management Team; and
- Agresso Financial Management System – Monthly Budgetary Control Reports



---

**Financial Report for the  
Period 01.04.07 to  
30.12.07 – Incorporating a  
Probable Outturn  
Position at 31.03.08**

**Paul Darby, CPFA  
Director of Financial Services**

---




## 1.0 INTRODUCTION

1.1 The purpose of this report is to consider the City Council's financial performance for the period 1 April 2007 to 31 December 2007, highlighting areas of over and under spend against the year to date budgets and projecting this to the year end, taking into account known actions and issues for the remaining months of this financial year for the following:

- General Fund Revenue Account
- Housing Revenue Account
- General Fund Capital Programme
- HRA Housing Business Plan – Capital Expenditure

1.2 The report also includes a range of additional “balance sheet” financial information at 31 December 2007 – with the comparative position shown at 31 December 2006 and 31 March 2007 for these items. In year balance sheet reporting helps to improve the Council's financial and corporate governance arrangements and is a key requirement of the Audit Commissions Use of Resources assessment framework. The balance sheet items contained in the report build on other financial information provided to Cabinet, such as Treasury Management activity in terms of external loans and investments (reported in the quarterly Treasury Management reports to Cabinet).

1.3 The Annexes attached provide details (on a cost centre / budget head by budget head basis) of the position at 31 December and the projected outturn position at the year-end. To assist understanding and focus attention in terms of action planning, the annexes attached include a flag to indicate the following: -

- 1 A 'Green Arrow' [] indicates a variance of less than £10,000 and 10%, no action is required in these circumstances
- 2 An 'Amber Triangle' [] indicates a variance of either more than £10,000 or 10%, in this circumstance the variance will be investigated but may result in no action or no comment in the report
- 3 A 'Red Circle' [] indicates a variance of more than £10,000 and 10%, in these circumstances the variance will be fully investigated and an explanation will be given in the report

## 2.0 GENERAL FUND REVENUE ACCOUNT

2.1 For the period 1 April to 31 December 2007, the City Council's net expenditure stands at £8,300,006 compared to a profiled budget for this period of £8,775,628, £475,622 or 5.8%, less than anticipated. A detailed summary is attached at Annex - Item 1. This includes the impact of a full reappraisal of central support services recharges budgets at 31 December and therefore shows the year to date actual position with any under and overspends against central support services taken fully into account.

**Cabinet 05.03.08 – Financial Report**

---

- 2.2 This is the second report for the financial year 2007/08 that looks at an estimated probable outturn position for the financial year-end.
- 2.3 Finance officers have worked closely with all budget holders to determine the reasons for any over and under spending at 31 December and to forecast, based on existing planned activity, whether this will be a feature at the year-end. Based on this work, the City Council's anticipated General Fund net expenditure at 31 March 2008 is forecast at £13,222,774 against an original budget of £13,282,467 an estimated underspend of £59,693, or 0.45%. Full details are also shown in Annex - Item 1.
- 2.4 The net under spend at 31 December (£475,622 in Annex Item 1) can be explained by a number of factors, the most significant of which are detailed below together with commentary on their impact on the estimated outturn position where appropriate:-

**Other Recharges to Services.**

- Savings on Insurance Premiums for the year to date of £7,342 are anticipated to increase to £8,542 at the end of the year;
- A saving on Information Technology for the year to date of £40,835, relates to timing issues and the reduction in levels of maintenance agreements in some systems; it is anticipated that this will fall to around £13,000 by the end of the year which will be recharged to front-line services;

**Corporate and Democratic Core**

- Civic Functions is showing an under spend of £10,046 due to underspends on the functions and hospitality budgets; it is anticipated that this budget will be a slight overspend by 31 March 2008;
- The Town Hall is showing an underspend of £11,876 due to the facility being closed for refurbishment. The anticipated year-end position is an overspend of £8,303 due to lost income during its closure; offset by NNDR and cleaning savings.
- Human Resources and Central Training was under spent by £29,135 at 31 December, however, this is primarily a timing issue and it is anticipated that there will only be a small underspend on this budget by the year end;
- The costs incurred in terms of the Local Government Review process to 30 December 2007 was £26,539. A final invoice is due from Derwentside DC in respect of printing and postage costs (£3,000) and the City Council's contribution to Congleton BC (£10,000) in respect of the Judicial Review Appeal has yet to be incurred. The probable outturn builds both these figures in. The full cost of action taken in respect of the Local Government Review will be met from the General Reserve;
- Audit fees are currently over budget by £9,698 however this reflects a budget phasing issue and will be approximately £5,875 overspent by the year end;
- Civic buildings show an overspend of £10,478 in relation to set up costs for Humber House. Other civic buildings are anticipating underspends at year-end due to NNDR

**Cabinet 05.03.08 – Financial Report**

---

refunds, savings in cleaning staff and under spends on utilities and building maintenance but this underspend has been recharged to front-line services and is included in their year-end projection;

***Non Distributed Costs***

- Other land and buildings are £17,132 underspent as a result of unbudgeted rental income (from the CAB at 32 Claypath), this is expected to be reflected in the year end outturn position;
- Non-operational assets are under spent by £14,007. This relates to savings on the former tourist office in the market place, which has been closed as part of the redevelopment of the Town Hall. No NNDR charges will be incurred in 2007/08 and the anticipated saving for the full year is forecast at £15,568;
- Restructure costs shows an overspend of £90,839 against the year-to-date budget which is a result of ER/VR applications approved after the budget had been set, the end of year position is anticipated to be £113,892 over budget. This overspend is offset by efficiencies and savings achieved in other areas (the salary costs will be built in for those employees where ER/VR was approved after the budget was set);
- In 2007/08 RTB administration costs were budgeted in the General Fund, changes in legislation has resulted in these abortive RTB admin costs having to be shown in the HRA, saving the General Fund £30,699;

***Central Services to the Public***

- An under spend on Council Tax Collection of £37,305 at 31 December is as a result of increased court fees income, the outturn position is anticipated to be £10,335 below budget and factors in the set up costs in respect of the implementation of the new payment card system, following the decision by Cabinet to withdraw the Door to Door Collection Service from April 2008;
- An under spend on NNDR Collection of £2,244 at 31 December is as a result of increased court fees, the outturn position is anticipated to be £3,845 below budget;
- Council Tax Benefits is overspent by £430 at 31 December, the outturn position is anticipated to be £14,033 under budget as a result of a decrease in the level of Council Tax Benefit paid and savings in benefits administration costs;
- There is currently an overspend on elections of £11,161, this will be offset by recharges to Parish Council's, which are to be raised shortly in quarter 4;
- Income from local land charges is currently £30,313 below budget and this shortfall of income is expected to increase to £36,009 by the end of the year;

***Other Operating Income and Expenditure***

- Interest receivable is £182,393 higher than budgeted at 31 December, as a result of higher than expected balances and higher than expected interest rates. The outturn position is anticipated to be £110,871 above budget and includes interest payable on



**Cabinet 05.03.08 – Financial Report**

---

the £2M capital contribution to DVRC as part of the Freeman's Quay LC finance agreement - interest is payable at 1% above base rate on this contribution;

- The dividend payment from DVRC is expected to be £425,000, £325,000 less than the budgeted position. This is as a result of the recent slowdown in the housing market and delays in commencing development of some sites during the early part of this year;
- Additional Local Authority Business Growth Incentive Grant of £155,697 relating to 2006/07 was received earlier this year. It is anticipated that this grant award will supplement the budgeted £300,000 relating to this year and is the reason for the estimated outturn being in excess of the budgeted position;

***Highways Roads and Transport Services***

- Higher than expected income levels have been achieved by Car Parks and have resulted in an under spend of £64,349 against phased budget to date, the final outturn position is expected to show a saving of £80,257 against this budget;

***Housing Services***

- Housing Strategy and Development is showing an overspend of £15,176 at 31 December 2007, rising to £17,120 at year-end. This relates to a contribution towards the appointment of a Director of Policy and Programmes to deal with housing market assessments, being developed in partnership with the Durham Housing and Neighbourhoods Group;
- Welfare Benefits is showing an underspend of £111,635 at 31 December as a result of continued improvements in the recovery of overpaid housing benefit and under spends in staffing and supplies and services. The final outturn is expected to be an under spend of £157,533;

***Environmental Services***

- Refuse collection and recycling is currently showing an under spend of £15,972 as a result of lower than anticipated staffing costs and under spends in supplies and services expenditure. The outturn position is forecast to be in line with the budget;
- Public Health is under spent by £50,081 as a result additional income being received, vacant posts within the section and an underspend on expenditure relating to smoking legislation. It is anticipated that this under spend will be around £47,555 by the end of the year. Any surpluses HMO licensing income will be allocated to the earmarked reserve set up last year to equalise the impact of this scheme in future years;
- The Joint Committee of the Durham Crematorium has agreed to transfer earmarked reserves totaling £1.25M back to the partner authorities (City of Durham - £1M - and Spennymoor TC - £0.25M) and therefore the probable outturn shows an additional dividend to the City Council of £1M in 2007/08. This income has been used to offset reductions in capital receipts in the current year and a corresponding £1M Direct Revenue Financing contribution is shown within the Capital Financing Charges Adjustment budget head;

**Cabinet 05.03.08 – Financial Report**

---

- The variance (saving) on Licences/Certificates of £16,445 at 31 December is due to vacant posts within the section and additional unbudgeted income in the first 6 months of this year. It is envisaged that this will continue, realising a £21,982 under spend at the year end;
- An underspend on contaminated land surveys accounts for the under spend of £16,371 on Other Environmental Health. This expected to be around £10,000 by the end of the year;

***Planning and Development Services***

- Planning Policy is anticipated to have an overspend on budget of £16,123 at the year-end due to a reduction in the Planning Delivery Grant being received by the Council in 2007/08;
- Building Control is underspent by £6,301 at 31 December. However, it is anticipated that there will be an overspend of £16,125 at year-end due to the fee income budget not being achieved;
- Statutory Planning Control is £14,545 over spent at 31 December, which is anticipated to increase to £74,677 by year-end. This is as a result of additional statutory advertising costs and staffing costs and a reduction in Planning Delivery Grant;
- Markets have a shortfall in income of £2,086 at 31 December and it is anticipated that this will increase to £6,682 by the year-end. This is broadly in line with the final outturn position for 2006/07 and the 2008/09 base budget has been adjusted accordingly;
- Community Development is £53,676 under budget as a result of vacant posts, which is expected to rise to £72,263 by the financial year-end;

***Cultural Services***

- The Gala's overall performance shows a net under spend of £38,168 at 31 December, as a result of better than anticipated income together with an underspend on staffing. It is anticipated that the final outturn position will be on budget at this stage;
- Leisure Development and Community Recreation is showing an underspend of £7,392 and this is anticipated that this will rise to £32,760 by the year end as a result of grant income being received to pay for established posts;
- Parks, Cemeteries and Allotments is showing an underspend of £17,392 at 31 December. The outturn position is forecast to be in line with the budget;
- Tourism and conference promotion is £37,045 over spent as a result of unbudgeted posts and unbudgeted shift allowances and overtime, together with higher than budgeted supplies and services expenditure. This is expected to increase to £60,288 by the year end;

**Cabinet 05.03.08 – Financial Report**

---

2.5 The General Fund Balance was £2,850,000 at 31 March 2007, however, this was subsequently re-allocated into three separate reserves (see Policy on Reserves – Report to Council 28/09/07 refers), following a reappraisal of both the policy in terms of application of these sums and a review / movement of sums held in other earmarked reserves. The balances as at 31 December were as follows: -

- Strategic Emergency Reserve - £700,000
- General Reserve - £500,000
- Earmarked Capital Fund - £NIL

2.6 The probable outturn position for the General Fund (see 2.3 above) shows an estimated contribution to balances of £59,693 at 31 March 2008. This would increase the General Reserve to £559,693 at the year end. Full details of all reserves and balances is set out in Annex – Item 8).

### **3.0 HOUSING REVENUE ACCOUNT**

3.1 Gross expenditure on Council Housing at the end of December 2007, including HRA negative subsidy payable to the Government, was £12,201,501 compared to a profiled budget of £11,997,538 a £223,963 over spend; or 1.9%. Gross income from Housing Rents and other income, stands at £12,366,735 compared to a profiled budget of £12,087,539 – additional income of £279,196; or 2.3%. Therefore the net underspend on the HRA at end of December 2007 is £55,233. Full details are shown in Annex - Item 2.

3.2 Finance officers have again worked closely with all budget holders to determine the reasons for any over and under spending at 31 December and to forecast, based on existing planned activity, whether this will be a feature at the year end. Gross expenditure on Council Housing at the end of the financial year, including HRA negative subsidy payable to the Government, is anticipated to be £16,398,393 compared to a budget of £16,120,004 – a £278,389 over spend; or 1.73%. Gross income from Housing Rents and other income for the end of the year are estimated to be £16,501,207, compared to a budget of £16,120,004 – additional income of £381,203; or 2.36%. Therefore the net underspend on the HRA at end of March 2008 is anticipated to be £102,814. Full details are also shown in Annex - Item 2.

3.3 The net under spend against the phased budget to 31 December 2007 (£55,223) is due to a combination of factors, as detailed below: -

- The opening stock position was above that budgeted and there has been a reduced level of Right to Buy (RTB) completions in the first nine months of the financial year. The base budget assumed RTB sales of 108 in 2007/08 and therefore to 31 December 81 RTB sales would have been expected. Actual RTB sales to the 31 December were 38 and are therefore approximately half the level that was anticipated. Additional gross rental income to 31 December was £142,174, and the probable outturn calculations show additional gross rental income of £175,667 for the year;

**Cabinet 05.03.08 – Financial Report**

---

- Rental income lost to void properties is also significantly reduced - £116,880 under budget - as a direct result of continued improvements in void turn around times, this is anticipated to rise to £149,690 by the end of the year;
- Housing repairs and maintenance expenditure is currently over spent by £162,881, as a result of an increase in the volume of repairs (over that expected) in the first nine months of the year. Based on current activity it is anticipated that this budget will be over spent by £238,314 at the end of the year;
- Housing Supervision and Management General is currently over spent by £69,854, as a result of an increases in home loss and disbursement payments and also as a result of the unbudgeted abortive RTB administration costs that must now be charged against this budget. It is anticipated that this budget will be over spent by £109,165 at the end of the year;

3.4 The HRA Working Balance was £850,815 at 31 March 2007, and taking into account the outturn position set out above is expected to rise to £954,469 at 31 March 2008.

#### **4.0 CAPITAL PROGRAMMES – FINANCING ISSUES AND OVERALL CONTROL TOTALS**

4.1 The total original gross budgeted spend in 2007/08 was £12.694m – which included £1.604M carried over from 2006/07, as detailed in the Statement of Accounts approved by Council in June 2007. Members will recall that the overall budget was re-appraised and substantially changed (reduced) by Cabinet in September 2007 as a result of a re-forecasting of projected land sales / capital receipts, further amendments were approved by cabinet in November 2007. An updated schedule of projected land sales and RTB receipts are set out in Annex – Item 3.

4.3 To mitigate against the the loss of capital receipts the following action has been undertaken: -

- Reserves held in the Durham Crematorium accounts have been repaid to the City Council. This appears as a budget saving of £1M against the Crematorium Joint Committee Revenue budget, offset by a £1M Direct Revenue Financing contribution to the Capital programme in 2007/08 (see Annex – Item 1)
- A capital contribution of £2M has been made to DVRC in relation to the financing of the Freemans Quay LC and in lieu of the potential sale of the Elvet Waterside site. This payment was made in accordance with the Policy and Reserves and Balances approved by Council 28 September 2007 and has been financed from the utilisation of the earmarked capital fund. A separate finance agreement, which includes the requirement for DVRC to pay the Council interest (at the base rate plus 1%) until such times as this sum is utilised, exists over this payment and mitigates against any interest forgone on the sum when it was in the City Councils accounts.

**Cabinet 05.03.08 – Financial Report**

---

- 4.4 Overspend on the Town Hall renovation budget of £130,000, reflecting variations and extensions to the original contract to deal with unexpected major repairs that have been undertaken that were not part of the original contract has been built into the revised programme. This has been primarily financed by further reductions in the ICT capital budget;
- 4.5 Taking into account these and the previous amendments to the Capital programmes, the revised gross capital expenditure is expected to be £12,177m. Summary details of the revised Capital Programmes and the financing statement to support this are set out in Annex - Item 4. These projections assume that there would be no carry over at 31 March 2008 (which is unlikely but which is prudent at this stage in terms of capital financing).

**5.0 GENERAL FUND CAPITAL PROGRAMME**

- 5.1 Taking into account the amendments outlined above the revised gross expenditure target for 2007/08 is £5,748,175 (see attached – Annex – Item 5). Gross expenditure at 31 December 2007 against the General Fund Capital Programme amounted to £4,027,475. Therefore at the end of December, approximately 70% of the revised planned total General Fund capital expenditure for the year had been incurred.
- 5.2 Of the balance left to spend alterations to the Town Hall amounting to £509,898 accounts for 30% of the remaining budget, with £297,364 (or 17%) being in relation to balances on the ICT capital programme.
- 5.3 The capital programme approved by Council in February 2007, as revised to take into account the above changes – brought about due to a combination of re-financing and Local Government Review issues - continues to be monitored and reviewed in detail on a monthly basis.

**6.0 HRA HOUSING BUSINESS PLAN – CAPITAL EXPENDITURE**

- 6.1 Gross expenditure at 31 December 2007 against the HRA Housing Business Plan (Capital Expenditure only) amounted to £4,351,877, compared with the revised annual total gross expenditure of £5,295,732. Therefore at the end of December, approximately 82% of the planned total HRA Housing Business Plan (Capital Expenditure only) had been incurred, as shown in Annex - Item 6 – which also indicates any sums that will be slipped into 2008/09.

## **7.0 FLOURISHING COMMUNITIES AND EARMARKED COMMUNITY INVESTMENT FUNDS EXPENDITURE**

- 7.1 Details of commitments and spend against the Flourishing Communities Fund, and the Ushaw Moor Community Investment Fund and Bowburn Community Investment Funds are shown in Annex - Item 7.

### ***Ushaw Moor Community Investment Fund***

At 31 December 2007 no expenditure has been incurred against the approved schemes in the Ushaw Moor Community Investment Fund. It is anticipated that this will be fully expended by the end of the financial year, as shown in Annex - Item 7.

### ***Bowburn Community Investment Funds***

Gross expenditure at 31 December 2007 against the Bowburn Community Investment Fund amounted to £21,000, compared with the revised annual total gross expenditure of £555,854. Therefore at the end of December, approximately 4% of the planned total had been incurred, it is anticipated that this will be fully expended by the end of the financial year as shown in Annex - Item 7.

### ***Flourishing Communities Fund***

Gross expenditure at 31 December 2007 against the Flourishing Communities Fund amounted to £116,698, compared with the revised annual total gross expenditure of £228,496. Therefore at the end of December, approximately 51% of the planned total had been incurred, as shown in Annex - Item 7.

- 7.2 Spend against the budgets allocated to these areas is also monitored and reviewed on a monthly basis by the Capital Works Steering Group.

## 8.0 BALANCE SHEET REPORTING – KEY ITEMS

8.1 The position for the key balance sheet items as at 31 December 2007 is set at in the table below, together with the position at 31 March 2007 (and as at 31 December 2006 where available) for comparison purposes: -

Position at 30.12.06 £'000	Position at 31.03.07 £'000		Position at 31.12.07 £'000
61	879	Bank Balance	(90)
192	503	Cash in Transit	187
(443)	(1,216)	Unpresented Cheques / BACS in Transit / Purchasing Cards	(978)
<b>(190)</b>	<b>166</b>	<b>Balance Sheet "Bank"</b>	<b>(881)</b>
		<b>Short-Term Investments:</b>	
1,625	1,673	- Externally Managed Funds (Tilney)	-
10,071	7,039	- Internally Managed Funds	9,527
<b>11,696</b>	<b>8,712</b>		<b>9,527</b>
<b>(22,505)</b>	<b>(22,493)</b>	<b>Long Terms Borrowing (Total Loans Outstanding)</b>	<b>(22,248)</b>
		<b>Creditors – Accounts Payable System (Agresso):</b>	
62	238	- Amounts Registered but Not Due	171
1	89	- Amounts Registered : Due 31 to 60 Days	121
1	1	- Amounts Registered : Due 61 to 90 Days	4
64	(4)	- Amounts Registered : Due 91 + Days	22
<b>128</b>	<b>324</b>		<b>318</b>
		<b>Key / Significant Debtors:</b>	
6,211	2,128	- Net Council Tax Arrears	6,166
4,018	767	- Net NNDR Arrears	3,996
725	671	- Net HRA Housing Rent Arrears – Current Tenants	741
600	538	- Net HRA Housing Rent Arrears – Former Tenants	608
421	394	- Invoiced Debtors Arrears – General (Agresso)*	554
344	308	- Invoiced Debtors Arrears – Overpaid HB (Northgate SX3)*	301
<b>12,319</b>	<b>4,806</b>		<b>12,336</b>
<b>3,497</b>	<b>1,830</b>	Usable Capital Receipts Reserve	<b>2,641</b>

**Cabinet 05.03.08 – Financial Report**

---

- 8.2 In addition to the 28 dwellings sold in the first half of the year, the Council sold a further 10 dwellings under the Right to Buy (RTB) in the period 1 October to 31 December 2007. The HRA housing stock at 31 December 2007 stood at 6,170 dwellings (there were 6,208 houses at 31 March 2007). Budgeted overall Right to Buy, other sales and demolitions for the year totalled 120 when the budgets were prepared. At 38 the nine month position is well below what was budgeted and indeed if this trend continues for the remainder of the year then only 50 RTB completions will be made by 31 March 2008.
- 8.3 The gross valuation of dwellings sold under the RTB in the first nine months (as assessed by the City Council's external Valuer) was £3,249,000, giving an average valuation per RTB completion of £85,500. The average discount allowed was 25%, which produced net receipts of £2,413,000 – giving an average "sale price" per RTB completion of £63,500. After allowable deductions for RTB Administration and works to these dwellings over the last three years, the City Council retained £619,415 (26.8%) of the net proceeds of the RTB completions in the period to the end of December 2007 with £1,688,968 payable directly to the Government under the national pooling arrangement.
- 8.4 In 2007/08 the council budgeted to retain £1,464,750 of total RTB receipts, however, based on the nine month position it is now estimated that usable RTB receipts will be around £750,000 a shortfall of approximately £714,750.

**9.0 Supporting Documents**

- Annex – Item 1: General Fund Revenue Account Financial Summary
- Annex – Item 2: Housing Revenue Account Financial Summary
- Annex – Item 3: Updated Forecast – Capital Receipts 2007/08
- Annex – Item 4: Overall Capital Programmes and Financing 2007/08
- Annex – Item 5: General Fund Capital Programme
- Annex – Item 6: Housing Business Plan Capital Programme
- Annex – Item 7: Flourishing Communities / Earmarked Community Investment Funds
- Annex – Item 8: Summary of Movement on General Fund Reserves and Balances



Page 17  
**GENERAL FUND**

**BUDGET MONITORING REPORT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2007**

Base Budget 2007/08 £'000	Service	Profiled Budget Apr-Dec £'000	Actual Spend Apr-Dec £'000	Year to Date Over/(Under) Spend £'000	Flag	Probable Outturn 2007/08 £'000	Variance to Base Budget £'000
	<b>Other Recharges to Services</b>						
-	Postage	-	4	4	→	-	-
-	Information Technology	(40)	(81)	(41)	▲	-	-
-	Telephones	5	2	(3)	→	(4)	(4)
-	Mobile Phones	-	(1)	(1)	→	-	-
-	Insurance	(56)	(63)	(7)	→	(9)	(9)
-	Risk Management	(5)	(4)	1	→	(5)	(5)
-		(96)	(143)	(47)		(18)	(18)
	<b>Corporate and Democratic Core</b>						
224	Members	168	160	(8)	→	218	(6)
67	Members Discretionary Payments	(16)	(16)	-	→	67	-
59	Civic Functions	35	25	(10)	●	62	3
220	Democratic Services	165	159	(6)	→	211	(9)
121	Town Hall	94	82	(12)	●	129	8
90	Human Resources & Central Training	66	36	(30)	●	84	(6)
954	Corporate Management	720	713	(7)	→	971	17
-	Local Government Review	-	27	27	●	27	27
19	Bank Charges	14	15	1	→	20	1
82	Audit Fees	51	61	10	▲	88	6
7	Treasury Management	9	9	-	→	7	-
43	Subscriptions to LA Associations	43	43	-	→	43	-
-	Civic Buildings	-	10	10	▲	10	10
1,886		1,349	1,324	(25)		1,937	51
	<b>Non Distributed Costs</b>						
7	Other Land and Buildings	5	(10)	(15)	●	(10)	(17)
21	Non-Operational Assets	18	4	(14)	●	5	(16)
288	Superannuation – Pensions Increase	169	165	(4)	→	286	(2)
514	Contributions to meet Pensions Fund Deficit	385	386	1	→	514	-
250	Restructure Costs	237	328	91	●	364	114
31	RTB Administration	23	-	(23)	→	-	(31)
1,170	Non-Distributed Deferred Charges	878	878	-	→	1,170	-
2,281		1,715	1,751	36		2,329	48
	<b>Central Services to the Public</b>						
582	Council Tax Collection	429	392	(37)	▲	572	(10)
20	NNDR Collection	14	12	(2)	▲	16	(4)
-	Customer Services	-	-	-	→	-	-
196	Council Tax Benefits	134	134	-	▲	182	(14)
60	NNDR Discretionary Relief	60	57	(3)	→	58	(2)
(70)	NWA Collection Allowance	(100)	(105)	(5)	→	(77)	(7)
159	Grants and Donations	147	147	-	→	168	9
28	Registration of Electors	25	27	2	→	31	3
57	Electoral Matters	63	74	11	●	58	1
(248)	Local Land Charges	(186)	(155)	31	●	(212)	36
784		586	583	(3)		796	12
	<b>Other Operating Income &amp; Expenditure</b>						
(1,245)	Interest & Dividends	(371)	(554)	(183)	●	(1,030)	215
-	DSO Profits	-	-	-	→	-	-
(300)	Local Authority Business Grant Initiative	(156)	(156)	-	→	(456)	(156)
(1,545)		(527)	(710)	(183)		(1,486)	59
	<b>Highways, Roads &amp; Transport Services</b>						
(96)	Car Parks	(68)	(133)	(65)	●	(176)	(80)
1	Footpath Lighting	-	8	8	→	1	-
(20)	Garage Sites	(11)	(9)	2	→	(20)	-
36	Bus Shelters	27	36	9	→	34	(2)
1,193	Concessionary Bus Permits	928	928	-	→	1,192	(1)
1,114		876	830	(46)		1,031	(83)

Page 18  
**GENERAL FUND**

**BUDGET MONITORING REPORT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2007**

Base Budget 2007/08 £'000	Service	Profiled Budget Apr-Dec £'000	Actual Spend Apr-Dec £'000	Year to Date Over/(Under) Spend £'000	Flag	Probable Outturn 2007/08 £'000	Variance to Base Budget £'000
	<b>Housing General Fund Services</b>						
79	Housing Strategy & Development	59	74	15	●	96	17
215	Improvement Grants	161	161	-	➡	215	-
10	Home Improvement Agency	10	10	-	➡	10	-
61	Homelessness	30	32	2	➡	67	6
512	City Care	291	295	4	➡	516	4
-	Gypsy Site	3	5	2	▲	-	-
251	Welfare Benefits	188	77	(111)	●	94	(158)
1,128		742	654	(88)		998	(131)
	<b>Environmental Services</b>						
165	Sustainable Development	115	120	5	➡	173	8
134	Public Conveniences	101	99	(2)	➡	134	-
1,291	Refuse Collection and Recycling	924	908	(16)	▲	1,291	-
676	Public Health	493	443	(50)	●	629	(47)
1,038	Street Sweeping and Cleaning	780	784	4	➡	1,043	5
(162)	Crematorium Joint Committee	(122)	(1,081)	(959)	●	(1,162)	(1,000)
60	Licences / Certificates	28	12	(16)	●	38	(22)
103	Community Safety	69	73	4	➡	103	-
32	Other Environmental Health	24	8	(16)	●	22	(10)
73	Neighbourhood Wardens	55	53	(2)	➡	71	(2)
3,410		2,467	1,419	(1,048)		2,342	(1,068)
	<b>Planning &amp; Development Services</b>						
312	Planning Policy & Regeneration	272	274	2	➡	328	16
236	Building Control	175	169	(6)	➡	252	16
35	Statutory Planning Control	207	222	15	▲	110	75
141	Industrial Development	83	83	-	➡	141	-
(22)	Markets	(11)	(9)	2	▲	(15)	7
726	Community Development	556	502	(54)	●	654	(72)
1,428		1,282	1,241	(41)		1,470	42
	<b>Cultural and Related Services</b>						
366	Conservation	277	269	(8)	➡	375	9
50	City Centre Visioning	38	38	-	➡	50	-
575	Gala Theatre Operating Subsidy	431	393	(38)	▲	575	-
554	Millenium City	415	415	-	➡	554	-
132	Arts, Development and Support	96	93	(3)	➡	121	(11)
267	Leisure Develop. and Comm. Recreation	199	192	(7)	➡	234	(33)
1,364	Indoor Sports & Recreation Facilities	1,040	1,043	3	➡	1,367	3
1,413	Parks, Cemeteries and Allotments	1,103	1,085	(18)	▲	1,413	-
436	Tourism and Conference Promotion	306	343	37	●	496	60
5,157		3,905	3,871	(34)		5,185	28
(2,147)	<b>Capital Financing Charges</b>	(3,304)	(2,296)	1,008	●	(1,147)	1,000
	<b>Contingency</b>						
180	Implementation of Single Status	-	-	-	➡	180	-
<b>13,676</b>	<b>Net Expenditure – Before Application of Earmarked Reserves and Balances</b>	<b>8,995</b>	<b>8,524</b>	<b>(471)</b>		<b>13,617</b>	<b>(60)</b>
	<b>Use of Balances</b>						
(336)	- Corporate & Service Initiatives Fund	(177)	(181)	(4)		(336)	-
(38)	- Flourishing Communities Fund	(38)	(38)	-		(38)	-
(20)	- General Reserve	(5)	(5)	-		(20)	-
(394)		(220)	(224)	(4)		(394)	-
<b>13,282</b>	<b>Total Net Expenditure</b>	<b>8,775</b>	<b>8,300</b>	<b>(475)</b>		<b>13,223</b>	<b>(60)</b>



**UPDATED FORECAST - CAPITAL RECEIPTS 2007/08**

<b>Forecast / Budgeted Capital Receipts</b>	<b>£000</b>	<b>Notes</b>
Right to Buys (Based on Position re RTB's to date – see note below)	750	1
West Milburngate (Net of £62.5K Deposit Rec'd 06/07)	-	2
Bowburn – Lawson Road	-	2
Ushaw Moor	65	3
West Rainton	-	2
Brancepeth	-	2
Witton Gilbert	113	4
Sherburn – Foster Avenue (Balance)	9	5
Other land Sales (Unspecified Areas in Budget Book)	50	6
Usable Capital Receipts Reserve BFWD	1,830	7
<b>Total Available Capital Receipts</b>	<b>2,817</b>	
<b>Total Required re Current Programme</b>	<b>(2,763)</b>	
<b>Usable Capital Receipts Reserve Carried Forward</b>	<b>54</b>	<b>8</b>

**NOTES**

- 1) Budget Based on RTB sales of 108, at an estimated gross valuation of £50,000. By the end of December it would have been expected that CoD would have sold 81 dwellings under the RTB and that usable receipts generated would be £1.098m (£13,562 per dwelling). Actual sales to 31 December 2007 were only 38, with usable elements amounting to £619.4K (£16,300 per dwelling). Based on the actual position to date the RTB receipts have been re-forecast on a prudent basis to be £750K this year.
- 2) Assumed that this will not now be received.
- 3) Capital receipt from sale of land at Ushaw Moor.
- 4) Capital receipt from sale of land at Witton Gilbert.
- 5) Residual balance from sale of land at Foster Avenue, Sherburn
- 6) Assumed as budgeted.
- 7) Represents the value of capital resources brought forward at 01.04.07.
- 8) Based on revised position re capital receipts and the capital the Usable Capital Receipts Reserve will have a balance of approximately £54K after financing the 2007/08 Capital Programme.

**BUDGETED CAPITAL PROGRAMMES AND FINANCING 2007/08**

<b>Budgeted Capital Expenditure (Including Carry Over)</b>	<b>£000</b>
General Fund	5,748
Housing Business Plan	5,296
Flourishing Communities Fund	228
Bowburn Community Investment Fund	556
Ushaw Moor Community Investment Fund	349
<b>Total Gross Budgeted Spend</b>	<b>12,177</b>
<b>Capital Financing (Revised Programme)</b>	<b>£000</b>
Capital Receipts (See Below)	3,004
Credit Approvals	248
Revenue Contributions	1,206
Government Grants (DFG)	184
Major Repairs Allowance	3,536
Use of Section 106 Agreements	0
Capital Grants and Contributions	785
Use of Earmarked Reserves and Balances	3,214
	<b>12,177</b>

<b>Detail - Forecast / Budgeted Capital Receipts (See Item 3)</b>	<b>£000</b>
Right to Buys	750
Ushaw Moor	65
Witton Gilbert	113
Sherburn – Foster Avenue (Balance)	9
Other land Sales (Unspecified Areas)	50
Usable Capital Receipts Reserve (Balancing Figure)	1,830
	<b>2,817</b>

**GENERAL FUND CAPITAL PROGRAMME 2007/08**  
**FINANCIAL REPORT FOR THE PERIOD 1ST APRIL 2007 TO 31ST DECEMBER 2007**

	Funding Ref	Budget Holder	Cost Centre	2007/08 Original Estimate £	Slippage B/Fwd 06/07	Other Adjustments £	Slippage to 2008/09	2007/08 Adjusted Estimate £	Income / Expenditure to Date (Gross) £	Balance to Spend £	Status
<b>Admin Fees</b>				138,785	-	-	-	138,785	104,089	34,696	
<b>Flourishing Communities</b>											
1 Disabled Facilities Grants	1	N.Laws	1655	280,000	51,956	25,000		356,956	254,671	102,285	
2 Home Repair Loans		N.Laws	1656	103,000	29,101	(10,000)		122,101	31,825	90,276	
3 DDA compliance		M.Lee	4069	150,000	248,244	(396,271)		1,973	1,973	-	
				<b>533,000</b>	<b>329,301</b>	<b>(396,271)</b>		<b>481,030</b>	<b>288,469</b>	<b>192,561</b>	
<b>Quality Public Services</b>											
4 Other IEG / ICT schemes (As Attached)	6	B.Mitchell/S.Kelley	various	983,341	408,268	(616,549)		775,060	477,696	297,364	
5 Gala Theatre Development	14	M. Hurlow	4045	-	6,184	(6,184)		-	-	-	
6 Legionella & Water Bye Laws		H. Lee	4303	20,000	23,858	(16,407)		27,451	24,108	3,343	
7 Additional - IT (PC's)		S. Kelley	4324	60,000	-			60,000	19,989	40,011	
8 Server Replacement		S. Kelley	4342	90,000	-	(88,500)		1,500	1,500	-	
9 Waste Recycling Schemes	7	C. Tomlinson	4343	41,000	370			41,370	32,879	8,491	
10 Alterations / Major repairs to Public Buildings		H. Lee	4344	-	-	-		-	-	-	
11 Fuel Poverty		M. Lee	4345	33,000	50,000	(83,000)		-	-	-	
12 Land Drainage		M. Lee	4346	10,000	-	(7,087)		2,913	2,913	-	
13 Office Accommodation Works		M.Lee	4384	1,250,000	60,031	(1,139,371)		170,660	96,106	74,554	
14 Inprint Partnership - Capital Works	5	S. Milburn	4383	-	62,500			62,500	60,552	1,948	
15 Contaminated Land Remedial Works		A.Moscardini	4347	20,000	-	(20,000)		-	-	-	
16 IT Links CRC2 Millennium Place	13	S. Kelley	4391	-	-	7,001		7,001	7,001	-	
<b>City Centre Streetscape</b>											
17 Glesgate / Claypath HERS	14	M. Hurlow	4014	-	-	59,489		59,489	52,942	6,547	
18 Car Park Replacement - Sands		M. Lee	4057	-	8,557	(4,628)		3,929	3,929	-	
19 Riverbank Consolidation		M. Hurlow	4304	-	5,000			5,000	-	5,000	
<b>Regeneration of Public Spaces</b>											
20 Churchyard Improvements	15	C. Tomlinson	4377	-	25,000			25,000	19,455	5,545	
21 Addison Park Fencing / Footpaths		C. Tomlinson	4360	-	1,076	(701)		375	375	-	FA
22 Lowes Barn Park multi-games area		C. Tomlinson	4353	-	428	(8)		420	420	-	
23 Paskies Park landscaping		C. Tomlinson	4364	-	5,982			5,982	2,595	3,387	
24 Pittington landscaping		C. Tomlinson	4367	-	5,000			5,000	3,881	1,119	
25 Kelloe Recreation Ground landscaping		C. Tomlinson	4368	-	2,250			2,250	515	1,735	
26 Holiday Park Landscaping		C. Tomlinson	4370	-	3,760			3,760	33	3,727	
27 Meadowfield Cemetery landscaping		C. Tomlinson	4371	-	6,000			6,000	-	6,000	
28 Ushaw Moor Cemetery landscaping		C. Tomlinson	4372	-	799	30		829	829	-	
29 Parkwood Cemetery landscaping		C. Tomlinson	4373	-	4,000	(2)		3,998	3,998	-	
30 Meadowfield Skate Park Partnership	8	C. Tomlinson	4376	-	4,248			4,248	-	4,248	
31 Contribution to Sherburn Conservation works (FC Funded)		C. Tomlinson	-	-	30,000			30,000	-	30,000	
32 Whariton Park Strategic Development	12	M.Hurlow	4379	-	-	4,759		4,759	3,000	1,759	
33 Ludworth Fun Zone	10	M. Lee	4385	-	11,893			11,893	7,286	4,607	
34 Sherburn Hill Env Imp	11	P. Lee / C. Tomlinson	4386	-	29,734			29,734	19,679	10,055	
35 2007/08 Capital Programme (Unallocated)				165,000	-	(165,000)		-	-	-	
36 Addison Park - Landscape Improvements			4394	-	-	10,000		10,000	-	10,000	

**GENERAL FUND CAPITAL PROGRAMME 2007/08  
FINANCIAL REPORT FOR THE PERIOD 1ST APRIL 2007 TO 31ST DECEMBER 2007**

Funding Ref	Budget Holder	Cost Centre	2007/08 Original Estimate £	Slippage B/Fwd 06/07	Other Adjustments £	Slippage to 2008/09	2007/08 Adjusted Estimate £	Income / Expenditure to Date (Gross) £	Balance to Spend £	Status
37							25,000		25,000	
38	A. Jackson	4395			25,000		10,000	6,736	3,264	
39		4396			15,000		15,000		15,000	
40		4397			10,000		10,000		10,000	
41		4398			37,500	(37,500)	-		-	
42		4399			20,000		20,000		20,000	
43		4400			37,500	(37,500)	-		-	
<b>44</b>	<b>D. Marrs</b>	<b>4387</b>	<b>790,000</b>	<b>20,000</b>		<b>(440,000)</b>	<b>370,000</b>	<b>220,000</b>	<b>150,000</b>	
45	D. Marrs	4390	-	90,000			90,000	22,814	67,186	
46	D. Marrs				2,000,000		2,000,000	2,000,000	-	
<b>47</b>	<b>C. Tomlinson</b>	<b>4222</b>	<b>-</b>	<b>25,000</b>			<b>25,000</b>	<b>23,820</b>	<b>1,180</b>	
48	M. Bates	4349	-	13,722	(7,071)		6,651	2,391	4,260	
49	N. Dodds	4375	25,000	-	(25,000)		-		-	
50			50,000		(50,000)		-		-	
51	M. Bates	4401			8,248		8,248	8,248	-	
<b>52</b>	<b>C. Tomlinson</b>	<b>4195</b>	<b>-</b>	<b>9,298</b>			<b>9,298</b>		<b>9,298</b>	
53	M. Hurlow	4378	-	16,202	3,813		20,015	16,623	3,392	
			<b>3,537,341</b>	<b>929,160</b>	<b>18,832</b>	<b>(515,000)</b>	<b>3,970,333</b>	<b>3,142,313</b>	<b>828,020</b>	
<b>A Capital City</b>										
54	T. Ingle	4018	-	-	8,230		8,230	8,230	-	FA
55	J. Dwyer	4063	20,000	-			20,000		20,000	
56	M. Lee	4064	800,000	-	130,000		930,000	420,102	509,898	
57	D. Marrs	4334	20,000	-	(20,000)		-		-	
58	M. Hurlow	4335	-	50,000	150,000	(140,000)	60,000		60,000	
59	C. Tomlinson	4350	40,000	32,434	60,000		132,434	57,109	75,325	
60	M. Lee	4380	-	16,526	(9,163)		7,363		-	
			<b>880,000</b>	<b>98,960</b>	<b>319,067</b>	<b>(140,000)</b>	<b>1,158,027</b>	<b>492,804</b>	<b>665,223</b>	
<b>TOTAL GROSS EXPENDITURE</b>			<b>5,089,126</b>	<b>1,357,421</b>	<b>(58,372)</b>	<b>(655,000)</b>	<b>5,748,175</b>	<b>4,027,675</b>	<b>1,720,500</b>	

**GENERAL FUND CAPITAL PROGRAMME 2007/08  
FINANCIAL REPORT FOR THE PERIOD 1ST APRIL 2007 TO 31ST DECEMBER 2007**

FUNDING	Estimate	Slippage		Adjustments	Slippage to 2007/08	Total	Received	Due
		B/Fwd 05/06						
61 Capital Receipts	1,640,126	846,520	(1,844,784)	-	581,862	312,372	269,490	
62 Direct Revenue Financing	-	-	1,000,000	-	1,000,000	750,000	250,000	
63 DFG Subsidy/SCA	168,000	1,374	15,000	-	184,374	138,281	46,093	
64 West Milburrigate	1,250,000	-	(1,250,000)	-	-	-	-	
65 Sidgate	-	250,000	(250,000)	-	-	-	-	
66 Section 106 Aqs - AMEC Development (Millennium Art)	-	50,000	-	(50,000)	-	0	-	
<b>Earmarked Reserves and Balances</b>								
67 Corporate & Service Initiatives Fund - Works at Millennium Tower	-	16,526	(9,387)	-	7,139	7,139	-	
68 Corporate & Service Initiative Fund - IT Links CRC2	-	-	7,001	-	7,001	7,001	-	
69 Corporate & Service Initiative Fund - Churchyard Improvements	-	25,000	-	-	25,000	19,455	5,545	
70 Earmarked Reserve - Pride in Durham	-	32,434	100,000	-	132,434	57,109	75,325	
71 Earmarked Reserve - Business Incentives Fund	-	62,500	-	-	62,500	60,552	1,948	
72 Earmarked Reserve - Capital Fund	1,000,000	-	1,980,000	-	2,980,000	2,235,000	745,000	
<b>Other Grants and Contributions</b>								
73 Gov't Grant - Home Office - Elections	-	17,556	-	-	17,556	14,000	3,556	
74 Waste Recycling Grant	41,000	370	-	-	41,370	32,879	8,491	
75 Meadowfield Skate Park Partnership	-	4,248	-	-	4,248	0	4,248	
76 Freemans Quay Leisure Centre - Competition Line	990,000	-	-	(440,000)	550,000	330,000	220,000	
77 Ludworth Community Partnership	-	5,893	-	-	5,893	5,893	-	
78 URFRI - Sherburn Hill Env Imps	-	25,000	-	-	25,000	19,679	5,321	
79 DEFRA - Sherburn Hill Env Imps	-	15,000	-	-	15,000	-	15,000	
80 Shadforth Parish Council - Sherburn Hill Env Imps	-	5,000	-	-	5,000	-	5,000	
81 Heritage Lottery	-	-	4,759	-	4,759	3,000	1,759	
82 English Heritage - HERS	-	-	27,445	-	27,445	23,721	3,724	
83 Durham County Council - HERS Schemes	-	11,594	11,594	-	11,594	11,594	-	
84 The Journey Trust - Millennium Place Statue	-	150,000	150,000	(90,000)	60,000	-	60,000	
<b>TOTAL FUNDING</b>	<b>5,089,126</b>	<b>1,357,421</b>	<b>(58,372)</b>	<b>(580,000)</b>	<b>5,748,175</b>	<b>4,027,675</b>	<b>1,720,500</b>	



HOUSING BUSINESS PLAN 2007/08  
FINANCIAL REPORT FOR THE PERIOD 1ST APRIL 2007 TO 31ST DECEMBER 2007

Cost Centre	Final Account - FA Draft Final Account - DFA In Progress - IP	Budget Holder	2007/08 Original Estimate	Slippage B/Fwd 2006/07	Other Adjustments	Slippage (to) / from 2009/09	Revised Estimate	Expenditure	DSO Costs Not Yet Charged	Expenditure Total	Balance To Spend	STATUS
£	£	£	£	£	£	£	£	£	£	£	£	
<b>CAPITAL EXPENDITURE</b>												
4898	Professional Admin. Fees	A. Moscardini	552,668	-	-	-	552,668	463,446	-	463,446	89,222	
<b>Tenants Choice 2006/07 Renovation Programme</b>												
4185	Bearpark	A. Moscardini	-	73,493	15,519	-	89,012	89,012	-	89,012	-	FA
4187	Kelloe	A. Moscardini	-	8,056	69,399	-	77,455	77,455	-	77,455	-	FA
	<b>Total</b>			<b>81,549</b>	<b>84,918</b>		<b>166,467</b>	<b>166,467</b>				
<b>DSHI Programme 2007/08</b>												
4241	Bearpark	A. Moscardini	280,000	-	12,785	-	292,785	292,785	-	292,785	-	FA
4242	Brandon	A. Moscardini	280,000	-	-	-	280,000	69,906	-	69,906	210,094	
4243	Cassop	A. Moscardini	115,000	-	-	-	115,000	104,039	-	104,039	10,961	
4244	Ad Hocs	A. Moscardini	-	-	1,855	-	1,855	848	-	848	1,007	
4245	Framwelgate Moor	A. Moscardini	440,000	(4,500)	71,700	-	507,200	507,200	-	507,200	-	FA
4246	Gilesgate	A. Moscardini	510,000	-	(20,164)	-	489,836	457,443	-	457,443	32,393	
4247	Ply Me	A. Moscardini	35,000	-	-	-	35,000	12,348	-	12,348	22,652	
4248	Sherburn Road	A. Moscardini	40,000	-	-	-	40,000	4,900	-	4,900	35,100	
4249	Ushaw Moor	A. Moscardini	150,000	-	18,839	-	168,839	168,839	-	168,839	-	FA
4250	Sherburn Village	A. Moscardini	700,000	-	-	-	700,000	662,243	-	662,243	37,757	
4251	Heating Replacements - Carrville & Brandon	A. Moscardini	1,500,000	(12,900)	(201,980)	-	1,285,120	1,001,126	-	1,001,126	283,994	
	<b>Total</b>		<b>4,050,000</b>	<b>(17,400)</b>	<b>(116,965)</b>		<b>3,915,635</b>	<b>3,281,677</b>		<b>3,281,677</b>	<b>633,958</b>	
<b>Capital Bids: SHIP</b>												
4194	Bowburn SHIP	A. Moscardini	-	-	-	-	-	-	-	-	-	
	<b>Total</b>											
<b>Planned Repairs: Capital</b>												
3188	Gas Renewals	A. Moscardini	100,000	-	34,034	-	134,034	134,034	-	134,034	-	
3242	Energy Budget	A. Moscardini/H. Lee	13,000	-	(1,987)	-	11,013	7,351	-	7,351	3,662	
	<b>Total</b>		<b>113,000</b>		<b>32,047</b>		<b>145,047</b>	<b>141,385</b>		<b>141,385</b>	<b>3,662</b>	
<b>Miscellaneous: Capital</b>												
3700.16.3749	District Discretionary Fund	A. Moscardini	-	-	18,914	-	18,914	6,914	-	6,914	12,000	
3330	Medical Adaptations (Gross)	C. Loughlin	288,000	-	-	-	288,000	231,651	-	231,651	56,349	
4169	DDA Works	A. Moscardini	100,000	-	-	-	100,000	15,440	-	15,440	84,560	
4167	Off Street Parking Initiatives	A. Moscardini	50,000	15,733	(61,350)	-	4,383	1,929	-	1,929	2,454	
4200	Parking Initiative - Heavyside Place Gilesgate	M. Lee	-	-	6,618	-	6,618	6,618	-	6,618	-	FA
4201	Parking Initiative - Henry Avenue Bowburn	M. Lee	-	-	22,000	-	22,000	350	-	350	21,650	
4202	Parking Initiative - Priority Road Fram Moor	M. Lee	-	-	20,000	-	20,000	20,000	-	20,000	-	FA
4203	Parking Initiative - North View Sherburn Hill	M. Lee	-	-	16,000	-	16,000	16,000	-	16,000	-	FA
4204	Parking Initiative - Parkhill Estate Coxhoe	M. Lee	-	-	20,000	-	20,000	20,000	-	20,000	-	FA
4205	Parking Initiative - Frank Street Gilesgate	M. Lee	-	-	20,000	-	20,000	20,000	-	20,000	-	FA
4198	Capital'n of Major Repairs - Gas Renewals		-	-	-	-	-	-	-	-	-	
4199	Capital'n of Major Repairs - Other Works	A. Moscardini	-	-	-	-	-	-	-	-	-	
4168	Contingency		-	-	-	-	-	-	-	-	-	
	<b>Total</b>		<b>438,000</b>	<b>15,733</b>	<b>62,182</b>		<b>515,915</b>	<b>298,902</b>		<b>298,902</b>	<b>217,013</b>	
<b>TOTAL CAPITAL EXPENDITURE</b>												
			<b>5,153,668</b>	<b>79,882</b>	<b>62,182</b>		<b>5,295,732</b>	<b>4,351,877</b>		<b>4,351,877</b>	<b>943,855</b>	
<b>FINANCING - CAPITAL</b>												
	Capital Receipts											
	MRA		1,209,878	79,882	18	-	1,289,778	1,289,121	-	1,289,121	657	
	Direct Revenue Financing		3,535,779	-	-	-	3,535,779	2,651,834	-	2,651,834	883,945	
	Supported Borrowing (Inc SHIP)		160,011	-	-	-	160,011	120,008	-	120,008	40,003	
	Durham County Council		248,000	-	-	-	248,000	248,000	-	248,000	-	
	DRF - Member Discretionary Fund Parking Initiatives		-	-	16,000	-	16,000	16,000	-	16,000	7,250	
	DRF - Member Discretionary Scheme		-	-	27,250	-	27,250	20,000	-	20,000	7,250	
			-	-	18,914	-	18,914	6,914	-	6,914	12,000	
	<b>TOTAL FINANCING - CAPITAL</b>		<b>5,153,668</b>	<b>79,882</b>	<b>62,182</b>		<b>5,295,732</b>	<b>4,351,877</b>		<b>4,351,877</b>	<b>943,855</b>	

## USHAW MOOR COMMUNITY INVESTMENT FUND 2007/08

	Budget Holder	Cost Centre 4310	Original Approval £	Spend in previous Years (i.e to 31/03/07) £	Slippage B/Fwd From 2006/07 £	2007/08 Approved Grants £	Other Adjustments £	Slippage CFWD to 2008/09 £	2007/08 Adjusted Estimate £	Income / Expenditure to Date (Gross) £	Balance to Spend £	Status
Deerness Valley School - Fit for Employment	J.Tindale	7500	25,000	25,000		-					-	
Brancepeth Homezone	J.Tindale		50,000	50,000		-					-	
DAMLA - Bugallows at Hunters Gate (DVRC Direct)	A. Delandre		40,000	40,000		-					-	
DCC - Broom Lane	J.Tindale	7502	80,000	80,000		-					-	
Deerness Valley School - Football Facility	J.Tindale	7501	75,000	75,000		-					-	
New Brancepeth Homezone	J.Tindale	7503	35,000	35,000		-					-	
DCC - Auton Suite	J.Tindale	7504	108,000	108,000		-					-	
Frontage 2 Station Road	J.Tindale	7507	31,500	31,500		-					-	
Env.Works at Flass Tce, Highfield Tce & Whitehouse	J.Tindale	7528	119,500	-		119,500					119,500	
Play Area at New Brancepeth			102,560			102,560					102,560	
Broom Rd & Station Rd crossroad enhancement			72,000			72,000					72,000	
Deerness Sports Centre Parking			55,000			55,000					55,000	
Administration Costs	J.Tindale	7118										
			793,560	444,500	-	349,060	-	-	349,060	0	349,060	
<b>TOTAL GROSS EXPENDITURE</b>			793,560	444,500	-	349,060	-	-	349,060	0	349,060	
<b>GRANTS AND FUNDING</b>												
Members Discretionary Fund (Flass/Highfield/Whitehouse)			12,000	-		12,000			12,000		12,000	
Cont. from Brandon & Byshtittes PC (Flass/Highfield/Whitehouse)			3,000	-		3,000			3,000		3,000	
Cont. from Community Development (Flass/Highfield/Whitehouse)			1,500	-		1,500			1,500		1,500	
SRB6 Grant Allocation (Flass/Highfield/Whitehouse)			1,500	-		1,500			1,500		1,500	
Durham County Council - URR1			20,000	-		20,000			20,000		20,000	
DVRC Capital Reciept			755,560	444,500	-	311,060	-	-	311,060	-	311,060	
<b>TOTAL FUNDING</b>			793,560	444,500	-	349,060	-	-	349,060	-	349,060	

## BOWBURN COMMUNITY INVESTMENT FUND 2007/08

Budget Holder	Cost Centre 4309	Original Approval £	0	0	0	0	0	0	0	0	0	Income / Expenditure to Date (Gross) £	Balance to Spend £
Bowburn Community Chest	7516	100,000	44,146	55,854	0	0	0	0	0	0	55,854	16,825	39,029
Bowburn Park Refurbishment	7530	720,000	0					(220,000)			500,000	2,843	497,157
Other Unallocated Schemes		180,000						(180,000)			0	0	0
Administration Costs	7118	0	0	0	0	0	0	0	0	0	0	1,332	(1,332)
		1,000,000	44,146	55,854	0	0	0	(400,000)	0	0	555,854	21,000	534,854
		1,000,000	44,146	55,854	0	0	0	(400,000)	0	0	555,854	21,000	534,854
<b>TOTAL GROSS EXPENDITURE</b>													
<b>GRANTS AND FUNDING</b>													
DVRC Capital Receipt		1,000,000	44,146	55,854	0	0	0	(400,000)	0	0	555,854	21,000	534,854
<b>TOTAL FUNDING</b>		1,000,000	44,146	55,854	0	0	0	(400,000)	0	0	555,854	21,000	534,854

FLOURISHING COMMUNITIES FUND 2007/08

Budget Holder	Cost Centre 4308	Original Estimate £	Spend in previous Years	Slippage B/Fwd from 06/07	2007/08 Approved Grants	Other Adjustments £	Slippage carried forward to 2008/09	2007/08 Adjusted Estimate £	Income / Expenditure to Date (Gross) £	Balance to Spend £
<b>Schemes Approved by Flourishing Communities Exec Board</b>										
Belmont Parish Hall Association - Parish Hall Project	J. Tindale 7505	63,000	63,000	-	-	-	-	-	-	-
Sherburn OAK - Play Equipment	J. Tindale 7508	20,000	20,000	-	-	-	-	-	-	-
Wilton Gilbert - Roof & Security	M. Lee 7509	99,000	98,921	-	-	-	-	-	-	-
Brandon Community Club - Security Fencing	J. Tindale 7510	30,889	30,889	-	-	-	-	-	-	-
Croxdale Community Centre - Floor Repairs	J. Tindale 7511	500	500	-	-	-	-	-	-	-
Coxhoe Community Partnership - Sensory Gardens	J. Tindale 7512	25,000	25,000	-	-	-	-	-	-	-
Belmont Skate Park *	J. Tindale 7518	32,000	32,000	-	-	-	-	-	-	-
Wilton Gilbert Environmental Improvements	J. Tindale 7519	50,250	50,250	-	-	-	-	-	-	-
Sherburn Village Environmental Improvements*	J. Tindale 7520	50,914	50,914	50,914	-	-	-	50,914	-	-
Esh Winning Environmental Improvements	J. Tindale 7521	50,000	50,000	-	-	-	-	-	-	-
Ludworth Green Space Project*	J. Tindale 7522	20,755	20,755	-	-	-	-	-	-	-
Abbey Skate Park	J. Tindale 7523	8,970	8,970	-	-	-	-	-	-	-
Meadowfield Skate Park*	J. Tindale 7524	43,030	43,030	-	-	-	-	-	-	-
Durham Amateur Rowing Club (CGF)	J. Tindale/Lee Kirb 7525	50,000	50,000	50,000	-	-	-	50,000	-	-
All Saints Methodist Church	J. Tindale/Lee Kirb 7525	10,000	-	10,000	-	-	-	10,000	10,000	10,000
Kelloe Village Community Partnership	J. Tindale 7532	25,000	-	-	25,000	-	-	25,000	5,102	19,898
Esh Winning Cricket Club	J. Tindale 7529	7,500	-	-	7,500	3,000	-	10,500	10,500	-
Finchale Training College - Memorial Garden	J. Tindale 7531	9,000	-	-	9,000	-	-	9,000	9,000	9,000
Unspecified / Unallocated		100,000	-	100,000	(41,500)	-	-	58,500	-	58,500
<b>Site Investigation and Disposal Costs</b>										
Administration Costs	J. Tindale 7118	105,584	105,584	-	-	-	-	-	182	182
West Rainton	J. Tindale 7515	100,000	85,600	14,400	-	-	-	14,400	-	14,400
<b>TOTAL GROSS EXPENDITURE</b>		<b>901,392</b>	<b>634,499</b>	<b>225,314</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>228,314</b>	<b>116,698</b>	<b>111,616</b>
		<b>901,392</b>	<b>634,499</b>	<b>225,314</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>228,314</b>	<b>116,698</b>	<b>111,616</b>
<b>GRANTS AND FUNDING</b>										
DVRC Capital Receipt		697,392	634,499	165,314	80,000	-	-	24,314	3,000	21,314
Glund Capital		204,000	-	60,000	80,000	64,000	-	204,000	113,698	90,302
Flourishing Communities Fund - Capital Grants Fund		901,392	634,499	225,314	-	3,000	-	228,314	116,698	111,616
<b>TOTAL FUNDING</b>		<b>901,392</b>	<b>634,499</b>	<b>225,314</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>228,314</b>	<b>116,698</b>	<b>111,616</b>

**FINANCIAL REPORT FOR THE PERIOD 1 APRIL TO 31 DECEMBER 2007****SUMMARY OF MOVEMENT IN GENERAL FUND RESERVES AND BALANCES**

	Balance at 1 April 2007	Transfers / Contributions to the Fund	Transfers from and Commitments Against the Fund	Balance at 31 December 2007	Notes
	£000	£000	£000	£000	
<b>Earmarked Funds and Balances :</b>					
Insurance and Risk Management Fund	676	-	(185)	491	1
Redundancy Strain	498	375	(498)	375	2
Business Incentives Fund	143	-	(143)	-	3
Section 106 Agreements	188	-	-	188	4
FCF (LABGIS – Small Grants)	100	-	(72)	28	5
Flourishing Communities Fund (General)	204	-	(204)	-	6
Pride In Durham	132	-	(132)	-	7
Corporate & Service Initiatives	433	20	(422)	31	8
HMO Licensing Reserve	200	-	-	200	9
Capital Fund	980	2,005	(2,985)	-	10
City Centre Visioning	50	-	(50)	-	11
Usable Capital Reciepts	1,830	987	(2,763)	54	14
<b>Total Earmarked Reserves</b>	<b>5,434</b>	<b>3,387</b>	<b>(7,454)</b>	<b>1,367</b>	
<b>Strategic Emergency Reserve</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>700</b>	12
<b>General Reserve</b>	<b>2,850</b>	<b>585</b>	<b>(2,705)</b>	<b>730</b>	13
<b>Total General Fund Reserves</b>	<b>8,284</b>	<b>4,672</b>	<b>(10,159)</b>	<b>2,797</b>	

**NOTES****1) Insurance and Risk Management Fund**

The fund is increased every year by the underspend on the insurance claims provision and premiums. The transfer from the fund relates to the revised policy on reserves and balances approved by council on 27 September 2007.

**2) Redundancy Strain**

This fund relates to the costs associated with the strain on the pension fund as a result of early retirements in recent years and reflects the major restructuring of the Council in 2005/06 and subsequent min-restructuring following consideration of requests for early retirement on the grounds of efficiency. The contributions to this fund relate to the costs of early retirement pension fund strain which is charged to the revenue accounts over a five year period. Allocations from this fund relate to cash payments made into the Durham County Pension Fund.

**3) Business Initiatives Fund**

This Fund was created at 31 March 2006. In essence it related to the setting aside of a significant proportion of the Local Authority Business Growth Incentive Scheme Grant received in 2005/06. The fund was available for business incentives to encourage economic regeneration. £60,552 has been allocated towards the capital set-up costs of the In-Print partnership – as part of a matched funding arrangement with Derwentside DC and the North East Centre for Excellence. The remaining balance (£82,448) was transferred to the General Reserve as part of the review of earmarked reserves and balances earlier this year.

**4) Section 106 Agreements**

These relate to cash received from developers as part of planning conditions. They are held for application against the provision of community recreation and other facilities and the amounts held relate to: -

	<b>Brought Forward 01/04/07 £</b>	<b>Received in Year £</b>	<b>Applied / Allocated in Year £</b>	<b>Carried Forward 31/12/07 £</b>
S106 Rock Terrace, New Brancepeth	3,645	-	-	3,645
S106 Lowland House	14,985	-	-	14,985
S106 Keipier Woods	6,480	-	-	6,480
S106 Court Lane, Durham	6,885	-	-	6,885
S106 Browns Bus Dev., New Brancepeth	8,100	-	-	8,100
S106 Cheserton Homes	6,075	-	-	6,075
S106 Dryburn Hospital	40,905	-	-	40,905
S106 Brancepeth Castle Development	4,455	-	-	4,455
S106 Shepard Homes – Rainton Lodge	4,860	-	-	4,860
S106 Shepard Homes – Cock of the North	17,010	-	-	17,010
S106 AMEC Millennium Place	50,000	-	-	50,000
S106 New Durham Courtyard	-	7,290	-	7,290
S106 Rear of Marshall Terrace	-	12,960	-	12,960
S106 Angerstein Court	-	4,455	-	4,455
<b>Totals</b>	<b>163,400</b>	<b>24,705</b>	<b>-</b>	<b>188,105</b>

##### 5) Flourishing Communities Fund (Small Grants)

This Fund was created at 31 March 2006 and is earmarked for Small Grant awards under the City Council's Flourishing Communities Initiative. The fund was created by setting aside the remainder of the Local Authority Business Growth Incentive Scheme Grant received in 2005/06. £72,314 of outstanding commitments are currently held against this fund, however, it is anticipated that the current unallocated balance (£27,696) will be fully allocated by the year end.

**6) Flourishing Communities Fund (General Grants)**

This Fund was created at 31 March 2006 and is earmarked for Grant awards under the City Council's Flourishing Communities Initiative. The fund compliments the application of capital receipts earmarked and allocated to the Flourishing Communities initiative and for Community Investments as part of the "Achieving the Vision" report and subsequent Village Appraisals. The full £204,000 is held against commitments in 2007/08.

**7) Pride in Durham**

This Fund was created at 31 March 2006 and supplements the investments factored into the General Fund Capital Programme. The full £132,000 is held against commitments in 2007/08.

**8) Corporate and Services Initiatives Fund**

This Fund (previously called the Budget Support Fund) has been set aside to finance initiatives (both revenue and capital) not included within the base budget. It is a contingency fund that can be accessed to relieve short term and unexpected pressures. It is used to finance one off non-recurring items and is not used to finance on-going expenditure. The commitments against the Fund (which have been built into the financial figures included in the Annexes to Appendix A - Items 1 to 5), together with an indication of the uncommitted sums at 31 December 2007, are as follows: -



	Revenue / Capital	Amounts Available / Allocated to Date £	Actual Amounts Transferred to Date £
<b>Balance Brought Forward</b>		<b>433,073</b>	
<b>Transfer from Earmarked Capital Fund</b>		<b>20,000</b>	
<b>Commitments</b>			
Open Space Audit	Revenue	(38,000)	(23,225)
LA21 Initiatives (Approved Carry Over)	Revenue	(17,150)	(11,912)
Marketing Costs – Swimming Pool	Revenue	(7,490)	(7,490)
Churchyard / Headstone Improvements	Capital	(25,000)	(25,000)
Alterations to Millenium Tower	Capital	(7,136)	(7,136)
Freemans Place Swimming Pool – Advertising	Revenue	(13,490)	(13,490)
Service Improvements & Award Support Fund	Revenue	(9,254)	(2,918)
Shincliff Cemetary – Tree Surgery	Revenue	(3,640)	(2,730)
Race Equalities Council Contribution	Revenue	(3,500)	(3,500)
Hand Arm Vibration Safety Equipment	Revenue	(5,027)	(5,027)
CRC2 IT Links	Capital	(7,001)	(7,001)
Smoking Legislation Grant	Revenue	(7,980)	(7,980)
2006/07 Underspend Members Discretionary Fund	Revenue	(23,343)	-
CAB Additional Grant	Revenue	(10,000)	(10,000)
COC Detector Replacement	Revenue	(37,510)	(37,510)
Sustainability Appraisal	Revenue	(25,000)	(25,000)
Team Building	Revenue	(6,050)	(6,050)
Wharton Park	Revenue	(5,000)	(3,761)
Christmas Lights	Revenue	(50,000)	(50,000)
Warton Park Tree Works	Revenue	(10,000)	-
Big Bike Ride	Revenue	(3,500)	(930)
Planning Enquiry – Cape Sire	Revenue	(12,250)	(12,250)
Windfarm Development & landscape Capacity	Revenue	(5,000)	-
Taxi Marshal Scheme	Revenue	(11,000)	-
Crystal Mark – Plain English	Revenue	(6,000)	(6,000)
Christmas Festival	Revenue	(10,000)	(10,000)
Telecare	Revenue	(4,000)	-
Houghall College Development Brief	Revenue	(7,500)	-
City Care Equipment Upgrades	Revenue	(36,731)	-
The Freedom Parade of the Rifles Regiment	Revenue	(15,000)	-
<b>Uncommitted Sums at 31 December 2007</b>		<b>30,521</b>	

**9) HMO Licensing Reserve**

The reserve was established on 31 March 2007 from the unspent HMO Licensing income in 2006/07. The licence is issued for a period of 5 years, therefore this reserve is to off set 4 years of expenditure before the license is re-issued. No allocation is yet to be made against the reserve as HMO license fee income is being received in 2007/08, a decision on how much to allocate to / from the reserve will be made at the financial year end.

**10) Capital Fund**

The reserve was established on 31 March 2007 from savings made in 2006/07. The fund was specifically established to finance capital expenditure within the General Fund Capital Programme. £2,005,000 was transferred from the General Reserve into the Capital Fund in September (approved by Council 28/09/07) and £20,000 has been transferred out of the Capital Fund to the Corporate and Services Initiative Fund (in relation to Christmas Lighting). The remaining balance is required to finance the revised capital programme in 2007/08 – including the capital contribution to the Freemans Quay LC and is therefore fully allocated / utilised.

**11) City Centre Visioning Fund**

The reserve was established at 31 March 2007 from an underspend on the 2006/07 Durham City Visioning Budget. This money has been allocated as match funding for the project in 2007/08.

**12) Strategic Emergency Reserve**

In terms of the General Fund Non-Earmarked Reserve, the Local Government Act 2003 requires all local authorities to reach and maintain a minimum level of resources. The Comprehensive Performance Assessment Framework gives an indication of the likely minimum requirement. The level of General Fund Reserves is set at 5% of Net Operating Expenditure, plus the Bellwin Scheme. For the City Council, this would lead to a minimum reserve requirement of approximately £700,000 at 31 March 2008.

**13) General Reserve**

In setting the minimum level of reserves, each Council must take into account the risks they actually face. Council, at its meeting of 27 September 2007 approved a General Reserve (for budget support purposes) of £500,000. The forecast underspend on the General Fund is £59,693 in the current year. This will take the estimated year end balance to £559,693 on this reserve.

**14) Usable Capital Receipts**

Please see Annex – Item 3 for detailed breakdown and explanation.

This page is intentionally left blank

## Agenda Item 5(b)

STATUS PUBLIC

<b>Portfolio Member/Director/Head of Service</b> Cllr Jackson / Elizabeth Hall, Director of Strategic Services	<b>Portfolio</b> Performance management
<b>Subject</b>  Report in respect of proposed changes to the Local Land Charges Fee Structure	<b>Date</b> 5 <sup>th</sup> March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Clare Greenlay – tel 0191 3018878 Email: cgreenlay@durhamcity.gov.uk	<b>Previous Minutes</b> n/a
<b>Purpose of Report</b> To consider changing the current fee structure for Local Land Charges in response to declining income and the need to have a fee structure which reflects the cost of the service.	
<b>Executive Summary</b>  <p>The Legal Services section incorporates the provision of Local Land charges searches, a function which generates income for the Council. In recent years however, the section has failed to realise its income targets as a consequence of the increased use of Personal Search companies, who can provide a cheaper service as they are entitled to access the Councils records for a statutory fee of £11.</p> <p>The government is currently reviewing the personal search market in the light of representations from local authorities that this fee does not reflect the cost of allowing access to the records, however this work has not yet been completed. The section have also been dealing with the knock-on effects of the requirement for a Home Information Pack when properties are sold, which must contain a Local Land Charges Search that is dated not more than 3 months before the property was marketed. The Council can no longer ignore the reduction in income from the provision of this service, given that the costs of the service remain constant.</p> <p>Local Land Charge Searches are governed by the Local Land Charges Act 1975 (as amended). Under section 13A of that Act, the Council must publish fees which are to be payable by persons for services relating to local land charges. Different fees may be specified for different services. In specifying fees, the Council must ensure that income from fees for the service does not exceed the costs of its provision. It has been a number of years since the Council assessed the calculation of the Local Land Charges fees, with a number of changes having been made to the delivery of the service, and it was therefore appropriate, to conduct a thorough review of the provision of the service and the charges which apply.</p> <p>Throughout January, a time recording exercise was carried out to record the length of time taken to process each search received. The search process involves:-</p> <ul style="list-style-type: none"> <li>the search request being received, accepted and logged onto the system. The search can be submitted in either a paper or electronic format (through the National Land Information Service – NLIS). In the event a paper application is received, the</li> </ul>	

details need to be logged onto the land charges system.

- The search area is then plotted spatially onto the Land charges system, which links to the Councils GIS system
- The land charges system gathers the information that is held electronically and formats it into the search response
- Officers then check the response and manually enter into the response information not currently linked to the land charges system (eg smoke control zones, some conservation areas, pre-1995 planning information etc). They also correct inaccurate responses.
- The search is then sent out.

The exercise found that, on average, searches relating to private residences took 1 hour to complete, while searches on commercial premises took, on average, between 4 and 5 hours (though it must be noted that no major commercial searches were received during the period of the time recording). Searches on additional parcels of land took an average of 1 hour.

It is also recommended that the Council provide a “refresher” service to update searches which are less than 6 months old (with the exception of searches compiled by a personal search agent) and also offer the ability to obtain on behalf of the customer the Highway information currently provided by the County Council.

In view of this, it is proposed that the following charging scheme be adopted with effect from 1<sup>st</sup> April 2008:-

<u>Service</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
LLC1	£6.00	£6.00
LLC1 and Con 29 (Private Residences, Paper)	£154.50	£122.70
LLC1 and Con 29 (Private Residences, NLIS)	£126.69	£104.00
LLC1 and Con 29 (Commercial, NLIS)	£154.50	£176.00
LLC1 and Con 29 (Commercial, Paper)	£154.50	£207.68
Part II Enquiries (standard)	£ 7.50	£7.50
Part II Enquiries (non-standard)	£11.50	£11.50
Additional Parcel of Land	£12.50	£22.50
Refresher Search	-	£62.00
Highways response (all questions only)	-	£25.00

The fee income for Local Land Charges for the 2008/2009 financial year has been set at £247,680.

#### **Portfolio Member Recommendations or items Requiring a Cabinet Decision**

1. That the Council amend its fees structure in respect of Local Land Charges as set out above.

### **Reasons for Recommendations**

To ensure that receipts in respect of Local Land Charges searches are maximised through adopting the proposed revised fee structure, which should enable the Land Charges Section to provide a service which will:-

- be more competitive with the service provided by personal search agents
- reward applicants using the NLIS service with reduced costs, reflecting the reduced time it takes to process searches received electronically,
- ensure that commercial searches fees reflect the additional time they take to process
- ensure that the council has a charging regime based upon the cost of provision of the service
- provide additional services to enable the customer to obtain the whole search from one place
- provide a new service which will be beneficial to customers

### **Alternative Options to be Considered**

Implement a 5% increase in the current fee structure in line with the Council's policy on charges. This increase could not be justified in the event of a challenge and would result in the loss of further business to personal search agencies, which would mean a further reduction in the Council's income.

### **Consultation**

Although formal consultation has not been undertaken, the whole review has borne in mind comments made to the Land Charges Section in relation to the level of fees levied and the nature of the services offered. Other local authorities have also been consulted to identify what services they offer, and their basis for charging.

### **Financial, Legal and Risk Implications**

Over the last few years the Land Charges Section has consistently failed to meet its income targets as a result of the variety of factors mentioned in the report. The consequence of that reduced income is that the Council needs to either reduce expenditure or increase income from other sources.

Having reviewed the practices of this authority and compared them to those in other authorities, it is believed that the best way of seeking to regain custom (and therefore increase income) is to amend the fee structure to that proposed, and promote the service offered to increase the volume of searches carried out by the Council, while at the same time offering additional services to benefit customers.

From a legal viewpoint, if the charges proposed in this report are not implemented, the Council would have difficulty in justifying a flat rate increase in the charges of 5%.

There is a risk that the Land Charges Section will not be able to recover sufficient business to achieve its income targets, however further work will be carried out in the next couple of months to improve the service, and the financial position will continue to be closely monitored and concerns addressed as soon as possible.

**Resource Implications**

The resource implications of the proposed fee structure are minimal, given that only two additional services are to be offered.

**Timescale for Action**

To be implemented with effect from 1<sup>st</sup> April 2008

**Associated Policies and Plans**

n/a

**Supporting Documents**

n/a

**Background Papers**

n/a



## Agenda Item 5(c)

STATUS PUBLIC

<b>Portfolio Member/Director/Head of Service</b> Councillor Fraser Reynolds/Mike Thompson	<b>Portfolio</b> Leader
<b>Subject</b> Durham Villages Regeneration Funding – Environmental Improvements Durham Road, The Co-op Area, Romaine Square, Bowburn	<b>Date</b> 5 <sup>th</sup> March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Julie Anson, ext 8829	<b>Previous Minutes</b>
<p><b>Purpose of Report</b></p> <p>The purpose of the report is to consider proposals for three environmental improvement schemes at Bowburn and approve the release of Durham Villages Regeneration Funding of £100,000.00 towards this project.</p>	
<p><b>Executive Summary</b></p> <p>Members will be aware of the Bowburn and Parkhill Masterplan which was developed by Halsall Lloyd Partnership who were appointed by the City of Durham through DVRC.</p> <p>A major scheme has been developed in partnership with Bowburn Environment Group, Bowburn and Parkhill Community Partnership and the City of Durham to carry out environmental improvements to three areas:-</p> <p>Durham Road The Co-op Area Romaine Square</p> <p>The need for environmental improvements were ranked as a high priority within the masterplan.</p> <p>Extensive consultation with the local community identified the need for environmental improvements throughout the village and the three proposed areas were identified as areas in need of major environmental works.</p> <p>In terms of the overall consultations the following proposals have been agreed :-</p> <p><u>Durham Road</u></p> <ul style="list-style-type: none"> <li>▪ Repave Durham Road along A177 from the library to no 1 Durham Road</li> <li>▪ Street furniture, bollards, bins, cycle racks</li> </ul> <p><u>Romaine Square</u></p> <ul style="list-style-type: none"> <li>▪ Repave parking area outside Romaine Square</li> <li>▪ Replace concrete post and tubular steel railings outside the Hare and Greyhound Public House</li> </ul> <p><u>Prince Charles Avenue / The Co-op Area</u></p> <ul style="list-style-type: none"> <li>▪ Resurface car park outside the newsagents on Prince Charles Avenue</li> <li>▪ Repave the footway and repair the walls outside the Co-op building</li> <li>▪ Landscape and plant the open space adjacent to the junction of Edwards Avenue</li> </ul>	

and Prince Charles Avenue

The total cost of the project will be in the region of £205,399.25 and works will be carried out by Service Direct Section and upon completion all areas owned by the DCC will be maintained and adopted by them.

- Funding is secured from the Durham County Council URR1 £105,399.25.

The shortfall amount to be funded from DVRC is £100,000.00 and this amount was approved at the DVRC Board on 6<sup>th</sup> December 2007. The project now requires City of Durham Cabinet approval.

#### **Portfolio Member Recommendations or Items Requiring a Cabinet Decision**

That Cabinet approves the regeneration project and the release of the £100,000.00 funding from DVRC.

#### **Reasons for Recommendations**

This is a key environmental project for the village, to improve the environmental appearance of Bowburn.

#### **Alternative Options To Be Considered**

The full extent of the scheme has been agreed with Bowburn Environment Group, the Bowburn and Parkhill Community Partnership and following extensive community consultation. If full funding is not available the scheme will not go ahead.

#### **Consultation**

Consultation events held are listed below:-

- July 11<sup>th</sup> 2006 Bowburn Community Centre Open Invitation to the Public
- November 28<sup>th</sup> 2006 Bowburn Masterplan Exhibition
- 10<sup>th</sup> October 2007 Bowburn Community Centre

#### **Financial, Legal and Risk Implications**

None

#### **Resource Implications**

None

#### **Timescale for Action**

This project will commence if approved in 08/09 financial year.

#### **Associated Policies and Plans**

- Bowburn and Parkhill Masterplan
- Project will contribute to the Community Plan and improve the quality of life for local people
- Project will contribute to the Corporate Plan – Flourishing Communities – key strategic aim.

#### **Supporting Documents**

None

**Background Papers**

- DVRC Board Meeting on 6<sup>th</sup> December 2007 approved £100,000.00 to the Bowburn Environmental Schemes (minutes not yet available)

This page is intentionally left blank

## Agenda Item 5(d)

STATUS PUBLIC

<b>Portfolio Member/Director/Head of Service</b> Councillor Fraser Reynolds/Mike Thompson	<b>Portfolio</b> Leader
<b>Subject</b> Durham Villages Regeneration Funding – New Brancepeth Play Area	<b>Date</b> 5 <sup>th</sup> March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Jackie Donnelly, ext 8804	<b>Previous Minutes</b>
<b>Purpose of Report</b> The purpose of the report is to consider proposals for the regeneration of New Brancepeth Play Area and approve the release of Durham Villages Regeneration Funding of £102,560 towards this project.	
<b>Executive Summary</b> <p>The proposed work has been developed in partnership with New Brancepeth Residents Group and the City of Durham to regenerate the recreation area in New Brancepeth. This is a key environmental and social project for the village which forms a key strand to regenerate New Brancepeth and increase utilisation of the Park.</p> <p>Extensive consultation with the local community identified the need for a new recreation facility in the village, which will provide a range of facilities not currently provided within the local area. New Brancepeth was highlighted in the 2001 census as having high levels of deprivation and has a distinct lack of play provision throughout the village. The play area will also achieve the Governments five desirable outcomes from the 'Every Child Matters' agenda of:</p> <ul style="list-style-type: none"> <li>• Being healthy</li> <li>• Staying safe</li> <li>• Enjoying and achieving</li> <li>• Making a positive contribution</li> <li>• Achieving economic well being</li> </ul> <p>The New Brancepeth play project is entirely consistent with the needs of the local community identified through the various consultation events.</p> <p>The proposed project will significantly increase utilisation of the New Brancepeth Recreation Ground which is currently underused and badly in need of investment, and it is envisaged that the park will help to bring the whole community together from grandparents to toddlers and will significantly contribute to the well being of residents.</p> <p>In terms of the overall consultation the following plans have been agreed to increase participation in sport and fitness activities for all ages :-</p> <ul style="list-style-type: none"> <li>▪ Supply and install Play Area, all equipment to be supplied by a reputable company.</li> <li>▪ Supply and install a Multi Use Games Area (M.U.G.A.)</li> </ul>	

	Cost
Play Equipment from Kompan	£49,206 (ex VAT)
M.U.G.A. from S.M.P.	£37,124 (ex VAT)
10% Contingencies	£8,633
	Total = £94,963
8% Project Management Fee (Property Services)	£7,597
	Grand Total = £102,560 (ex VAT)

The total cost of the project will be in the region of £102,560 (exclusive of VAT) and subject to the City of Durham's formal tender procedures.

There is no match funding in place for this project but is fully supported by the local councillors and the Parish Council.

The regeneration of the recreation ground is fully supported by the Parish Council and the City of Durham Council, and a letter of support is attached from the Parish Council.

The project has been approved at the DVRC board on the 6<sup>th</sup> December 07 and the project now requires City of Durham Council Cabinet approval.

#### **Portfolio Member Recommendations or Items Requiring a Cabinet Decision**

That Cabinet approves the regeneration project and the release of the £102,560 funding from DVRC.

#### **Reasons for Recommendations**

This is a key environmental and social project for the village, to increase utilisation of the park, which forms part of the redevelopment of the Recreation Ground. New Brancepeth has no play provision currently and this development would provide an active play area for the young people of the village.

#### **Alternative Options To Be Considered**

The full extent of the scheme has been agreed with local members, the Residents Group and following extensive community consultation. If full funding is not available the scheme will not go ahead.

#### **Consultation**

Consultation events held are listed below:-

- Consultation with local residents in Dec 07 & Jan 08.
- Public Event in Village Hall on 14/01/07
- 2 weeks consultation in New Brancepeth Primary School in January 08

#### **Financial, Legal and Risk Implications**

None.

#### **Resource Implications**

Environment & Leisure to maintain the play area.

#### **Timescale for Action**

This project will commence if approved in May/June (approx) 2008 subject to formal

Planning Consent and the commitments of Property Services

**Associated Policies and Plans**

- Project will contribute to the Community Plan and improve the quality of life for local people
- Project will contribute to the Corporate Plan – Flourishing Communities – key strategic aim.

**Supporting Documents**

None

**Background Papers**

- DVRC Board Meeting on 6<sup>th</sup> December 2007 approved £102,560 to the New Brancepeth Play Area Project (minutes not yet available)
- Letter of support and approval from New Bran Primary School
- Letter of support from Brandon & Byshottles Parish Council

This page is intentionally left blank



## Agenda Item 5(e)

STATUS PUBLIC

<b>Portfolio Member/Director/Head of Service</b> Councillor Dennis Southwell/Elizabeth Hall	<b>Portfolio</b> Finance
<b>Subject</b> National Procurement Concordat for Small and Medium – sized Enterprises	<b>Date</b> 5 March 2008
	<b>Forward Plan</b>
<b>Contact Officer</b> Colin Wilby, ext 8762	<b>Previous Minutes</b>
<b>Purpose of Report</b> To recommend the adoption of the Small Business Friendly Concordat for Small and Medium – sized Enterprises (SME Concordat) and update Cabinet on developments that support it.	
<b>Executive Summary</b> <p>The National Procurement Strategy for Local Government (NPS) sets out how central and local government, working together with partners from the public, private and voluntary sectors can improve local government procurement. A key theme of this Strategy is that Council's should be operating a mixed economy of service provision, using a range of suppliers including small firms, social enterprises, minority businesses and voluntary and community sector groups. A key milestone of the NPS is for local authorities to sign up to a SME Concordat.</p> <p>In March 2005 the Office of the Deputy Prime Minister (ODPM) published the Small Business Friendly Concordat: Good Practice Guidance. This included a model SME Concordat for councils to sign. The SME Concordat is a voluntary, non-statutory code of practice that is owned and operated by its signatories.</p> <p>The Good Practice Guidance recognises that small enterprises represent a powerful engine for economic growth and are a crucial part of the UK economy, however, these enterprises sometimes find it difficult to break into local government markets.</p> <p>The purpose of the SME Concordat is to set out what small firms and other community and voluntary sector organisations supplying local government can expect when tendering for local authority contracts. It is not intended that smaller suppliers will automatically be given a competitive advantage but rather that steps are put in place to ensure that suppliers of all kinds are treated equally. The SME Concordat also sets out the standards that public sector buyers expect from their suppliers</p> <p>The SME Concordat sets out a number of commitments to be made by each council as outlined below:</p> <ol style="list-style-type: none"> <li>a) To publish a procurement strategy which makes clear how the Council will encourage a diverse and competitive supply market;</li> <li>b) To give access to contract opportunities through the Council's website;</li> <li>c) To provide details of our key suppliers;</li> <li>d) To ensure tender processes are fair;</li> <li>e) To offer meaningful feedback to suppliers after the procurement process;</li> </ol>	

- f) To treat suppliers openly and fairly, and
- g) To make clear to suppliers and those who do business with us what is expected of them.
- h) To pay suppliers within 30 days from receipt of an undisputed invoice

The SME Concordat is attached as Appendix A.

The City of Durham has a comprehensive Procurement Strategy in place and has already achieved most of the commitments outlined in the SME Concordat. The signing of the document would underpin this and formally acknowledge our commitment to SME's. Further work would need to be undertaken to develop a more comprehensive "How to do Business with the Council Guide" for potential suppliers and also a section created on the Council website to advertise tender opportunities (commitments b and g above).

#### **Portfolio Member Recommendations or items Requiring a Cabinet Decision**

That the Leader of the Council and The Chief Executive be authorised to sign and adopt the SME Concordat on behalf of the City Council and this signing be publicised (see Appendix A).

That Cabinet notes the various commitments that contribute to the implementation and adoption of the SME Concordat

#### **Reasons for Recommendations**

To demonstrate the Council's commitment to encouraging small and medium sized enterprises to tender for contracts and to ensure that they are treated fairly in these processes.

Adoption of the SME Concordat is a key milestone of the National Procurement Strategy (NPS). One of the actions contained within the Councils Procurement Strategy is to achieve this NPS milestone and sign up to the SME Concordat by March 2007.

To support the North East Chamber of Commerce (NECC) and Northern Echo, Buy North East campaign which aims to help and encourage local authorities to work more closely with the business community.

#### **Alternative Options to be Considered**

Take no action due to Local Government Review

#### **Consultation**

None

**Financial, Legal and Risk Implications**

The main risk is that the Council fails to progress and achieve the SME Concordat milestone identified in the National Procurement Strategy, which could result in criticism from the Audit Commission, when the Council is subject to audit inspection or other similar reviews in the future, such as CAA.

There are no financial implications arising directly from the adoption of the SME Concordat as additional developments will be met from within existing staff resources.

It is vital that the City Council is seen to have procurement processes that offer equality and fairness to all potential suppliers, whilst also acting completely within the national and European legal frameworks. The recommendations set out in this report satisfy these requirements.

The council has to make annual efficiency savings so the most economically advantageous procurement solution must be selected. In the selection process consideration must also be given to the councils social and environmental responsibilities so that informed procurement decisions can be made based on whole life costs.

**Resource Implications**

There are no significant resource implications identified to implement the recommendations. However the ICT Department will need to be involved in the development and updating of the "Tender Opportunities" section to be added to the council website. Adoption of the SME Concordat formalises activities to actively engage with local small and medium sized enterprises (SME's)

**Timescale for Action**

SME Concordat Signed and Tender Opportunities section of the website developed by end of March 2008

**Associated Policies and Plans**

City of Durham Procurement Strategy and associated action plans

**Supporting Documents**

Appendix A: Small Business Friendly Concordat

**Background Papers**

Held in Business Development Office

## Appendix A

### **National Procurement Concordat for Small and Medium-sized Enterprises (full text)**

A statement of principles to encourage effective trade between local authorities and small businesses.

#### **Introduction**

We are committed to delivering locally the National Procurement Strategy for Local Government. The strategy asks local authorities to adopt a small and medium sized enterprise (SME) friendly procurement concordat and to encourage a mixed range of suppliers in order to help develop and stimulate a varied and competitive marketplace. The concordat sets out the actions that local authorities will take to make their contracts more accessible to SMEs.

Although the principles should relate to all SMEs, the concordat is particularly focused on small businesses of less than 50 employees.

We recognise the important contribution that small businesses can make to the delivery of public services and the vital role these businesses play in the national and local economy. We are committed to making the most of the benefits offered by them.

#### **Underlying Principles**

Contracts are awarded in order to support the Best Value delivery of local government services. We will deliver value for money and take into account the whole life costs in contract decisions; this means considering quality, longer term cost and benefits as well as initial price.

We will make appropriate use of our legal powers including the power to promote the economic, social and environmental well being of our community.

All tender processes and contract awards will comply with EU Public Procurement Directives and the principles of non-discrimination, equal treatment and transparency and our duties under UK law.

#### **Local Authority Commitments**

##### *Procurement strategy*

We will publish a corporate procurement strategy. The strategy will include a commitment to:

- The role procurement plays in delivering the Council's objectives and its contribution to the community strategy, workforce issues, diversity and equality and sustainability.
- How we will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- A commitment to ensure that our approach to individual contracts, including large contracts and framework agreements etc, is supported by a sound business case and options appraisal.
- A commitment that where we decide that the best value option is to aggregate supply or let a longer term contract or framework agreement we will invite bidders to demonstrate their track record in achieving value for money through effective use of their supply chain.
- *A commitment to consider the role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.*

#### *Access to contract opportunities*

- We will publish on our website;

Guidance for suppliers on how to do business with the council;

details of forthcoming bidding opportunities, and;

contact details for each contract, with appropriate links to any regional site and the national public sector opportunities portal (to be launched Summer 2005).

#### *Details of our key suppliers.*

- We will advertise contracts. We will use a range of publications and other means in order to encourage greater diversity and competition.
- We will give potential suppliers an opportunity to discuss the procurement in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.
- We will work with prime contractors – both at tender stage and during the life of a contract – to establish the contribution that small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers can play in the supply chain. We will provide details of our prime contractors on our website.

#### *Fair tender processes*

- We will apply our own rules and policies fairly.
- At pre-tender stage and during the tender process we will ensure that all tenderers have equal access to relevant information.
- We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
- If a pre-qualification stage is used we will use a Council-wide pre-qualification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
- We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not to be set to unreasonably exclude newer businesses.

#### **Feedback**

*We will offer meaningful feedback to suppliers following the procurement process in order that suppliers can improve for future tenders.*

- We will seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.
- We will publish a complaints procedure.

#### **Contract management**

- *We will treat suppliers openly and fairly. Suppliers will:*

Be paid on time. No more than 30 days from receipt of an undisputed invoice.

Receive honest and constructive feedback on the supplier's performance of the contract.

Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.

- All contracts will require our suppliers to pay their sub-contractors, throughout the supply chain, within 30 days from receipt of an undisputed invoice.

#### **Supplier commitments**

As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.

**DECLARATION OF SUPPORT FOR THE SMALL BUSINESS FRIENDLY  
CONCORDAT**

The ODPM, the LGA and Small Business Service want to see all local authorities sign up to the Small Business Friendly Concordat. The Concordat is a voluntary, nonstatutory document, and your signature will not only demonstrate a pledge to actively engage with small businesses, but it will also show your authority's commitment to good procurement practices in general. This in turn should help foster a professional approach to managing procurement in your authority and, in doing so, help you implement key strategic objectives and milestones in the National Procurement Strategy for Local Government.

Name of your Authority:

Signed by: Date:

Position in Local authority:

Thank you for your support.

## Agenda Item 5(f)

STATUS PUBLIC

<b>Portfolio Member/Director/Head of Service</b> Cllr Sue Pitts/ Tracey Ingle	<b>Portfolio</b> Leisure and Culture
<b>Subject</b> Durham International Festivals 2008: A Legacy Proposal	<b>Date</b> 5th March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Tracey Ingle, Head of Cultural Services, ext 8800	<b>Previous Minutes</b> None
<p><b>Purpose of Report</b></p> <p>The following report sets out the proposed framework for City based events in 2008 and seeks future funding from the Council to support this years programme.</p> <p>This work builds on last year's successful programme which included Jools Holland, D3 in Millennium Place and support for Durham Brass, Durham Literature Festival and the Christmas Festival.</p>	
<p><b>Executive Summary</b></p> <p>There is potential for 2008 to be a landmark year for Durham with respect to events and festivals. A number of exciting and innovative projects are in development which will see artists and performers from around the world visiting Durham to participate in a range of cultural activities. This is based on a framework of five major events across the year. There are two new events which are the subject of this report. The major events through the year will animate the streets, squares and vennels, celebrate the heritage and iconic attributes of the City and showcase Durham as a vibrant, interesting and vital place to live, work, study, visit and invest in.</p> <p>The Streets of... series is an ambitious and distinct set of four stand-alone events for 2008 brought together under an umbrella theme. The series consists of Streets of Dance, Streets of Brass, Streets of Folk and Streets of Play.</p> <p>Street performance is well suited to Durham City centre due to its compact nature, stunning backdrops and variety and quality of outdoor performance spaces. A number of successful events in 2007 clearly demonstrated this natural fit including Streets of BRASS and D3: Durham International Buskers Festival, during which a variety of world-class performers took to the streets and entertained enthusiastic crowds.</p> <p>Enlightenment is a light-based arts festival which will take place in November 2008 as part of the Culture10 Look East series. The festival will showcase four major original commissions created by two UK and two Indian artists designed to reflect and celebrate the City's heritage and make use of the iconic structures and landmarks, such as the Cathedral and the river. These will be supported by smaller pieces created by regional artists displayed in 'urban gallery' spaces such as shop windows and live performance pieces.</p> <p>Additional pieces are under discussion, and could include a sand sculpture of the Taj Mahal on Palace Green which would create a World Heritage Site on a World Heritage Site. This piece would take several days to construct and would encourage University involvement with groups of students participating in the build. The structure is then lit for the duration of the festival. This particular element has real media appeal.</p> <p>This exciting, cutting-edge, high-profile event would provide the City Council with the ultimate swan song as it encompasses innovation, passion and creativity whilst at the same</p>	

time celebrates the City's heritage and iconic landscape. The festival is totally inclusive as it is free and so available to all; both residents and visitors and those who have proactively sought out the event and the more transient audience who will stumble across the installations.

The series of festivals outlined above would be a fitting departing gesture from the City Council to the residents and businesses of Durham. The Streets of... programme would provide an on-going, living legacy as the series develops and becomes synonymous with both Durham as a location and with quality and creative innovation. Enlightenment would afford the City the ultimate swan song and a stunning finale; showing the dedication of the City Council delivering capital City.

#### **Portfolio Member Recommendations or Items Requiring a Cabinet Decision**

That Cabinet support the proposals set out in the report in respect of the "Streets of .... " series of events and "Enlightenment" Festival as a spectacular legacy for 2008.

That the Festival is financed via an allocation of £55,000 from the Business Continuity / Service Initiatives Provision (Transition Year) Budget 2008/09.

#### **Reasons for Recommendations**

The aim for 2008 is to create landmark events and event series that attract good audiences to the City to help economic regeneration, retail spend/ footfall and raise our cultural reputation and help deliver our Corporate Aim of capital City. These events will work alongside and support well established events such as Durham Regatta, Durham Book Festival and the Big Meeting to ensure Durham provides interest for all in the community and our visitors through the year.

It is envisaged that the calibre of artists involved will generate both national and international media coverage and will encourage visits to Durham from outside the usual two-hour drive time. In addition, the use of regional artists and the accessible nature of the work will attract substantial local coverage and drive footfall from neighbouring towns and cities and the environs of Durham. By providing an exceptional experience for these local visitors our aim is to stimulate repeat visits and generate future spend, whilst at the same time further enhancing Durham's reputation as a centre for cultural activities.

#### **Alternative Options To Be Considered**

The option of doing nothing could be considered, but this goes against the stated corporate aim of delivering capital City.

Securing full funding from other bodies with no Council commitment could pose a reputation risk as the support of the Council in delivering high profile events has proven very positive in the past.

#### **Consultation**

Full public consultation was carried out as part of the 2020 Vision. This showed a high level of public support for better and bigger events. This aspiration was incorporated into the Durham City Vision Masterplan and supported further by the appointment of the Events Team and their developing Business Plan.

#### **Financial, Legal and Risk Implications**

There has been a significant private and public sector sponsorship of the proposed International Events programme outlined above. Successful funding bids have been made to Culture 10 and the County Durham Economic Partnership for "Enlightenment". New contacts with national publishing houses will support/ sponsor the Durham Book Festival. Negotiations with the Royal Bank of Scotland are ongoing to secure a core sponsor for the "Streets of ..." series and there is reason to hope Arts Council England – North East will also



fund the series.

None the less there remains a funding requirement to support a year of legacy events in 2008/09. The support of the City Council will be fundamental in securing these funding bids as the Council is a key supporter of Culture in the City. The 2008/09 Budget Framework provides for a Business Continuity / Service Initiatives Provision (Transition Year) Budget of £460,000 in 2008/09. The purpose of this provision (as detailed in the Budget report 2008/09 and the Transitional Plan) is to deal with unknown costs associated with business as usual activities during transition to the new authority. This provision can also be applied to finance one off small capital environmental schemes / projects during transition, but only where such schemes result in no ongoing detriment to the new authority.

The proposals outlined in this report would fall legitimately within the remit and purpose for which the provision was created and hence within the power of Cabinet during the Transition Year in terms of restrictions placed on it as a result the Local Government and Involvement in Health Act 2007 (Section 24) - without the need for prior consent by the Implementation Executive of the new authority.

There are no other legal implications as the Events are planned within the existing event management system for the City. Risk is managed as an integral part of these systems particularly via the Safety Advisory Group who are fully aware of these proposals.

### **Resource Implications**

To secure the events programme outlined above for 2008 a contribution of £25,000 is being sought for Streets of ... series and £30,000 for "Enlightenment". The total gross cost of staging these events will be in the region of £300,000. The remaining funding will be raised from other sponsors.

This project is a partnership between Durham City Vision, DCA (Durham City Arts) and Culture10 in association with ISIS Arts and Grit and Pearl. We await confirmation of a Culture10 grant which will be the highest award ever given to a Durham project. The positive feedback regarding ambition and joined-up working paves the way for a 2009 project application.

Enlightenment is also receiving financial and in-kind support from the County Durham Economic Partnership and County Durham Tourism Partnership. Approaches have been made to Durham University and The Cathedral as well as to key local business for private sponsorship.

To support these bids for funds it is proposed that sums be earmarked from within the Business Continuity / Service Initiatives Provision (Transition Year) Budget. This would be the first call on that provision for 2008/09 and reduce the unallocated sum to £405,000.

### **Timescale for Action**

The Festivals are planned for 2008 across a series of dates to support a full programme of events in the City in the legacy year.

### **Associated Policies and Plans**

Durham City Vision Master Plan

### **Supporting Documents**

Durham International Festivals 2008: A Legacy Proposal, Events Coordinator, DCV

### **Background Papers**

Durham City Vision Master Plan

This page is intentionally left blank

## Agenda Item 5(g)

**STATUS PUBLIC**

<b>Portfolio Member/Director/Head of Service</b> Councillor Dennis Southwell/ Paul Darby	<b>Portfolio</b> Finance
<b>Subject</b> Report on the Treasury Management Service and Actual Prudential Indicators 2007-08 – Position at 31/12/07	<b>Date</b> 05 March 2008
	<b>Forward Plan</b> No
<b>Contact Officer</b> Paul Darby, Director of Financial Services Tel : 0191 301 8622 Email : <a href="mailto:pdarby@durhamcity.gov.uk">pdarby@durhamcity.gov.uk</a>	<b>Previous Minutes</b> 218 – 5 September 2007 370 – 28 November 2007
<b>Purpose of Report</b> <p>The purpose of this report is to present details of the treasury management activity undertaken and actual performance against the associated prudential indicators for 2007/08 during the period 1 April to 31 December 2007. The report is prepared in the context of the Treasury Management and Investment strategies approved by Council on 26 February 2007.</p>	
<b>Executive Summary</b> <p>This report shows that the Council fully complied with its legislative and regulatory requirements in terms of its treasury management activity for the period covered by the report. It sets out details of the Councils Capital Expenditure plans, the impact of the Capital Expenditure on Council Tax and Rents and highlights changes to the financing of the Capital Programme. It also confirms that borrowing was only undertaken for a capital purpose and that the Statutory borrowing limit and the Authorised Limit was and has not been breached. Finally it provides information regarding borrowing and investments in the period and confirms they were made in full accordance with the Treasury Management Strategy.</p>	
<b>Portfolio Member Recommendations or items Requiring a Cabinet Decision</b> <p>That Cabinet note and approve the Treasury Management stewardship report and performance against the prudential indicators for 2007/08, during the period 1 April 2007 to 31 December 2007, as set out in Appendix A.</p>	
<b>Reasons for Recommendations</b> <p>This report is a requirement of the Council's reporting procedures and is in line with both the CIPFA code of Practice on Treasury Management and the CIPFA Prudential code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.</p>	

<p><b>Alternative Options to be Considered</b></p> <p>None – the reporting of performance against the Treasury Management and Investment strategies approved by Council is a key corporate and financial governance requirement and therefore not reporting performance is not an option.</p>
<p><b>Consultation</b></p> <p>The content of this report and the associated appendix has been considered and approved by the Councils Officers Management Team, including the three statutory officers, and follows guidance received from the Councils appointed Treasury Management Consultants.</p>
<p><b>Financial, Legal and Risk Implications</b></p> <p>There are no specific financial, legal or risk implications risks associated with or arising from this report.</p> <p>Financial, legal and risk implications, particularly minimising exposure to risk, underpin the Councils internal controls and procedures within the Treasury Management service. The policies and procedures in place reflect the strategies approved by Council and are subject to close and regular scrutiny. The Internal Audit Service have recently concluded a review of systems, procedures and internal control environment within this function and have awarded it a Level 1 (Excellent) assessment with no recommendations for corrective action being made.</p>
<p><b>Resource Implications</b></p> <p>There are no specific resource implications associated with the approval of this report.</p>
<p><b>Timescale for Action</b></p> <p>Not applicable – the recommendations in this report are not time specific.</p>
<p><b>Associated Policies and Plans</b></p> <ul style="list-style-type: none"> <li>• Treasury Management Strategy and Prudential Indicators 2007/08</li> </ul>
<p><b>Supporting Documents</b></p> <ul style="list-style-type: none"> <li>• Appendix A – Report on the Treasury Management Service and Prudential Indicators 2007/08 – Position at 31/12/08</li> </ul>
<p><b>Background Papers</b></p> <ul style="list-style-type: none"> <li>• Prudential Capital Code for Capital Finance in Local Authorities – Prudential Indicators 2006-07 – Report to Council 27 February 2006</li> <li>• Treasury Management &amp; Investment Strategy 2007/08–2009/10 – Report to Council 26 February 2007</li> <li>• Prudential Indicators 2007/08–2009/10 – Report to Council 26 February 2007</li> <li>• Quarterly Report on the Activities of Treasury Management Operation for the City Council – Quarter Ended 30 June 2007 – Report to Council 5 September 2007</li> <li>• Half Yearly Report on the Treasury Management Service and Actual Prudential Indicators 2007-08 – Report to Cabinet 28 November 2007</li> <li>• Guidance from Councils appointed Treasury Management Consultants – Butlers</li> <li>• Agresso Financial Management system and associated working papers</li> </ul>



---

# **Quarterly Report on the Treasury Management Service and Prudential Indicators 2007/08**

**Paul Darby, Director of Financial Services  
March 2007**

## 1. Introduction

- 1.1 The purpose of this report is to review the performance of the Council's Treasury Management activities to the quarter ended December 2007. One of the requirements of the Prudential Code is to ensure that an authority has adequate monitoring of its capital expenditure plans, prudential indicators (PIs) and treasury management operations. This report fulfils that requirement and is based on performance against the Council's treasury strategy and PIs, approved by Council 26 February 2007.

## 2. Capital Expenditure

- 2.1 This table shows the Actual Capital Expenditure programme for 2006/07 and the changes between the original capital programme and the current position for 2007/08.

<b>2006/07 Actual £000</b>	<b>Capital Expenditure by Service</b>	<b>2007/08 Original Budget £000</b>	<b>2007/08 Revised Estimate £000</b>
5,814	Housing Capital Expenditure	5,154	5,296
614	Flourishing Communities	1,385	1,614
2,349	Quality Public Services	3,297	3,970
196	Capital city	880	1,158
100	Admin Fees	139	139
<b>9,073</b>	<b>Total</b>	<b>10,855</b>	<b>12,177</b>

Members will recall that Cabinet, at its meeting of 5 September 2007, made substantial changes (reductions) to the overall capital programme as a result of a revised forecast of capital receipts and as a consequence of Local Government Review. The above figures factor in those amendments and take into account a £2.0M payment to DVRC (Capital contribution) made on 1 November 2007 as part of a Finance agreement for the Freeman's Quay Leisure Centre. The position to 31 December also factors in the increased costs of the Town Hall refurbishment, offset by further reductions in the ICT capital programme, as reported to Cabinet 5 March 2008.

### 2.2 **Changes to the Financing of the Capital Programme**

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements for this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council in the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt.

<b>2006/07 Actual</b>		<b>2007/08 Original Budget</b>	<b>2007/08 Revised Estimate</b>
<b>£000</b>	<b>Capital Expenditure</b>	<b>£000</b>	<b>£000</b>
3,259	Non-HRA Capital Expenditure	5,701	6,881
5,814	HRA Capital	5,154	5,296
<b>9,073</b>	<b>Total spend</b>	<b>10,855</b>	<b>12,177</b>
	<b>Financed by:</b>		
248	Supported Borrowing	248	248
3,734	Capital receipts	5,072	2,763
4,004	Capital grants & Contributions	4,295	4,746
427	Capital Reserves	1,080	3,214
660	Revenue	160	1,206
<b>9,073</b>	<b>Total</b>	<b>10,855</b>	<b>12,177</b>

The financing of the 2007/08 capital programme reflects the strategy adopted to accommodate the substantial reduction in the forecast capital receipts experienced in the year. The revised programme includes the full application of the earmarked Capital Fund (which was increased in September 2007) and an additional £1m contribution from revenue – offset by additional dividends receivable from the Durham Crematoria, following a review of the reserves and balances held by the Joint Committee.

### 2.3 Prudential Indicators - Impact of Capital Expenditure Plans

#### Impact on Council Taxpayer

The following indicator estimates the incremental impact of capital investment decisions on the council taxpayer: -

<b>2006/07 Actual</b>		<b>2007/08 Original Estimate</b>	<b>2007/08 Revised Estimate</b>
<b>£ p</b>	<b>Council Tax</b>	<b>£ p</b>	<b>£ p</b>
7.62	Band D	5.26	42.35

The 2007/08 revised indicator reflects the additional revenue contribution to the capital programme, which is offset by additional dividends receivable from the Durham Crematoria within the General Fund. This reflects the opportunity cost in year of applying those balances to the financing of the capital programme.

### Impact on Council Tenants

This indicator identifies the incremental impact of capital investment decisions on housing rent levels and is similar to the Council tax calculation in that it takes into account the trend in the cost of changes in the housing capital programme compared to the Council's original commitments, expressed as a change in weekly rent levels.

<b>2006/07 Actual £ p</b>	<b>Housing</b>	<b>2007/08 Original Estimate £ p</b>	<b>2007/08 Revised Estimate £ p</b>
1.90	Weekly Rents	0.68	0.75

### 2.4 Changes to the Capital Financing Requirement (CFR) and the External Debt

The table below shows the CFR, which is the Council's underlying external need to borrow for a capital purpose. It is increased each year by any new borrowing need (as shown above), and decreased by any statutory revenue charge for the repayment of debt (the Minimum Revenue Provision).

<b>2006/07 Actual £000</b>		<b>2007/08 Original Estimate £000</b>	<b>2007/08 Revised Estimate £000</b>
4,051	CFR – Non Housing	3,889	3,889
18,546	CFR – Housing	18,793	18,793
<b>22,597</b>	<b>Total CFR</b>	<b>22,682</b>	<b>22,682</b>
+79	Net movement in CFR (Year on Year)	+86	+86

### 2.5 Prudential Indicator - Limits to Borrowing Activity

The first key control over the Council's activity is a Prudential Indicator to ensure that over the medium term, net borrowing will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2007/08 and next two financial years. This allows some flexibility for limited early borrowing for future years.



2006/07 Actual £000		2007/08 Original Estimate £000	2007/08 Revised Estimate £000
22,492	Gross Borrowing	22,682	22,014
8,712	Investments	8,244	5,707
13,780	Net Borrowing	14,438	16,307
22,518	CFR (Previous Year Only)	22,597	22,597

As can be seen, net external borrowing remains well within the Councils CFR and there are no difficulties envisaged for the current or future years – taking into account current commitments, existing plans, and the proposals that will form part of the forthcoming budget report.

2.6 A further two PIs measure and control the overall level of borrowing. These are:

The **Authorised Limit**, representing the limit beyond which borrowing is prohibited, and needs to be set and revised by members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

The **Operational Boundary**, which is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. CIPFA anticipate that this should act as an indicator to ensure the authorised limit is not breached.

2006/07 Actual £000		2007/08 Original Estimate £000	2007/08 Revised Estimate £000
28,871	Authorised limit for external debt	28,782	28,782
26,671	Operational boundary for external debt	26,182	26,182

## 2.7 Interest Rate Movements and Expectations

It is expected that the current slowdown in economic activity will provide some scope for cuts in the official interest rates in 2008. The stubborn strength of consumer activity had been one factor restraining the MPC from taking action earlier, however, the threat posed by the credit crunch of late 2007 has raised the urgency of the need to counter the more profound dangers this holds for the health of the wider economy.

The first move was seen in early December with a quarter-point cut in Bank Rate to 5.5%, with further action to cut the Bank Rate being anticipated by the markets (February is the favoured month) and this might be followed by another move shortly afterwards.

While the Consumer Price Index (CPI) is widely expected to return to the 2% region after a rise in early 2008 the persistence of underlying inflation pressures may limit the downside. In these circumstances, the MPC will no doubt be reluctant to cut Bank Rate aggressively, as is being seen in the United States. A 4.75% rate is forecast for the end of 2008 with a modest reduction into 2009 before a return to levels above 5% as economic activity and inflation pick up.

Long term interest rates are set to remain volatile. Concerns over the health of the financial markets, the threat of counterparty failure or the potential collapse of structured investment products have been instrumental in driving government bond yields to levels significantly below those available in equivalent money market instruments.

The flattening of the yield curve in the past few months has revived the option of taking PWLB funds further up the curve. This process is expected to continue in the year ahead, providing further opportunities to direct new borrowing to shorter periods.

Financial markets will continue to offer attractive funding opportunities, frequently at rates below those available from the PWLB. Given the counterparty quality of local authorities, the enthusiasm of banks to lend long-term funds will be undiminished and the terms should remain relatively attractive.

## 2.8 External Borrowing & Repayment Activity

The Durham Crematoria Joint Committee, at its meeting of 3 October 2007, reviewed the position on its reserves and balances and decided that a further distribution of funds (£1.25M) should be made in November 2007, with 80% or £1M be paid to Durham City Council and 20% or £0.25M to Spennymoor Town Council. A new £1.25M was subsequently taken out with the PWLB to cover the distribution of these funds. The City Councils indebtedness to Crematorium at 31 December is £350,000. A further £2M maturity loan is outstanding with DEPFA-Bank Europe plc.

An analysis of all PWLB Loans held as at 31 December 2007 is attached at Annex A. The following table summarises the new external borrowing undertaken in the first nine months of this year: -

Lender	Amount Borrowed	Type of Loan	Interest Rate Payable	Maturity Date
PWLB	£2.0M	Fixed Rate Maturity Loan	4.75%	31/03/2048
PWLB	£1.25M	Fixed Rate Maturity Loan	4.65%	31/03/2043

The Director of Financial Services, under delegated powers, will continue to take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that longer term fixed rates will be considered if borrowing levels remain relatively low. This may include borrowing in advance of future years requirements

The following table sets out details of all loan transactions during the nine month period to 31 December 2007:-

Type of Institution	Balance at 01/04/07 £000	Borrowed £000	Repaid £000	Premature Repayments £000	Balance at 31/12/07 £000	Estimated Balance 31/03/08
<b>PWLB</b>						
- Annuity	4,843	Nil	445	Nil	4,398	4,164
- Maturity	14,250	3,250	2,000	Nil	15,500	15,500
Depfa	2,000	Nil	Nil	Nil	2,000	2,000
Other	1,400	200	(1,250)	Nil	350	350
<b>Total</b>	<b>22,493</b>	<b>2,200</b>	<b>(2,331)</b>	<b>Nil</b>	<b>22,248</b>	<b>22,014</b>

## 2.9 Debt Rescheduling Activity

Opportunities for debt restructuring are continually monitored, taking into account advice from the Councils Treasury Management consultants. Action will only be taken where the Director of Financial Services feels it is most advantageous, taking into account the impact of premiums payable on early redemption of any high coupon debt held currently.

No debt rescheduling activity has been undertaken during the period covered by this report.

## 3. Investments

### 3.1 Investment Strategy

Officers assess the Council's cash flows on a daily basis, taking into account detailed forecasts of funds needed throughout the year, and invest any surplus funds in accordance with approved Treasury Management Practices (TMP's). Investments are only made with authorised counter parties.

Fixed investments are made for sums of £500,000 plus and for varying periods up to 364 days. Excess funds that are held temporarily for only a few days, for cash flow purposes, are invested in either the Co-Operative Banks Call Account or 7 Day Account held by the Council.

The objective in the strategy is to optimise investment income in accordance with the Council's Treasury Management Statement, whilst at the same time being cautious and prudent in terms of minimising the Council's exposure to risk.

Expected future activity – It is anticipated that there will be further cuts in the short term interest rates. It is forecasted that there will be 3 further cuts of 0.25% over the next nine months to take them to 4.75%. The Council's investment decisions are based on comparisons between the decreases priced into the market rates against the Council's and advisers own forecasts. The Director of Financial Services, under delegated powers, undertakes the most appropriate form of investments depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. All investment decisions are taken in accordance with the Councils approved TM Strategy and only with organisations included in the counterparty lists.

### 3.2 Investment Activity Undertaken

Short-terms investments totalled £8.712M at 1 April, of which £5.039M was held with the Co-op Bank and £3.763M with external investments (including £1.673M held by a company called Tilney and Co – a decision taken many years ago). At 31 December short-term investments totalled £9.527M, of which £3.5M was held in external investments and £6.027M was with the Co-op Bank. No funds are now externally managed; all surplus funds are now internally managed / invested. An analysis of all investments held at 31 December 2007 is shown in Annex B.

Treasury Management Practices set out in the Local Code of Treasury Management establish strict controls governing the day-to-day investment activity of the Council. All investments in the year have been made in accordance with these practices in terms of the authorised counter parties that the Council deals with and the maximum deposits / control totals applying to those individual institutions and the investment periods. The Local Code sets a maximum investment period of 364 days and maximum amounts that can be invested with individual counter parties. An analysis of the investment maturity profile at 31 December 2007 is shown at Annex C.

The base budget (prepared 4 months in advance of the start of the financial year) assumed that the average interest rate earned on external investments would be 5.25% in 2007/08 and that the average level of external investments would be £10.1m, giving an estimated interest receivable of £530,000 for 2007/08.

Officers have re-estimated the calculations for interest receivable as part of the projected outturn calculations that are included in the overall budgetary control report that has been presented to members. It is forecast that Interest Receivable will be approximately £110,000 higher than originally anticipated in the current year. This is a combination of 2 factors, the level of investments is higher than originally anticipated (due to changes in the overall Capital Expenditure profile for the authority and improvements in collection rates during the first nine months, and the fact that the interest rates earned are higher than that originally forecast (due to the knock on impact of the increases in the base rates during the first nine months), averaging at 5.76% at 31 December 2007. It also includes the interest receivable on the £2.0M Capital payment to DVRC which based on 1% above the Bank rate. The following table provides details of the budgetary control impact of the revised forecast: -

2006/07 Actual £000	Interest Received	2007/08 Original Budget £000	2007/08 Revised Estimate £000
527	Interest	530	640

### 3.3 Prudential Indicator - Ratio of financing costs to net revenue stream

This prudential indicator identifies the trend in the cost of capital (borrowing costs net of interest and investment income) against the net revenue stream.

2006/07 Actual		2007/08 Original Estimate	2007/08 Revised Estimate
0.82%	Non-HRA	0.0%	0.0%
17.05%	HRA	13.38%	13.39%

### 3.4 Other Treasury Management Prudential Indicators

**Upper Limits On Variable Rate Exposure** – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.

**Upper Limits On Fixed Rate Exposure** – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

2006/07 Actual		2007/08 Original Estimate	2007/08 Revised Estimate
93.8%	Limits on fixed interest rates	100%	100%
6.2%	Limits on variable interest rates	50%	50%

**Maturity Structures Of Borrowing** – These gross limits are set to reduce the Council's exposure to large fixed rate loans (those instruments which carry a fixed interest rate for the duration of the instrument) falling due for refinancing in any one period. In addition to the required indicator this Council also monitors the entire maturity profile including both fixed and variable rate loans. These limits are shown below the required limits.

2006/07 Actual		2007/08 Original Estimate	2007/08 Revised Estimate
20%	Under 12 months	20%	20%
20%	12 months to 2 years	20%	20%
50%	2 years to 5 years	50%	50%
75%	5 years to 10 years	75%	75%
90%	10 years and above	90%	90%

**Total Principal Funds Invested > 364 Days** – These limits are set to reduce the need for early sale of an investment, and are based on the availability of investments after each year-end.

2006/07 Actual		2007/08 Original Estimate	2007/08 Revised Estimate
£5m	Maximum principal sums invested > 364 days	£5m	£5m

#### 4. Regulatory Framework, Risk and Performance

4.1 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2006/07);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM (now DCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.

- 4.2 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.
- 4.3 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of Butlers, the Council's advisers, has proactively managed its treasury position. The Council has continued to utilise historically low borrowing costs and has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, utilising long-term loans.
- 4.4 Shorter-term rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult

## 5. Summary – Estimated and Actual Treasury Position and Prudential Indicators

2006/07 Actual	Figures are for the financial year end unless otherwise titled in italics	2007/08 Original Indicator	2007/08 Revised
£9.1m	<b>Capital Expenditure</b>	£10.9m	£12.2m
	<b>Capital Financing Requirement (CFR) at 31 March</b>		
£18.5m	Housing	£18.8m	£18.8m
£4.0m	Non Housing	£3.9m	£3.9m
<b>£22.5m</b>	<b>Total</b>	<b>£22.7m</b>	<b>£22.7m</b>
	<b>Treasury Position at 31 March</b>		
£22.5m	Borrowing	£22.7m	£22.0m
£0.0m	Other long term liabilities	£0.0m	£0.0m
<b>£22.5m</b>	<b>Total Debt</b>	<b>£22.7m</b>	<b>£22.0m</b>
<b>£8.7m</b>	<b>Investments</b>	<b>£8.2m</b>	<b>£5.7m</b>
<b>£13.8m</b>	<b>Net Borrowing</b>	<b>£14.5m</b>	<b>£16.3m</b>
<b>£22.5m</b>	<b>Maximum Debt (Actual) compared to Authorised Limit (Original Indicator)</b>	<b>£22.7m</b>	<b>£22.5m</b>

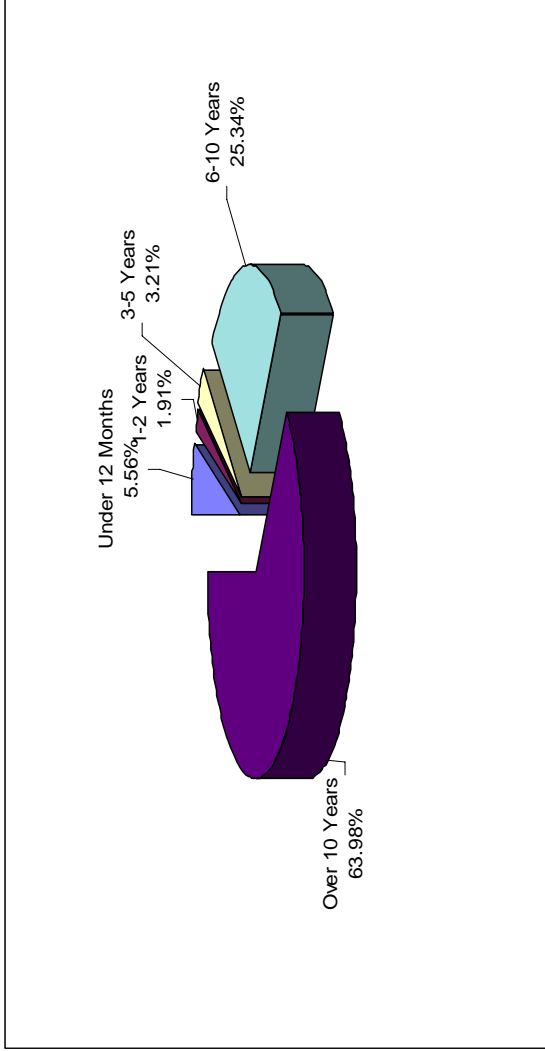
2006/07 Actual	Figures are for the financial year end unless otherwise titled in italics	2007/08 Original Indicator	2007/08 Revised
£21.9m	Average Debt compared to Operational Boundary (Original Indicator)	£22.6m	£22.4m
1%	Ratio of financing costs to net revenue stream – General Fund	0%	0%
17%	Ratio of financing costs to net revenue stream – HRA	13.4%	13.4%
£7.62	Incremental impact of capital investment decisions on the Band D Council tax	£5.26	£42.35
£1.90	Incremental impact of capital investment decisions on the housing rent levels (note 3)	£0.68	£0.75
93.8%	Upper limits on fixed interest rates ( <i>against maximum position</i> ) as above	100%	98.4%
6.2%	Upper limits on variable interest rates ( <i>against maximum position</i> ) as above	25%	1.6%
Actual % Split	Maturity structure fixed rate borrowing (%)	Max	Actual % Split
17.4	% Maturing Under 12 months	20	6.5
3.3	% Maturing 12 months to 2 years	20	1.7
6.3	% Maturing 2 years to 5 years	50	2.9
18.7	% Maturing 5 years to 10 years	75	22.7
54.3	% Maturing 10 years and above	90	66.2
£0m	Maximum principal funds invested ( <i>against maximum position</i> ) for longer than 364 days	£0m	£0m



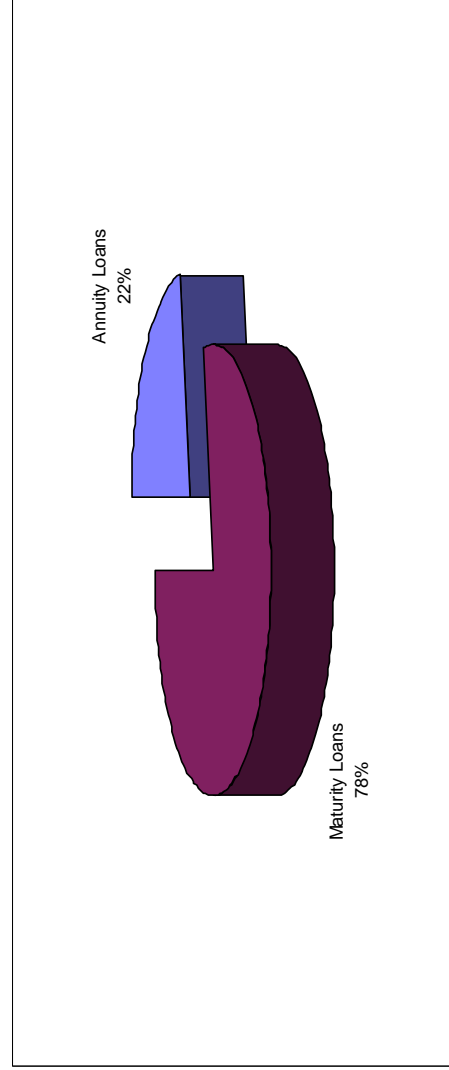
**ANNEX A**

**Analysis of PWLB Loans as at 31st December 2007**

Period to Maturity	Amount Outstanding
Under 12 Months	1,105,875
1 – 2 Years	380,559
2 – 5 Years	638,107
6 – 10 Years	5,041,256
Over 10 Years	12,731,571
<b>Total</b>	<b>19,897,368</b>



Loan Type	Amount Outstanding £
Annuity Loans	4,397,368
Maturity Loans	15,500,000
<b>Total</b>	<b>19,897,368</b>



**ANNEX B**

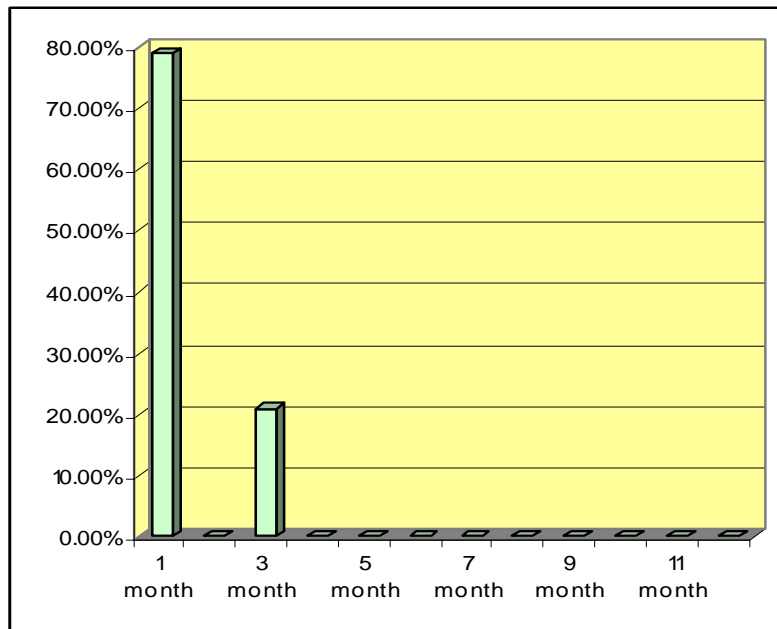
**Durham City Council – Summary of Investments as at 31 December 2007**

Date of Loan	Borrower	Value (£)	% Total	Interest Rate	Loan Period (Days)	Date Repaid
<b>BANKING SECTOR</b>						
N/a	Co-op Call Account	4,634,812	48.65%	5.7%	N/a	N/a
N/a	Co-op 7 Day Account	1,391,960	14.61%	5.75%	N/a	N/a
	<b>SUB TOTAL – BANKING SECTOR</b>	<b>6,026,772</b>	<b>63.26%</b>			
<b>BANKS &amp; BUILDING SOCIETY SECTOR</b>						
20/09/07	Progressive	1,000,000	10.50%	6.25%	182	20/03/2008
20/09/07	Norwich & Peterborough	1,000,000	10.50%	6.22%	182	20/03/2008
12/11/07	Newbury Building Society	1,500,000	15.74%	6.31%	63	14/01/2008
	<b>SUB TOTAL – BUILDING SOCIETIES</b>	<b>3,500,000</b>	<b>36.74%</b>			
<b>GRAND TOTAL</b>		<b>9,526,772</b>	<b>100.00%</b>			

## ANNEX C

Maturity Profile of External Investments at 31<sup>st</sup> December 2007

Period to Maturity	Value of Investment (£)	% Total Investments
1 Month	7,526,772	79.0%
2 Months	NIL	N/a
3 Months	2,000,000	21.0%
4 Months	NIL	N/a
5 Months	NIL	N/a
6 Months	NIL	N/a
7 Months	NIL	N/a
8 Months	NIL	N/a
9 Months	NIL	N/a
10 Months	NIL	N/a
11 Months	NIL	N/a
12 Months	NIL	N/a
	<b>9,526,772</b>	



This page is intentionally left blank

## Agenda Item 5(h)

**STATUS PUBLIC**

<b>Portfolio Member/Director/Head of Service</b> Councillor Fraser Reynolds / Elizabeth Hall	<b>Portfolio</b> Performance Management
<b>Subject</b> Local Area Agreement	<b>Date</b> 5 March 2008
	<b>Forward Plan</b> Yes
<b>Contact Officer</b> Elizabeth Hall	<b>Previous Minutes</b>
<b>Purpose of Report</b> <p>This report is to provide partners with an overview of the countywide Sustainable Community Strategy (SCS) development and Local Area Agreement (LAA) priority setting process, to seek endorsement of the identified priorities and to provide information on the next steps.</p>	
<b>Executive Summary</b> <p>As part of the Local Government White Paper the government introduced a new local performance framework for local authorities and local authority partnerships. This local performance framework will bring together the national standards and priorities set by government with local priorities informed by the vision developed by the local authority and its partners.</p> <p>Alongside the existing duty to prepare a Sustainable Community Strategy, the government placed a duty on County and Unitary authorities to prepare a new type of LAA and placed a duty on named local partners to have regard to this. The LAA will therefore sit at the heart of the local authority's performance framework and will act as the delivery plan for the County Sustainable Community Strategy.</p> <p>It is a new era for local government, with greater freedom and flexibility to set priorities and greater discretion over how to meet them. As part of this package of changes the government has reduced the number of indicators that local authorities must report against from an estimated 1,200 to 198. From these 198 the local authority and its partners are required to select a maximum of 35 to report to government. These, along with 16 mandatory education and early years indicators form the LAA. The LAA can also include local indicators which do not need to be reported to government but should be treated just the same as other priorities in the LAA.</p> <p>Work to develop a new SCS and LAA for County Durham started early in 2007. The open and inclusive methodology taken drew heavily on the approach that had been successfully adopted by partners to develop the first LAA, which was signed by partners and Ministers in March 2006.</p> <p>At the heart of our first LAA was a shared desire to make a real difference, particularly in the most deprived areas of the County, to establish sustainable improvements in services and to improve access to those services. Through a new approach we aimed to promote thriving and inclusive communities, ensure that local people have more say in how services are run and improve public satisfaction with their local area.</p>	

These key aspirations still hold strong today and have been carried forward in the development of our new LAA.

Additional background information relating to the development of the LAA including the outcomes framework, key themes, outcomes and indicators and principles can be found on page 2 of Appendix A (Draft LAA document as submitted to GONE on 25<sup>th</sup> February 2008).

The Partnership has taken an inclusive and evidence based approach to agreeing the priorities and outcomes for the both a new Community Strategy and the Local Area Agreement with the work being carried out through a single integrated process, involving a wide range of stakeholders from statutory, voluntary and business organisations and existing partnerships. The overall aim has been to present robust evidence from a wide variety of sources including statistical data, research findings, views from Government and survey results, and through an iterative process of debate and discussion reach a consensus on a framework of outcomes which partners believe will bring about long term change.

Further information on the development of the Outcomes Framework can be found on page 4 of Appendix A.

Appendix B contains the list of these LAA indicators, which includes 34 priority indicators, 7 local indicators, and the 16 statutory Education and Early Years indicators. All of the indicators bar the statutory 16 are still open to negotiation and are subject to change, before being signed off by Ministers in June.

**Portfolio Member Recommendations or items Requiring a Cabinet Decision**

Cabinet is asked to:

- ◆ Note the attached document (Appendix A)
- ◆ Endorse the priorities set out in Appendix B
- ◆ Note the next steps

**Reasons for Recommendations**

To demonstrate support for the Local Area Agreement currently being negotiated with GONE.

**Alternative Options to be Considered**

To refuse to support the Local Area Agreement

**Consultation**

As stated above, the Partnership has consulted widely with a wide range of stakeholders from statutory, voluntary and business organisations and existing partnerships, and will continue to do so.

**Financial, Legal and Risk Implications**

The Partnership has established a framework to prepare a delivery plan and agree initiatives to meet the objectives and outcomes in the Local Area Agreement. The Partnership will agree this delivery plan in the light of the resources available to it through Area Based Grant and other resources allocated to it.

### Resource Implications

Please see above

### Timescale for Action

The planned next steps are as follows:

#### February 2008

- ◆ **Focused Workshops** – will take place during February between Blocks and LSP Thematic Leads to look at targets for indicators at the most appropriate geographic level.

#### March 2008

- ◆ **Focused Workshops** between Blocks and LSP Thematic Leads to look at actions needed to achieve the targets including transition interventions and new interventions.
- ◆ **Outcomes and Priority Setting Workshop 5**  
This will be to look at the targets proposed from the focused workshops between Blocks and LSPs. This will be an opportunity to look at the cross thematic linkages between indicators and outcomes and ensure that targets support each other and are suitably challenging.
- ◆ At the **Partnership Board Meeting** on the 20<sup>th</sup> March 2008 we will be seeking the agreement of the finalised targets (subject to government negotiation.)

#### April 2008

- ◆ At the **Partnership Board Meeting** on the 24<sup>th</sup> April 2008 the first draft of initial delivery plan will be presented and it will include all transition interventions.

#### May 2008

- ◆ At the **Partnership Board Meeting** on the 22<sup>nd</sup> May 2008 the board will be asked to consider the updated delivery plan, including any new interventions.

#### June 2008

- ◆ At the **Partnership Board Meeting** on the 19<sup>th</sup> June 2008 we will be seeking finalisation of the delivery plan.
- ◆ Sign off with Ministers.

### Associated Policies and Plans

### Supporting Documents

- ◆ County Durham Partnership Local Area Agreement 25 January 2008 (Appendices A & B)

### Background Papers

- ◆ Agendas and reports presented to Partnership Board
- ◆ Documents and information published on Partnership Board, LAA website



County Durham Partnership

# Local Area Agreement

25 January 2008



## Background

Work to develop a new Local Area Agreement (LAA) for County Durham started early in 2007. The open and inclusive methodology taken drew heavily on the approach that had been successfully adopted by partners to develop the first LAA, which was signed by partners and Ministers in March 2006.

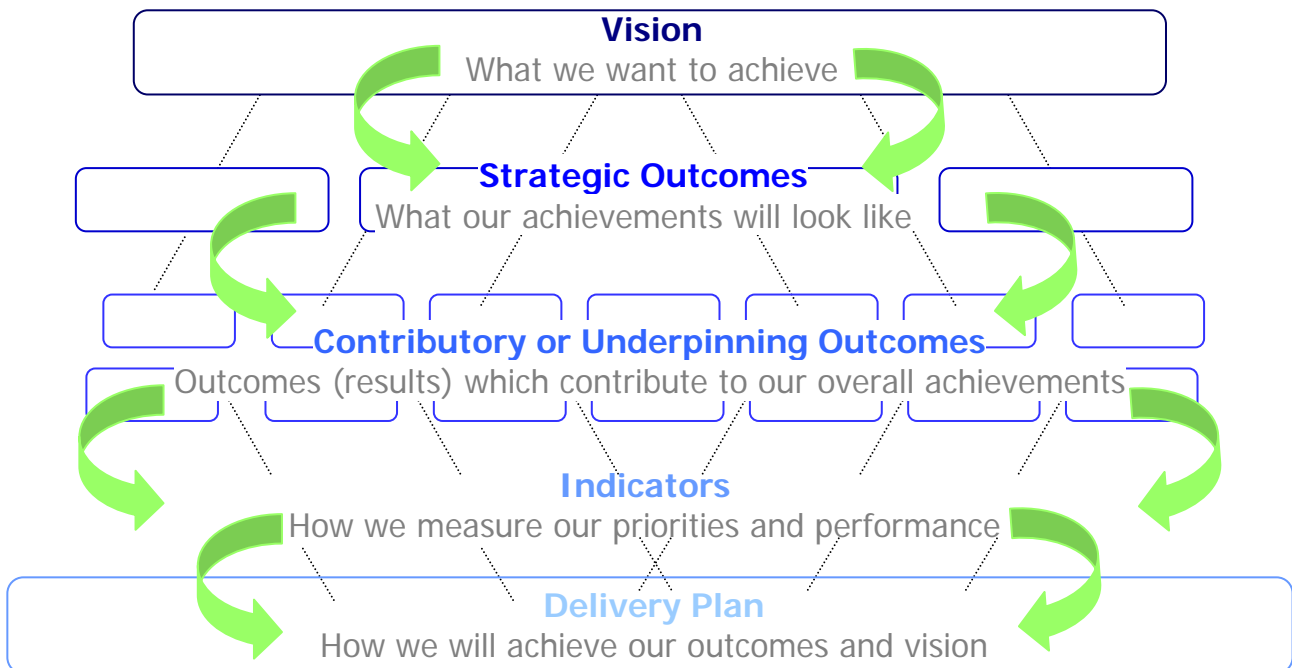
The first LAA had been welcomed by partners as an opportunity to ensure a shared understanding of national priorities and develop a shared clarity of thinking around our local priorities. It was also seen as a catalyst for change - setting the scene for a new integrated approach to local service delivery with more power and influence given to local people.

At the heart of our first LAA was a shared desire to make a real difference, particularly in the most deprived areas of the County, to establish sustainable improvements in services and to improve access to those services. Through a new approach we aimed to promote thriving and inclusive communities, ensure that local people have more say in how services are run and improve public satisfaction with their local area.

These key aspirations still hold strong today and have been carried forward in the development of our new LAA.

## The Outcomes Framework for County Durham

**Table A**



The Outcomes Framework for County Durham sets out the structure for our Sustainable Community Strategy (SCS), LAA and Delivery Plan and demonstrates that there is a hierarchy of performance indicators which feature at all levels of the framework.

## Key Themes

Through the development process some important themes have emerged. We want County Durham to be a place where people are healthy and safe, able to enjoy and achieve, whilst making a positive contribution and enjoying economic well-being. We recognise that people's physical surroundings make an important contribution to their quality of life and feelings of safety and well-being, so the LAA priorities also focus on things like decent, affordable housing, a cleaner and greener environment and accessible transport.

**Table B**



## Outcomes and Indicators

Across the themes we have developed a hierarchy of outcomes and indicators which demonstrates how our strategy hangs together and clearly maps out the interdependencies and relationships between themes, outcomes and indicators.

It is important to explain that we have indicators sitting at all levels within our outcomes framework, again demonstrating relationships between outcomes. Some indicators are about measuring long term outcomes, some about short term contributory outcomes and some about delivery of services.

For example, one of our key priority outcomes is Healthy Life Expectancy, the outcomes framework clearly shows that this is linked to the contributory outcomes around; Reducing Death Rates, Increased Physical Wellbeing, Increased Mental Wellbeing and Vulnerable People being Supported and Protected. It was felt however that NI 137 Healthy Life Expectancy at 65 is a long term indicator, which is our overall aim, and is measured in the SCS, but that the contributory outcomes and the associated indicators around mortality, substance and alcohol misuse were the key indicators to be included in our LAA. When we look towards delivery planning we will see indicators around delivery of services, such as smoking cessation, healthy eating and weight control being used to measure what we deliver in order to have an impact on both LAA and SCS outcomes and indicators.

## Principles

The new LAA is underpinned by a number of important principles, which have also guided our decision-making. These are:

- Place shaping – everything we do should contribute to our Vision of the kind of place we want County Durham to be, and what will make it different and unique from other places;

- Gap narrowing – we want to reduce inequalities between different parts of the County and different sections of the community;
- Equal and inclusive – working to ensure that all individuals and communities are equally valued and treated fairly with services that are accessible and relevant to their needs;
- Sustainability – we want everything we do to have long lasting benefits for ourselves and future generations and to ensure that we don't improve some issues or localities at the expense of others; this includes looking at the particular needs, for example of rural areas, and the impact each of our actions may have on other areas of work or on particular geographic communities or communities of interest.
- Aspirations – we recognise that in achieving our Vision we should aim to excel in certain fields, setting challenging but realistic goals, so that County Durham is known for its outstanding successes.

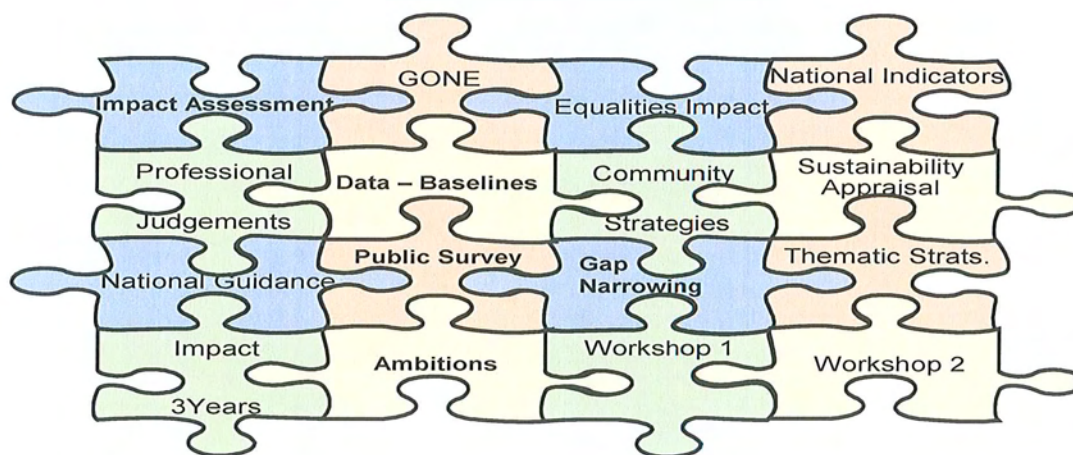
### Developing the Outcome Framework

The Partnership has taken an inclusive and evidence based approach to agreeing the priorities and outcomes for SCS and the LAA, with the work being carried out through a single integrated process, involving a wide range of stakeholders from statutory, voluntary and business organisations and existing partnerships. This approach has particularly embraced the input of the Voluntary and Community Sector. It has been acknowledged that 'all partners are responsible for effective VCS involvement whether through governance, service delivery or social capital' and the Partnership Board has agreed that the 3<sup>rd</sup> Sector Infrastructure bodies need to be funded to strengthen the VCS' ability to fulfil their role in the LAA.

The overall aim of the process has been to present robust evidence from a wide variety of sources including statistical data, research findings, views from Government and survey results, and through an iterative process of debate and discussion reach a consensus on a framework of outcomes which partners believe will bring about long term change.

Initially a great number of outcomes were included and in order to further prioritise and refine the framework a number of methods were applied. This involved testing each suggested outcome in terms of its impacts on other outcomes being considered, its impact on sustainability, its impact on equality and diversity and also the breadth of consensus emerging about the importance of the issue. By fitting together all of these pieces of information, partners were more easily able to recognise the best likely combination of outcomes which would create the right picture for the future of County Durham

This information was used to build up a rich picture of priority needs and aspirations in County Durham.



To support the process a number of workshops were held:

- Block Leads and LSP representatives – 18 July 2007
- Partner's Workshop 1 – 2<sup>nd</sup> October 2007
- Partner's Workshop 2 – 1<sup>st</sup> November 2007
- Block Leads and LSP representatives – 21 November 2007
- Partner's Workshop 3 – 11<sup>th</sup> December 2007

At the first workshop we **brought together partner's existing strategies and plans** which were already in place for County Durham (such as the county and district Sustainable Community Strategies, Economic Strategy, Children & Young People's Plan). During July we then **identified all of the existing priorities** from these strategies and plans.

On 18<sup>th</sup> July, at a meeting of the Lead Officers from each of the existing LAA Blocks (Block Leads) and representatives from each of the eight Local Strategic Partnerships (LSPs), **existing priorities were reviewed**, the **seven key themes** of our Outcomes Framework were established, to sit alongside our existing principles of **improving access to services, gap narrowing, supporting sustainable service improvements and improving satisfaction with the local area**.

Work on the existing priorities was then added to the framework and it was agreed by the Partnership Board on 16<sup>th</sup> August 2007.

We continued to gather data during August and September before holding the **first** of four **workshops** on 2<sup>nd</sup> October 2007. Again the proposed Outcomes Framework was considered; groups were asked **"Are the themes, outcomes and indicators right?"** before trying to get a feel of the collective ambitions for the county by looking at trajectories with the question **is our current performance good enough to achieve our vision?**

The second workshop was held on 1<sup>st</sup> November 2007 with an agenda that included; **reviewing strategic outcomes & indicators, focusing on contributory outcomes &**

**indicators, discussing demographic & geographic differences** and how we need to focus future work on **addressing the causes not the symptoms**.

On 21<sup>st</sup> November 2007 LSPs and Block Leads came together again to **highlight any key omissions** from the Outcomes Framework, identify and discuss **emerging priorities** for the new SCS and LAA and to capture the **most pressing priorities** for the county from 2008-2011.

Following this workshop a comprehensive Outcomes Framework was developed which mapped out all of the outcomes and indicators that we are trying to address in the county. The format of this is:

Theme:				
Strategic Outcome	Strategic Indicator(s)	Contributory Outcome	Contributory Indicator(s)	Gap Narrowing Indicator(s)

Under each of the themes the Partnership has identified one or more high level outcome, and the key things that need to be achieved to make a difference. These are supported by contributory outcomes, which are more short term in focus, and the specific actions, which will lead to the achievement of our goals. Detailed delivery plans will be developed by partners, based on evidence of the kind of interventions that will bring about the change that is needed, addressing causes rather than symptoms and including the views of service users and the wider community, in agreeing what needs to be done.

From the overarching Outcomes Framework we used the information gathered from the following evidence to identify emerging priority indicators:

- The 8 Community Strategies
- Professional judgments
- Data – baselines and trajectories
- National guidance
- A sustainability appraisal
- An impact Assessment
- An equalities impact assessment
- Public surveys
- The need for gap narrowing
- Thematic strategies
- Potential impact over 3 years
- Ambitions
- Advice from Government Office
- The National Indicators Set

At this stage there were 38 national Indicators, 16 mandatory indicators and 4 local indicators. We then used these emerging priorities as the basis of workshop 3 on 11<sup>th</sup> December 2007, where we aimed to get as much agreement as possible on the 'up to 35' priorities and local indicators to go into our LAA. Recommendations were received to add, change or remove indicators, as well as any gaps identified.

Through the strong evidence base used we developed a consensus of opinion on the most pressing priorities, and in addition it was agreed that the focus would be on **'thinking upstream'** and **being proactive** to address the **causes of problems**, rather than the symptoms. It was also agreed that the new Sustainable Community Strategy would **capture the long-term** preventative measures we wish to establish, to make sure our **LAA focuses on** the areas where we need to make an **immediate impact**.

At workshop 3 partners looked at the emerging priorities and **considered gaps and duplicates**. A revised list of priorities (30 + 16 + 3 Local) was then considered by the County Durham Partnership on 17 December 2008. The Partnership agreed where additional work was needed to fill any outstanding gaps or overlaps and the **final list of**

**LAA indicators**, for submission to government was agreed at the County Durham Partnership Board meeting on 17 January 2008.

The process partners have been through to agree the LAA priorities is part of an ongoing debate on the future of County Durham to close the Quality of Life Gap, align collaboration and build delivery chains as recommended in the Regeneration Inspection report by the Audit Commission of 2007.

### LAA Priority Indicators

<b>Health and Wellbeing</b>	
NI 112 Under 18 conception rate	1
NI 121 Mortality rate from all circulatory diseases at ages under 75	2
NI 122 Mortality from all cancers at ages under 75	3
Mental Health Indicator	Local
% / Number of residents participating in physical exercise	Local
NI 55 Obesity among primary school children in reception year	Local
NI 56 Obesity among primary school age children in Year 6	4
NI 40 No of Drug Users in Effective Treatment	5
Reducing the harm caused by alcohol	Local
NI123 16+ current smoking rate	6
NI119 Self reported measure of overall people's health and wellbeing	7
NI 125 Achieving independence for older people through rehabilitation / intermediate care.	8
NI 141 Number of vulnerable people achieving independent living	9
<b>Safe</b>	
NI 21 Dealing with local concerns about anti social behaviour by police and the local council	10
NI 30 Re-offending rate of Prolific and priority offenders	11
NI 32 Repeat Incidents of Domestic Violence	12
NI 111 First Time Entrants to the Youth Justice System aged 10 - 17	Local
NI 47 People killed or seriously injured on road traffic accidents	Local
<b>Achieve</b>	
NI 117 16-18 year olds who are not in education, training or employment	13
NI 164 Working population qualified to at least Level 3 or higher	14
NI 79 Achievement of a level 2 qualification by the age of 19	15
<b>Physical Place</b>	
NI 195 Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)	16
NI 196 Improved Levels of street and environmental cleanliness - fly tipping	Local
NI 192 Household waste recycled and composted	17
NI 191 Residual household waste per head	18
NI175 Access to services and facilities by public transport, walking and cycling	19
NI 187 Tackling fuel poverty – people receiving income based benefits living in homes with low energy efficiency rating	20
NI 186 Per capita CO2 emissions in the LA area	21
NI 158 % decent council homes	22
NI 88 Adapting to Climate Change	23
NI 156 Number of Households living in Temporary Accommodation	24
NI 155 Affordable homes delivered (gross)	25
NI 154 Net number of Additional Homes	TBC
<b>Economic Wellbeing</b>	
NI 151 Overall Employment Rate	26
NI 173 People falling out of work and onto incapacity benefits	27
NI 152 Working age people on out of work benefits	28
NI 166 Average earnings of employees in the area	29
NI 171 VAT registration rate	30

<b>Positive Contribution</b>	
NI 4 % of people who feel they can influence decisions in their locality	<b>31</b>
NI 6 Participation in regular volunteering	<b>32</b>
NI 23 Perceptions that people in the area treat one another with respect and dignity	<b>33</b>
NI 110 Young Peoples participation in positive activities	<b>34</b>
<b>Statutory Education and Early Years Indicators</b>	
<b>NI 93</b> Progression by 2 levels in English between Key Stage 1 and Key Stage 2	<b>1</b>
<b>NI 94</b> Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	<b>2</b>
<b>NI 95</b> Progression by 2 levels in English between Key Stage 2 and Key Stage 3	<b>3</b>
<b>NI 96</b> Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3	<b>4</b>
<b>NI 97</b> Progression by 2 levels in English between Key Stage 3 and Key Stage 4	<b>5</b>
<b>NI 98</b> Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4	<b>6</b>
<b>NI 73</b> Achievement at level 4 or above in both English and Maths at Key Stage 2 Threshold)	<b>7</b>
<b>NI 99</b> Children in care reaching level 4 in English at Key Stage 2	<b>8</b>
<b>NI 100</b> Children in care reaching level 4 in Maths at Key Stage 2	<b>9</b>
<b>NI 74</b> Achievement at level 5 or above in both English and Maths at Key Stage 3 (Threshold)	<b>10</b>
<b>NI 75</b> Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)	<b>11</b>
<b>NI 101</b> Children in care achieving 5 A*-C GCSE's (or equivalent) at Key Stage 4 (including English and Maths)	<b>12</b>
<b>NI 105</b> The Special Education Needs (SEN)/ Non SEN gap – achieving 5 A* - C GCSE inc. English and Maths threshold	<b>13</b>
<b>NI 83</b> Achievement at level 5 or above in Science at Key Stage 3	<b>14</b>
<b>NI 72</b> Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	<b>15</b>
<b>NI 92</b> Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	<b>16</b>

## Outcomes Framework

### Introduction

The following section provides the 'story of place' for County Durham. It provides general information about the places and its people and outlines for each theme of the Outcomes Framework the strategic outcome/s to be included in the LAA and their importance in County Durham; the strategic indicator(s) to be included in the LAA; the contributory outcomes; and the contributory indicators to be included in the LAA; and the rationale for including contributory indicators in the LAA.

### County Durham: Place and People

County Durham extends from the North Sea heritage coast in the east to the high moors of the North Pennines Area of Outstanding Natural Beauty in the west. It is a large geographic area covering 223,000 hectares (862 square miles) and is bordered by the major conurbations of Tyne and Wear to the north and Tees Valley to the south. Most of the County is rural in nature, with settlement patterns centred on 12 major towns and over 300 other small towns and villages, many of them former colliery villages. The City of Durham is the county's most significant centre, with a population of 37,000, and its Cathedral and Castle are recognised as one of the country's few World Heritage Sites. Recent research has shown that 79% of residents live in one of the 12 major towns.

The County has a population of just under 500,000 and there are 207,000 households. The population has been declining over the past 30 years (by around 5% over that period) but latest sub-national population projections forecast that the population will remain relatively stable over the next twenty years. However, the county's age profile, like most areas, is set to change dramatically. By 2010 a sharp fall in the number of young people is

predicted along with a significant rise in older age groups. There is a projected 84% increase in the number of people aged over 85 years by 2021 and many will require social care support.

The economic history of the County, its agricultural heritage and the development of coal mining in particular, have shaped and defined the cultural tradition of the county and its many communities. The County's people have a strong sense of identity with the county and with their town/village, and there is a distinctive local culture and sense of community, particularly in the smaller settlements. Due to the settlement patterns in the county there are many communities that experience problems of remoteness and this highlights the importance of effective communication and transportation systems.

According to the 2001 census black and minority ethnic people represent around 1% of the population with the three largest groups being Irish, Indian and Chinese. This percentage has increased over recent years, particularly taking account of migrant workers from Eastern European countries, such as Poland, Lithuania and Latvia. Currently the total is estimated to be around 2% of the population. There is also a significant population of Gypsies and Travellers who are settled or migrant and, as with some of the newer migrant workers, mapping accurate numbers is an important task for many organisations in the County.

Many parts of the County have significant levels of deprivation. Around one third of the population live in areas, which are judged amongst the 30% most deprived nationally. The high levels of deprivation are mainly concentrated in East Durham, North West Durham and around the Bishop Auckland/Crook & Willington area.

It is against this background that the Partnership wants to deliver its Vision and the outcomes, which it believes will bring about improvements in the social, economic and environmental well-being of local people.

## Theme: Health and Wellbeing

The people of County Durham experience some of the worst health of any area in England. Life expectancy for women is 79.6 years and for men 75.7 years, compared with 81.1 and 76.9 for England as a whole. There are also inequalities across the county. The gap is closing for men, but not for women. The causes of this are complex, but include socio-economic and environmental factors as well as individual lifestyle factors – which can be connected. As well as outcomes specifically related to health and wellbeing, which are set out below, it is recognised that outcomes within other themes will also have a significant impact by tackling the economic, environmental, social and educational factors which contribute to health inequalities.

SCS Strategic Outcome & Indicator	SCS Contributory Outcomes	LAA Indicators	
		Indicators to be included in the LAA	
All residents lead long and healthy lives.  <u>Strategic Indicator:</u> Healthy Life expectancy at age 65 (NI 137)	Reduce death rates	NI 112 Under 18 conception rate	<b>1</b>
		NI 121 Mortality rate from all circulatory diseases at ages under 75	<b>2</b>
	Increased number of residents enjoy physical wellbeing	NI 122 Mortality from all cancers at age under 75	<b>3</b>
		Mental Health Indicator	<b>Local</b>



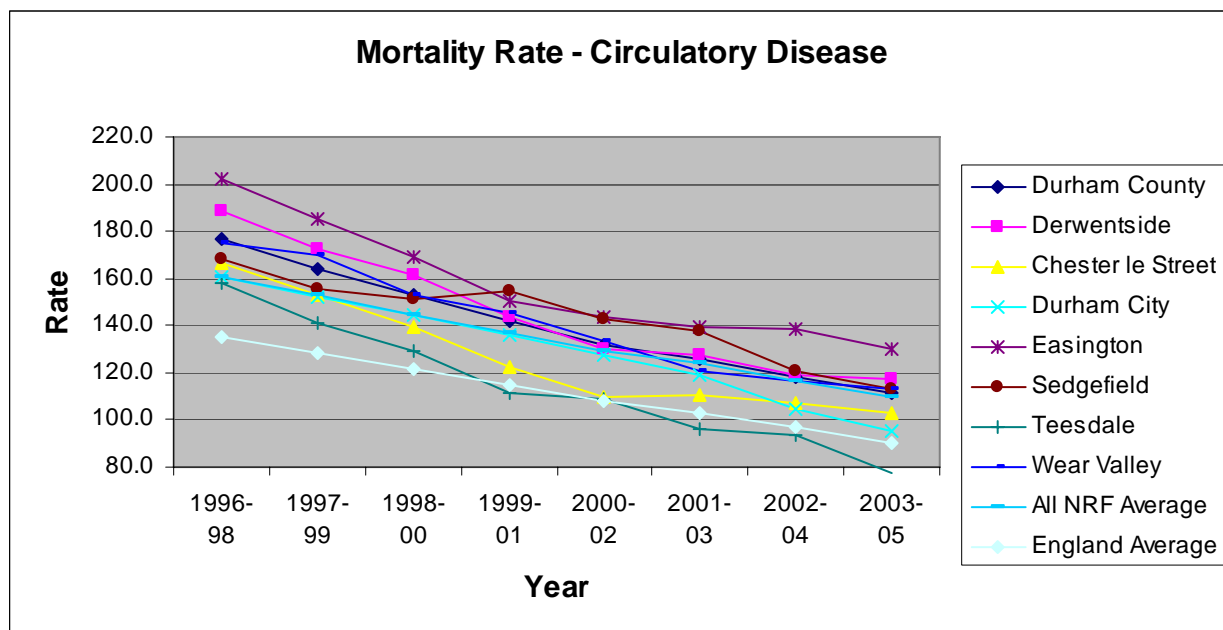
Increased number of residents enjoy mental wellbeing  Vulnerable people are supported and protected	%/Number of residents participating in physical exercise	<b>Local</b>
	Obesity among primary school children in reception year (NI 55)	<b>Local</b>
	NI 56 Obesity among primary school children in year 6	<b>4</b>
	NI 40 Number of drug users in effective treatment	<b>5</b>
	Reducing harm caused by alcohol	<b>Local</b>
	NI 123 16+ current smoking rate	<b>6</b>
	NI 119 Self reported measure of people's overall health and wellbeing	<b>7</b>
	NI 125 Achieving independence for older people through rehabilitation / intermediate care	<b>8</b>
	NI 141 Number of vulnerable people achieving independent living	<b>9</b>

### LAA Indicator: NI 121 Mortality rate from all circulatory diseases at ages under 75

Mortality rates, per 100,000 population from all circulatory diseases at ages under 75 is falling in County Durham, however this rate is still above that of England. This indicator is cross cutting and directly impacted upon by other indicators in this LAA such as obesity, alcohol misuse and physical exercise. This indicator was identified as a priority across our partners, and highlighted through the impact assessment and sustainability appraisal that was undertaken.

### Mortality rate from all circulatory diseases at ages under 75, per 100,000 population

Authority	Year							
	1996-98	1997-99	1998-00	1999-01	2000-02	2001-03	2002-04	2003-05
Durham County	177.1	164.3	153.1	141.8	131.6	125.8	117.8	111.1
Derwentside	188.2	172.2	161.3	143.5	129.8	127.3	119.3	117.4
Chester le Street	166.3	153.1	139.0	122.5	109.5	110.9	107.2	103.1
Durham City	160.2	152.3	144.9	136.0	127.8	119.4	104.6	95.5
Easington	202.1	184.8	169.5	150.8	143.8	139.4	138.7	130.3
Sedgefield	168.6	155.4	151.1	155.0	143.0	137.6	120.7	113.4
Teesdale	157.9	141.2	128.8	111.6	108.5	96.0	93.4	77.2
Wear Valley	175.2	170.1	152.7	145.1	133.7	120.5	116.8	113.0
All NRF Average	160.4	152.6	144.5	136.7	129.6	124.1	116.9	109.7
England Average	135.4	128.5	121.8	114.5	108.2	102.8	96.7	90.4



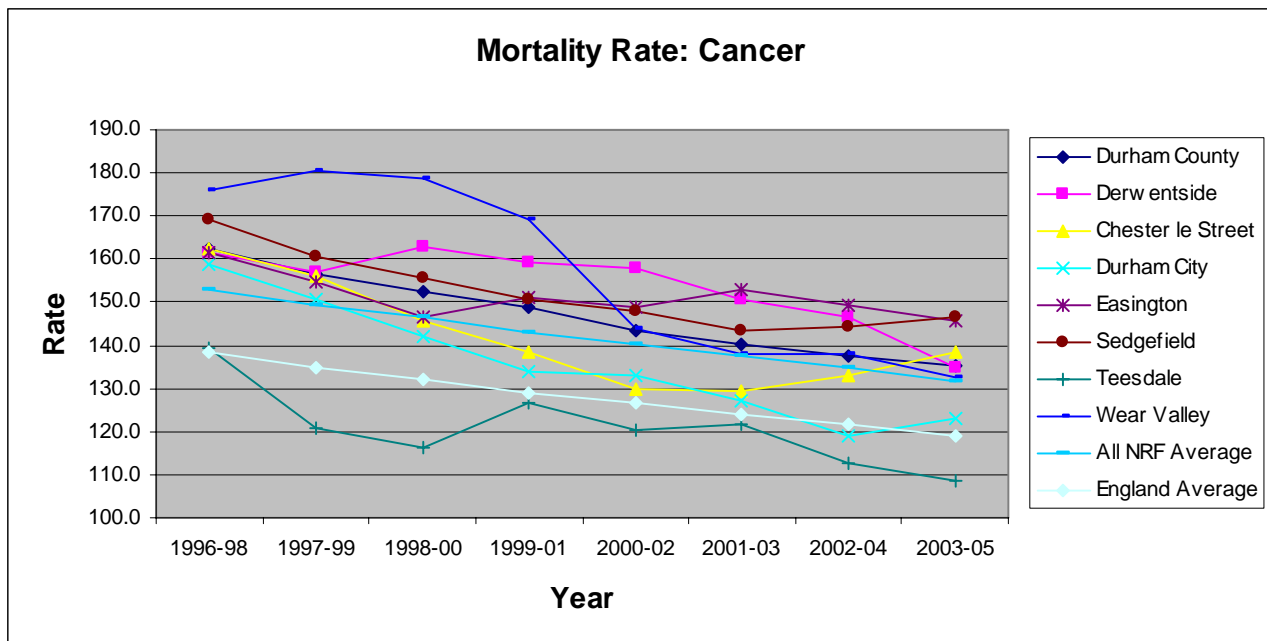
(Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

### LAA Indicator: NI 122 Mortality from all cancers at ages under 75

Mortality rates, per 100,000 population from all cancers at ages under 75 is slowly falling in County Durham, however from the table below you can see that the rate for County Durham is 16.3 per 100,000 higher than England, this is a major concern for our partners, as they have identified this indicator as a priority, and it was highlighted through the sustainability appraisal that was undertaken.

### NI 122 Mortality from all cancers at ages under 75, per 100,000 population

Authority	Year							
	1996-98	1997-99	1998-00	1999-01	2000-02	2001-03	2002-04	2003-05
Durham County	162.5	156.6	152.3	149.0	143.2	140.4	137.6	135.3
Derwentside	161.4	157.1	162.8	159.3	158.1	150.8	146.8	134.6
Chester le Street	162.4	155.9	145.9	138.5	129.8	129.3	133.1	138.5
Durham City	158.6	150.5	141.9	134.0	133.2	127.2	118.9	123.0
Easington	161.3	154.6	146.8	151.0	148.8	153.0	149.4	145.8
Sedgefield	169.0	160.6	155.7	150.6	148.0	143.5	144.1	146.4
Teesdale	139.5	120.8	116.3	126.6	120.4	121.7	112.8	108.8
Wear Valley	176.0	180.3	178.6	169.4	143.7	137.8	138.2	132.6
All NRF Average	152.8	149.4	146.4	142.8	140.3	137.4	134.6	131.5
England Average	138.4	134.9	132.0	128.8	126.5	124.0	121.6	119.0

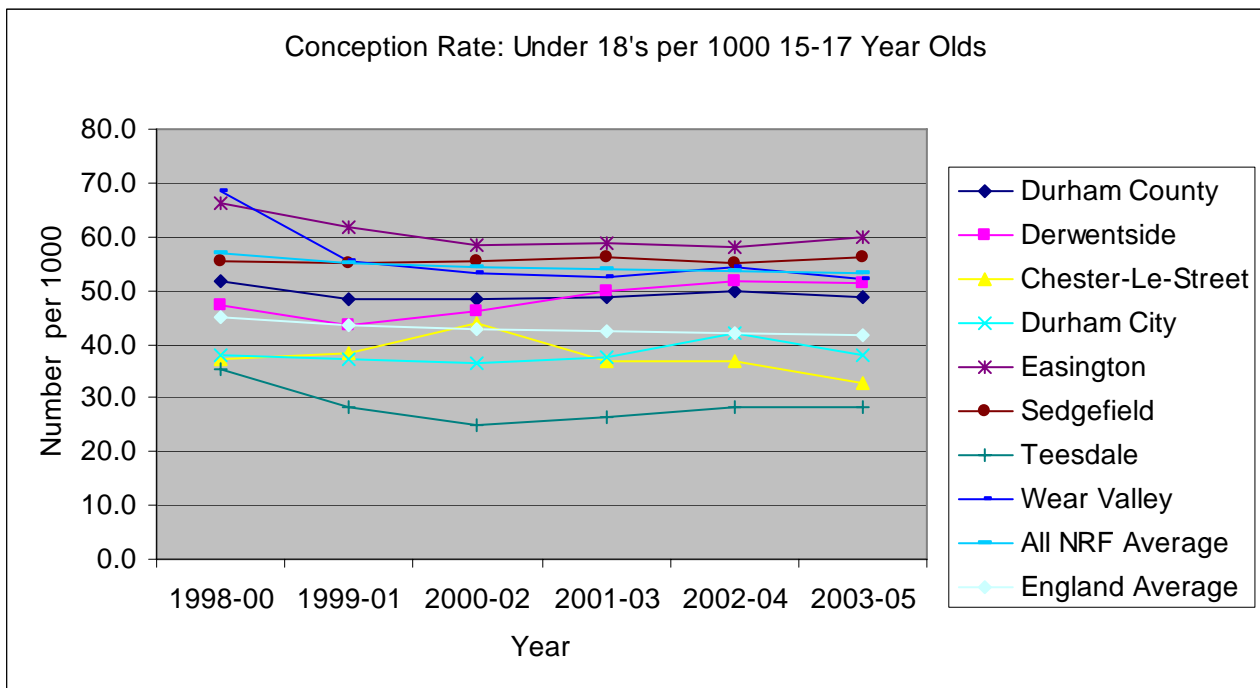


(Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

### LAA Indicator: NI 112 Under 18 Conception Rate

This indicator links to the National priority agenda of reducing the Under 18 conception rate by 2010 by 50%. This indicator was highlighted as a priority through the workshops and sustainability appraisal undertaken through the priority setting process, as well as being identified as a priority across our partners. This indicator is cross cutting as under 18 conception rate is linked to broader issues surrounding, educational attainment, NEETs, issues surrounding economic activity, worklessness and other health and wellbeing issues.

Authority	Year					
	1998-00	1999-01	2000-02	2001-03	2002-04	2003-05
Durham County	51.7	48.5	48.4	48.6	49.7	48.9
Derwentside	47.1	43.4	46.1	49.8	51.6	51.2
Chester-Le-Street	37.1	38.4	43.9	36.8	37.0	32.9
Durham City	37.9	37.3	36.5	37.5	42.2	38.1
Easington	66.1	61.8	58.6	58.8	58.1	59.9
Sedgefield	55.4	55.2	55.4	56.3	55.0	56.3
Teesdale	35.3	28.4	24.9	26.3	28.2	28.1
Wear Valley	68.5	55.6	53.2	52.3	54.3	52.1
All NRF Average	56.8	55.0	54.2	53.8	53.7	53.2
England Average	45.0	43.6	42.9	42.4	42.0	41.6



(Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

#### LAA Indicator: % / Number of residents participating in physical exercise

People's health and wellbeing are heavily impacted by lifestyle choices, with particular issues around, smoking, diet, alcohol misuse and lack of exercise. The prevalence of obesity among the adult population is significantly higher than the national average and an estimated one in ten people in the county take no physical exercise.

#### LAA Indicator: Obesity among primary school children in reception year

#### LAA Indicator: NI 56 Obesity among primary school age children in Year 6

In order to bring about long-term change we need to focus our efforts on the health and wellbeing of young people by developing initiatives to tackle obesity in primary school children. Estimates suggest that across Durham there are around 3,000 obese 0-4 year olds and 12,000 obese 5-14 year olds. (From LAA, 2006)

These indicators are closely linked to our existing stretch target 1 which will continue to be a priority in 2008/09:

- **Stretch Target 1** - More children eat and drink healthily and are regularly involved in physical activity inside and outside school.
  - Increasing the number of primary schools that are working towards the Healthy Schools Standard.
  - Further enhance the take-up of sporting opportunities for 7 – 14 year olds to increase the percentage of children in that age group who spend a minimum of two hours each week on high quality PE and sport within and beyond the curriculum.

**LAA Indicator: Reducing the harm caused by alcohol**
**LAA Indicator: NI 40 No of Drug Users in Effective Treatment**

Alcohol and substance misuse is viewed as a major cross cutting indicator by the partnership, with direct correlations to issues surrounding all of themes within the framework. It is identified that these issues impact upon, offending rate, crime, domestic violence and anti-social behaviour. There are direct correlations to health issues and incidents of fire.

The LGUSS results in 06/07 show that the % of people perceiving drug use/drug dealing as a problem is higher in Durham (41%) compared to the regional average (37%). We recognise that drug related offending is an issue for the County. The level of serious acquisitive crime is higher in Easington than its peers. Other theft, handling and shoplifting (drug-related offences) is a particular issue in Wear Valley and fluctuates in other districts.

There is a great deal of evidence around alcohol in County Durham:

- Alcohol specific admissions for the under 18s in Easington and Durham City, and for males and females in Sedgfield, Derwentside and Easington are significantly worse than the average for England;
- Estimates of harmful drinking and binge drinking are significantly worse than the average for England with hazardous drinking estimates significantly worse in Durham City;
- Alcohol specific female mortality is significantly worse in Derwentside than the average for England;
- 24% of adults are estimated to binge drink.

The % of respondents who perceived people being drunk or rowdy in public places as a problem is slightly lower (30%) than the regional average (32%), according to the LGUSS 06/07.

**LAA Indicator: NI123 16+ current smoking rate**

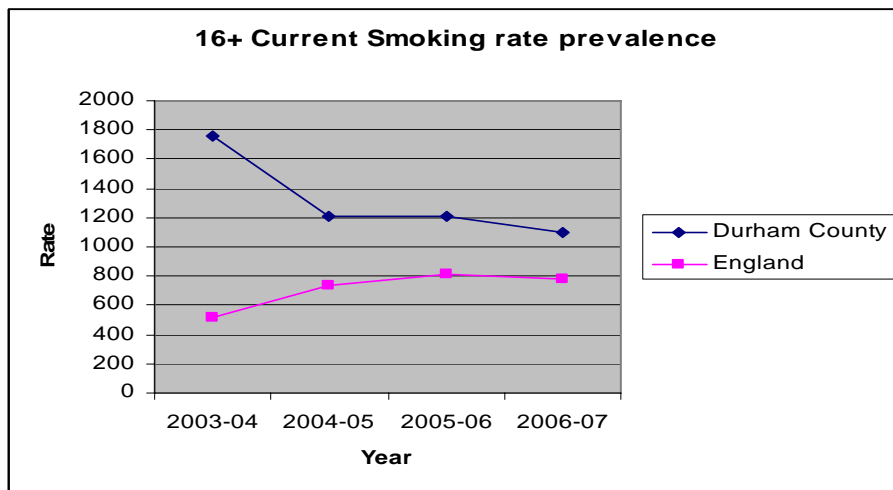
Smoking is the principal avoidable cause of premature death and ill health, therefore reducing the prevalence of smoking is a key issue for reducing death rates and improving the health and wellbeing of smokers, and reducing health inequalities, because, smoking prevalence is higher amongst routine and manual groups of workers.

These indicators are closely linked to our existing stretch target 7 which will continue to be a priority in 2008/09:

- **Stretch Target 7** - Improved health of the population by increasing life expectancy and substantially reducing premature mortality rates
  - Increase the number of 4 week smoking quitters who attend NHS Smoking Cessation service

**16+ current smoking rate**

	Year			
	2003-04	2004-05	2005-06	2006-07
Durham County	1762.4	1208.4	1205.4	1102.1
England	511.5	739	817.3	785.3



(Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

### **LAA Indicator: NI119 Self reported measure of overall people's health and wellbeing**

This indicator has been selected as it cuts across all of the other themes within the SCS, particularly around economic well being, achievement and safety. It also cuts across all the other health and wellbeing LAA priorities and will provide a good measure of how tackling specific health factors will make a difference to overall health and well being in the county.

### **LAA Indicator: Mental Health Indicator**

Mental illness can be linked to multiple deprivation, unemployment, social exclusion, and long term physical illness. County Durham has a high prevalence of people with mental health problems, including high rates for incapacity benefit for claimants with mental ill health.

### **LAA Indicator: NI 125 Achieving independence for older people through rehabilitation / intermediate care.**

In common with other areas, the age structure of Durham's population is set to change with growing numbers of elderly people which will cause significant additional demand for services for this group.

### **LAA Indicator: NI 141 Number of vulnerable people achieving independent living**

The partnership recognises that achieving independence is key for vulnerable people in County Durham as it is a cross cutting issue directly linking to all other themes within this LAA. Communities and Local Government's vision is for prosperous and cohesive communities, offering a safe, healthy and sustainable environment for all, through the 'Supporting People Programme'. Achievement of independent living contributes to reducing re-offending, reducing homelessness and rough sleeping and anti-social behaviour amongst many other issues. The Supporting People Programme helps the most vulnerable and excluded contribute to wider society.

These indicators are closely linked to our existing stretch targets 8 and 9 which will continue to be a priority in 2008/09:

- **Stretch Target 8** - Improving the independence, choice and control of vulnerable people.
  - Percentage of older people within County Durham in receipt of Council Tax Benefit.
- **Stretch Target 9** - Improving opportunities for older people to maintain a good quality of life.
  - Number of adults and older people receiving direct payments per 100,000 18+ population.

## Theme: Safe

Although County Durham remains one of the safest places in the country, evidence contained within the strategic assessments, (compiled from a broad range of indicators, including surveys and community consultation), consistently tells us that concern about crime and in particular, anti-social behaviour impacts disproportionately upon people's lives. Specific types of offending behaviour and underlying causes have also been identified through this comprehensive analysis and priority setting process. Focused activity by a wide range of partners will be required to tackle issues such as domestic violence and persistent and prolific offenders. Alcohol and drugs are routinely identified as key causes for a range of society's problems (safety and health) and will require strong partnership activity to tackle this ongoing issue.

The partners have concentrated on local issues but were mindful of the national picture and the priorities have been chosen to ensure local efforts fully compliment national requirements. This process should consolidate even stronger partnership activity and better outcomes.

In addition, other thematic groups will contribute to community safety through their emerging priorities, e.g. community cohesion – this will help tackle radicalisation and compliment the national requirements regarding terrorism.

Continuing the mature dialogue will be essential to ensure that the links within and throughout the various thematic groups maintains understanding and collaborative activity in achieving our targets.

		LAA Indicators	
SCS Strategic Outcome & Indicator/s	SCS Contributory Outcomes	Indicators to be included in the LAA	
People are safe and feel safe  <u>Strategic Indicators:</u> <ul style="list-style-type: none"> <li>• Overall crime rate</li> <li>• Fear of crime</li> </ul>	Reduced incidents of domestic abuse	NI 21 Dealing with local concerns about anti social behaviour by police and the local council	<b>10</b>
	Reduction in rate of re-offending	NI 30 Re-offending rate of Prolific and Priority Offenders	<b>11</b>
	Reducing first time offenders	NI 32 Repeat Incidents of Domestic Violence	<b>12</b>

<ul style="list-style-type: none"> <li>• Anti-social behaviour</li> <li>• Perceptions of anti-social behaviour (NI 17)</li> <li>• Increased public safety</li> </ul>	Reducing anti-social behaviour	NI 111 First Time Entrants to the Youth Justice System aged 10 - 17	<b>Local</b>
	Safe roads	NI 47 People killed or seriously injured in road traffic accidents	<b>Local</b>

#### **LAA Indicator: N132 Repeat incidents of domestic abuse.**

Domestic abuse has been highlighted as a significant issue in County Durham. From April to October 2007 there were 4105 incidents reported to the police. 18% of reported domestic disturbances were subsequently reported as a crime, assault occasioning actual bodily harm (AOABH) being the most common offence. Between January and September 2006 there were 6 homicides, which were related to domestic abuse. Knife crime is also a significant issue with 1 in 6 wounding offences in the County directly attributable to domestic abuse.

#### **LAA Indicator: NI 30 Re-offending rate of Prolific and Priority Offenders**

There is a disproportionate amount of crime committed by persistent and prolific offenders, 10% are responsible for 50% of all crime and 0.5% are responsible for one in ten offences. (*County Strategic Assessment*). By tackling these offenders in a co-ordinated way then there should be noticeable reductions in crime. In addition, many of these individuals lead very chaotic lifestyles, drugs and alcohol which are also contributory factors seen in many other instances of anti-social behaviour and criminality.

#### **LAA Indicator: First time entrants to the Youth Justice System**

Based on the 2004-5 baseline of 1080, an 11.85% reduction was agreed – setting a target of no more than 952 FTEs by March 2009. County Durham has a high throughput of offenders, and is presently well above its expected target showing a year end projection of 125%. The costs associated with re-offending are also of concern.

These indicators are closely linked to our existing stretch target 11 which will continue to be a priority in 2008/09:

- **Stretch Target 11** - To reduce crime, the harm caused by illegal drugs, and to reassure the public, reducing concern about crime and anti-social behaviour.
  - Reducing year on year the number of first time entrants to the Youth Justice System.

#### **NI 21 Dealing with local concerns about anti social behaviour and crime by police and the local council**

This features on all strategic assessments and is the most common reason for members of our communities contacting the police, (1 in 3 calls). It increases public concerns and can adversely affect satisfaction levels.

The adopted indicator allows the partners to monitor crime and anti-social behaviour according to current and emerging priorities ensuring that we continue to strive towards local and national requirements.



These indicators are closely linked to our existing stretch targets 10 and 12 which will continue to be a priority in 2008/09:

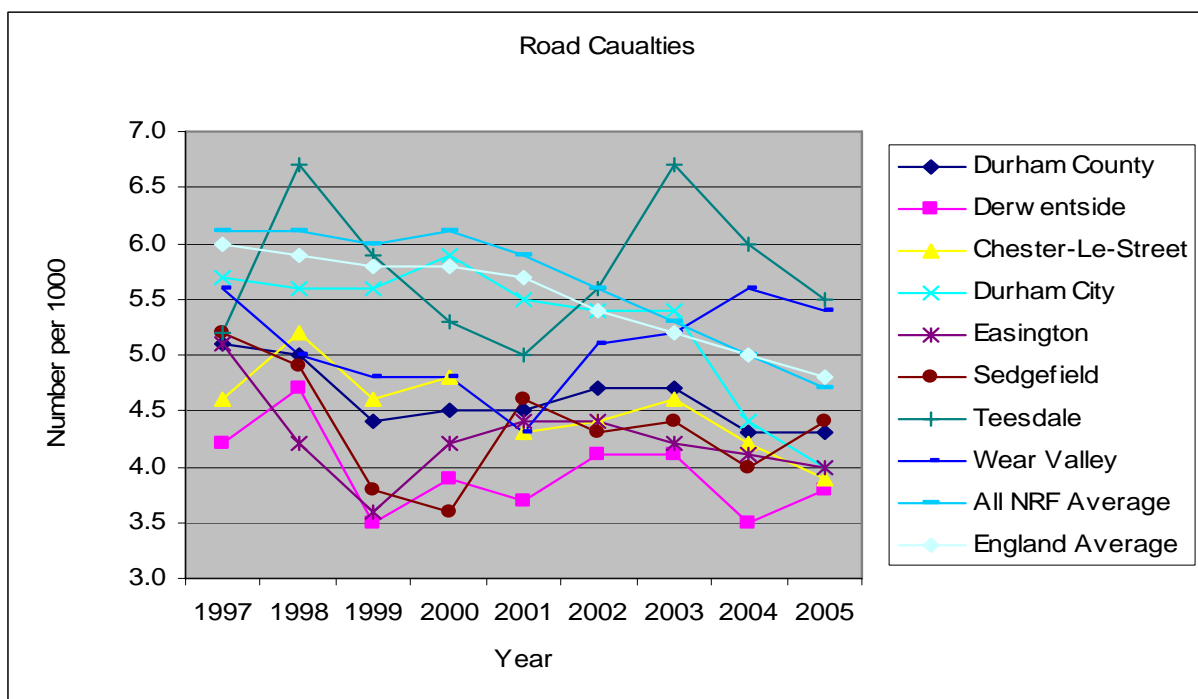
- **Stretch Target 10** - To reduce crime, the harm caused by illegal drugs, and to reassure the public, reducing concern about crime and anti-social behaviour.
  - Reducing the number of secondary/deliberate fires (BV 206 (iii)).
- **Stretch Target 12** - To reduce crime, the harm caused by illegal drugs, and to reassure the public, reducing concern about crime and anti-social behaviour.
  - Reducing the percentage of people reporting that their quality of life is affected by anti-social behaviour.

### LAA Indicators: People killed or seriously injured in road traffic accidents.

There is a national requirement to reduce the number of road casualties by 2010. Currently the partnership is on track to achieving this target with rolling 12 month performance standing at 8.4% less than the target figure.

### People killed or seriously injured in road traffic accidents.

Authority	Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	
Durham County	5.1	5.0	4.4	4.5	4.5	4.7	4.7	4.3	4.3	
Derwentside	4.2	4.7	3.5	3.9	3.7	4.1	4.1	3.5	3.8	
Chester-Le-Street	4.6	5.2	4.6	4.8	4.3	4.4	4.6	4.2	3.9	
Durham City	5.7	5.6	5.6	5.9	5.5	5.4	5.4	4.4	4.0	
Easington	5.1	4.2	3.6	4.2	4.4	4.4	4.2	4.1	4.0	
Sedgefield	5.2	4.9	3.8	3.6	4.6	4.3	4.4	4.0	4.4	
Teesdale	5.2	6.7	5.9	5.3	5.0	5.6	6.7	6.0	5.5	
Wear Valley	5.6	5.0	4.8	4.8	4.3	5.1	5.2	5.6	5.4	
All NRF Average	6.1	6.1	6.0	6.1	5.9	5.6	5.3	5.0	4.7	
England Average	6.0	5.9	5.8	5.8	5.7	5.4	5.2	5.0	4.8	



## Theme: Enjoy

Although no LAA indicators have been identified for this Strategic Outcome, it will be a key element within County Durham's SCS, recognising the benefits that formal and informal cultural experiences bring to improving quality of life for communities. "Evidence and case studies indicate that the integration of cultural and leisure based activity within measures to promote access to employment and learning, can increase their effectiveness, reach and impact."(Regional Economic Strategy) Therefore, in terms of the LAA it is anticipated that interventions based on access to culture, leisure and sport will feature strongly in the delivery of outcomes, right across the themes.

		LAA Indicators
SCS Strategic Outcome &	SCS Contributory Outcomes	Indicators to be included in the LAA
Culture, leisure and sporting opportunities meet the needs and aspirations of the community	<p>More residents engage in Leisure activities</p> <p>More residents engage in Culture</p> <p>More residents engage in Sporting opportunities</p> <p>Vibrant and attractive town centres</p>	

## Theme: Achieve

Considerable progress that has been made in terms of attainment and achievement levels of young people, with improvements in GCSE results and KS2 results, however this is still below the national level and county averages mask lower levels of attainment within certain geographic areas and for potentially vulnerable children and young people, such as those in public care.

Similarly while participation in education, employment and training for 16-18 year olds has improved the percentage of those not involved (NEETs) remains high.

Low skills levels in the working age population can prevent individuals from achieving their full potential in further learning or in terms of future career prospects.

		<b>LAA Indicators</b>		
<b>SCS Strategic Outcome</b>	<b>SCS Contributory Outcomes</b>	<b>Indicators to be included in the LAA</b>		
Increased attainment in learning and work	Increased educational attainment for all young people (up to 19 years.)	NI 117 16-18 year olds who are not in education, training or employment	<b>13</b>	
		NI 164 Working population qualified to at least Level 3 or higher	<b>14</b>	
		NI 79 Achievement of a level 2 qualification by the age of 19	<b>15</b>	
	Reduced number of young people not engaged in education, training or employment.	<b>16 Statutory Education and Early Years Indicators</b>		
		Increased levels of adult education and skills	NI 93 Progression by 2 levels in English between Key Stage 1 and Key Stage 2	<b>1</b>
			NI 94 Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	<b>2</b>
		16 Statutory Education and Early Years Indicators	NI 95 Progression by 2 levels in English between Key Stage 2 and Key Stage 3	<b>3</b>
			NI 96 Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3	<b>4</b>
			NI 97 Progression by 2 levels in English between Key Stage 3 and Key Stage 4	<b>5</b>
			NI 98 Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4	<b>6</b>
			NI 73 Achievement at level 4 or above in both English and Maths at Key Stage 2 Threshold)	<b>7</b>
			NI 99 Children in care reaching level 4 in English at Key Stage 2	<b>8</b>
			NI 100 Children in care reaching level 4 in Maths at Key Stage 2	<b>9</b>
				NI 74 Achievement at level 5 or above in both English and Maths at Key Stage 3 (Threshold)
NI 75 Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)		<b>11</b>		
NI 101 Children in care achieving 5 A*-C GCSE's (or equivalent) at Key Stage 4 (including English and Maths)		<b>12</b>		
NI 105 The Special Education Needs (SEN)/ Non SEN gap – achieving 5 A* - C GCSE inc. English and Maths threshold		<b>13</b>		

		LAA Indicators	
SCS Strategic Outcome	SCS Contributory Outcomes	Indicators to be included in the LAA	
		<b>16 Statutory Education and Early Years Indicators (cont)</b>	
		NI 83 Achievement at level 5 or above in Science at Key Stage 3	<b>14</b>
		NI 72 Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	<b>15</b>
		NI 92 Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	<b>16</b>

**LAA Indicator: NI 79 Achievement of a level 2 qualification by the age of 19**

This indicator is closely related to the LAA indicator 16-18 year olds who are not in education, training or employment (NEET), as it strengthens our aspirations that not only do we want to reduce the number of 16-18 year olds who are NEET but to ensure that they reach the age of 19 with the achievement of a level 2 qualification. This indicator also links closely to the other selected LAA indicator of working age population qualified to at least level 3 or higher, as achievement of a level 2 qualification builds a foundation for the achievement of that indicator.

These indicators are closely linked to our existing stretch target 6 which will continue to be a priority in 2008/09:

- **Stretch Target 6** - A population with the skills to meet current and future business needs
  - Increasing achievement of adults qualified to NVQ Level 2 or equivalent Countywide.
  - Increase in NVQ Level 2 or equivalent attainment in NRF Districts

This indicator is likely to link to the Tyne and Wear MAA.

**LAA Indicator: NI117 16-18 year olds who are not in education, training or employment.**

Despite continuing reduction in the percentage of young people who are known not to be in education, employment or training, over 1500 young people each month are NEET. Significant resources have been deployed to address factors in order to prevent young people becoming NEET at 16, and a wider range of provision is available 16-18 to attract young people into full-time learning. A detailed Action Plan has been produced, which is monitored quarterly. The DCSF has taken a keen interest in activities to reduce numbers of young people who are NEET, as County Durham remains one of the 20 'hotspot' areas nationally. Sustained reduction is required to achieve the Nov-Jan 2010 target of 8.8%. This will be achieved by a range of activities including preventative work with young people pre-16, support for transitions to post 16 learning, improved retention of young people on

programmes for 16-18 year olds, and greater opportunities provided by employers to enable young people to continue their training in vocational areas.

#### 16 - 18 NEET Group Performance December 2007

	No in Cohort	No in EET	% in Learning *	No in NEET	No Not Known	% Not Known	Local Authority % NEET
<b>COUNTY 16-18</b>	16191	13791	75.0	1507	886	5.5	10.3

Adjusted LA NEET (Average Nov-Jan) Target 2010 = 8.8% (Interim 2007/8 = 10.5%)  
Not Known Target < 10.0% each month

Achievement Nov-Jan 06/07 = 12.9%

	Wear/Teesdale	2854	2469	75.6	273	112	3.9	10.3
	Sedgefield BC	2604	2177	71.9	279	148	5.7	12.2
<b>South West</b>		5458	4646	73.9	552	260	4.8	11.2
	Chester-le-Street	1641	1432	78.1	141	68	4.1	9.1
	Durham	3378	2956	81.6	219	203	6.0	7.5
<b>Durham &amp; C-L-S</b>		5019	4388	80.5	360	271	5.4	8.0
<b>Derwentside</b>		2518	2135	73.6	226	151	6.0	9.8
<b>Easington</b>		3194	2620	69.4	369	204	6.4	12.6

\* In Learning does not include clients in employment with no training, temporary employment, part-time employment or GAP Year.

#### LAA Indicator: NI164 Working age population qualified to at least Level 3 or higher.

County Durham has made good progress towards increasing the working age population qualified to at least level 2 or higher, evidence suggested that as a partnership we should aim to achieve level 4 or above, however professional judgements within the partnership agreed that increasing level three attainment was needed to bridge the gap between level 2, and our overall aspirations for the future to achieve level 4 or above.

#### Indicator: NI 93 Progression by 2 levels in English between KS 1 and KS 2

There is a significant proportion of children who do not make two levels progress in Reading and Writing from KS1 to KS2. Poor progression is more likely in socially deprived areas. Success in improving conversions will complement the Authority's drive to reduce the attainment gap between poor and affluent areas. Furthermore, although Durham achieves average results in English at KS2, it is relatively weak compared to its strong Maths performance. Boys' Writing is a particular target area.

#### Indicator: NI 94 Progression by 2 levels in Maths between KS1 and KS2

The Authority will strive to continue its strong performance at KS2 Maths (79% Level 4+ in Durham, 77% in England). The challenge will be to improve on what is already a strong area.

#### Indicator: NI 95 Progression by 2 levels in English between KS2 and KS3

Nationally students do not tend to make two levels progress between KS2 and KS3. In effect, we must all strive to improve on an existing low conversion rate. Nevertheless, we recognise that, although Durham has an average KS2 Level 4+ performance, it is a few percentage points below the norm at KS3 (69.5% Durham, 74% England). The social

background of pupils accounts for much of this but, unless conversion rates are improved, we shall not succeed in narrowing the attainment gap.

**Indicator: NI 96 Progression by 2 levels in Maths between KS2 and KS3**

Nationally, progression rates are better in Maths than in English. Two levels progress for some students, for example those with low level 4s, is difficult. Progress to Level 6 or above makes a Maths C grade at KS4 far more likely. In the context of the new attainment measures this is important.

**Indicator: NI 97 Progression by 2 levels in English between KS3 and KS4**

The 5+A-C including English and Maths requires a minimum Grade C in English. Even prior to this, job requirements or entry to academic courses were often dependent on the Grade C achievement. For many students the last two years progress during KS4 will be crucial.

**Indicator: NI 98 Progression by 2 levels in Maths between KS3 and KS4**

The 5+A-C including English and Maths requires a minimum Grade C in Maths. Even prior to this, job requirements or entry to academic courses often were dependent on the Grade C achievement. For many students the last two years progress during KS4 will be crucial. The conversion of a Level 5 to a C is problematic.

**Indicator: NI 73 Achievement at level 4 or above in both English and Maths.**

We would interpret this measure as defining a level from which pupils should progress towards a level 2 qualification at age 16. In other words pupils with Level 4s in both English and Maths should have the necessary Literacy and Numeracy skills to access and cope with a challenging secondary curriculum. The more pupils we have below the level, the more will struggle to achieve high standards at KS3 and KS4.

**NI 99 Children in care reaching level 4 in English at Key Stage 2**

Awaiting clarification.

**NI 100 Children in care reaching level 4 in Maths at Key Stage 2**

Awaiting clarification.

**Indicator: NI74 Achievement at Level 5 or above in both English and Maths at Key Stage 3 (Threshold).**

In practice, most pupils with Level 5 in Maths at KS3 do not achieve a Grade C in GCSE Maths. A Level 5 in both English and Maths would afford a student a chance of progressing to a Level 2 qualification at 16. For this to include English and Maths GCSE is less likely.

**Indicator: NI75 Achievement of 5 or more A\* - C grades at GCSE or equivalent including English and Maths. (Threshold)**

The Authority now achieves higher than the national figure for maintained schools of 5+A\*-C GCSE equivalent grades (60.2% Durham, 59.9% England). Like other Authorities in the North East it does less well if we include only those students who have GCSE passes in English and Maths (42.2% Durham., 45.7% England).

**NI 101 Children in care achieving 5 A\*-C GCSE's (or equivalent) at Key Stage 4 (including English and Maths)**

Awaiting clarification.

These indicators are closely linked to our existing stretch target 3 which will continue to be a priority in 2008/09:

- **Stretch Target 3** - Attainment levels for all children and young people are improved with gaps between groups reduced.
  - Raise standards at Key Stage 4 - increase the average number of points students achieve.

**NI 105 The Special Education Needs (SEN)/ Non SEN gap – achieving 5 A\* - C GCSE inc. English and Maths threshold**

Awaiting clarification.

**Indicator: NI83 Achievement at Level 5 or above in Science at Key Stage 3.**

The Government's importance to achievement in Science is reflected in the new style School Performance Tables that include the percentage of students gaining at least two Science subjects at KS4. A key stepping stone will be achievement at KS3 Science. It is important that as many students as possible gain at least Level 5 at KS3. Anything below this makes progression to C grades at KS4 unlikely.

**Indicator: NI72 Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication Language and Literacy**

Currently the Authority's performance at Foundation Stage is some way below national norms. Lack of consistency in assessments is only partly the cause. The Authority recognises that the progress of many young children entering school is adversely affected by poor educational and social skills. We are also committed to reducing the equality gap, as identified by new SALTs targets. Those pupils living in deprived areas are more likely to lack basic skills and knowledge, making it more difficult for them to access parts of the school curriculum.

**NI 92 Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest**

Awaiting clarification.

## Theme: Economic Wellbeing

Globalisation and the rural nature of County Durham present significant opportunities and threats for the development of a modern, dynamic and diverse economy. Further improvements to communications are required to enable business and residents to develop the County's economy. We need to continue to build upon our successes such as Netpark and the proposals for Eastgate, whilst taking stock of the changing economic environment in which we operate. Our Gross Value Added per capita – an important measure of economic output – is amongst the lowest in England.

While there has been good progress in a number of key areas such as educational attainment and business survival rates, bridging the gap in economic performance will still require a step change in; the productivity of businesses, the development of new areas of economic activity, in entrepreneurship, in the attitudes and attainment of young people and adults, in the quality and attractiveness of our major centres and in the creation of sustainable communities where people want to live, work and bring up a family. In the journey to moving the county to a higher productivity and knowledge based economy, the initial stages centre around strengthening business performance, putting in place the infrastructure for growth and addressing the issues of skills and worklessness.

SCS Strategic Outcome	SCS Contributory Outcomes	LAA Indicators	
		Indicators to be included in the LAA	
A modern, dynamic and diverse economy	Strengthened competitiveness and productivity of our businesses.	NI 151 Overall Employment Rate	<b>26</b>
		NI 173 People falling out of work and onto incapacity benefits	<b>27</b>
	Improved employability and economic activity	NI 152 Working age people on out of work benefits	<b>28</b>
		NI 166 Average earnings of employees in the area	<b>29</b>
		NI 171 VAT registration rate	<b>30</b>

### LAA Indicator: NI171 Vat registration rate

County Durham suffers from a lack of business dynamism, with fewer firms and lower business start up rates than elsewhere. The number of businesses per head in County Durham is only 62% of the England and Wales average and closing the gap would require the creation of an additional 6,000 businesses. Although new business start - ups increased between 2000 and 2004, growth was still slower than the national and regional rate, demonstrating continued underperformance. The aim is to stimulate enterprise and growth through a partnership approach, which not only tackles underperformance, but is ambitious for the future.

These indicators are closely linked to our existing stretch target 5 which will continue to be a priority in 2008/09:

- **Stretch Target 5** - Increasing entrepreneurial activity
  - Increasing new VAT registered businesses.



**LAA Indicator: NI151 Overall employment rate.**

Lower than average participation in the labour market is one of the significant factors contributing to the output gap. Increasing the employment rate towards the national floor target of 80% addresses both the economic needs of the county and the economic needs of individuals. High levels of incapacity benefit (IB) claimants and other forms of inactivity increase the difficulty of lowering worklessness and are key areas for improvement in County Durham, impacting on economic performance as well as the well-being of local people. Low levels of participation are compounded by a high proportion of low paid jobs.

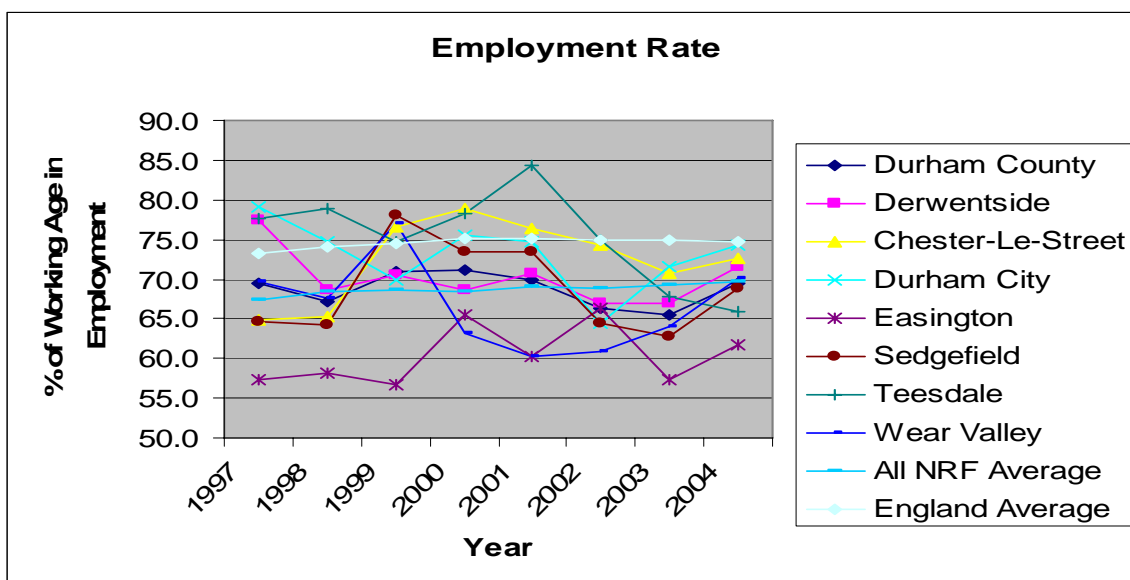
NI152 is the primary indicator, but NI173 is a separate indicator of people coming onto the IB register having been in work immediately beforehand. This latter indicator is useful as something of both a health and an economy indicator and helps to measure the rate at which "additional challenges" (i.e. people becoming out of work through incapacity problems) are changing as opposed to the existing challenge level.

Increasing skills levels in the workforce is also essential for a higher productivity, knowledge based economy. County Durham has a lower skills base than the English average, particularly for graduate level skills. See Enjoy and Achieve section for relevant outcome and indicator.

This indicator is likely to link to the Tyne and Wear MAA.

**Overall employment rate**

Authority	Year								
	1997	1998	1999	2000	2001	2002	2003	2004	2005
Durham County	69.4	67.1	71.0	71.2	70.0	66.4	65.4	69.5	68.6
Derwentside	77.5	68.7	70.5	68.7	70.8	66.9	66.9	71.6	70.0
Chester-Le-Street	64.8	65.3	76.7	79.0	76.3	74.3	70.7	72.7	69.2
Durham City	79.2	74.7	70.0	75.5	74.7	64.4	71.6	74.2	71.6
Easington	57.4	58.2	56.7	65.6	60.3	66.3	57.3	61.8	66.9
Sedgefield	64.6	64.2	78.0	73.4	73.4	64.5	62.8	68.8	64.1
Teesdale	77.7	78.9	74.8	78.2	84.4	74.9	67.8	66.0	64.5
Wear Valley	69.6	67.5	77.1	63.1	60.3	60.9	64.0	70.1	71.8
All NRF Average	67.3	68.4	68.7	68.5	69.1	68.8	69.3	69.6	69.1
England Average	73.3	74.1	74.4	75.2	75.1	75.0	75.0	74.8	74.4

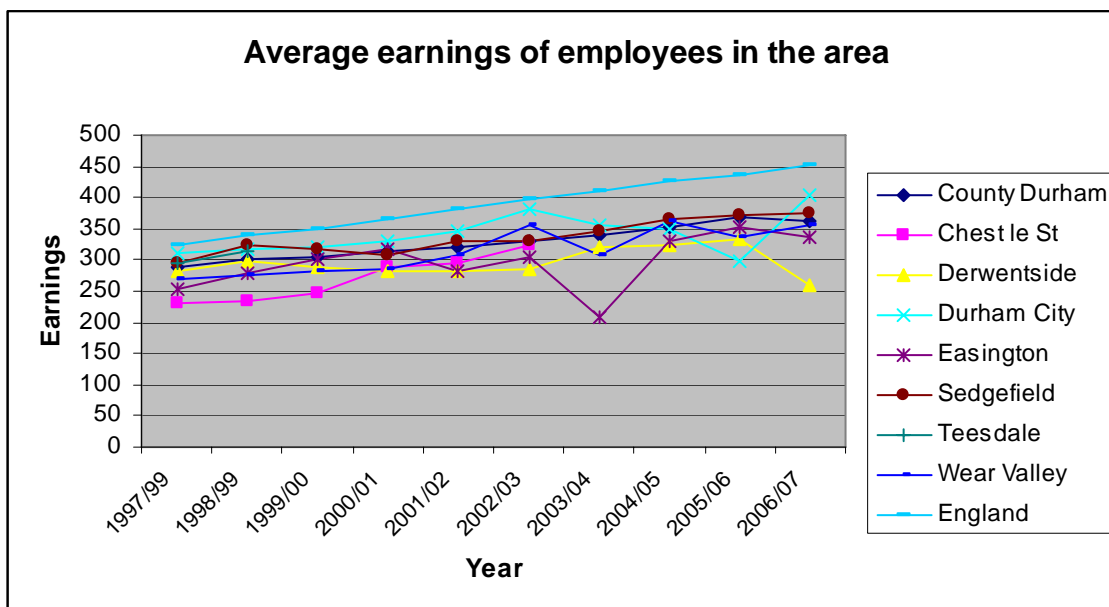


Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

### LAA Indicator: NI166 Average earnings of employees in the area

The earnings of employees in County Durham are on average £92.40 less than that of earnings of employees in England, for 2006/07, this is linked to deprivation. This indicator was identified as priority by our partners and was highlighted as priority from the sustainability appraisal undertaken. Increased employee earnings will help to achieve some of the longer term objectives which appear in the SCS such as a reduction in child poverty.

	Year									
	1997/99	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
<b>County Durham</b>	289.1	300.3	304.1	314.7	320.9	330.5	339.9	352.2	367.8	360.9
<b>Chest le St</b>	229.5	233.2	245.8	287.9	296.4	324.4				
<b>Derwentside</b>	282.9	297.9	288.1	282.2	282.2	285.7	319.5	323.9	332.5	259.4
<b>Durham City</b>	311.1	315.9	319.5	331.6	346.6	381.4	356	348.4	298.8	404.8
<b>Easington</b>	253.4	278.2	300.9	318.8	281.8	303.5	207.9	330.4	352.5	338
<b>Sedgefield</b>	295.9	322.7	317.9	309.2	330.2	330.3	345.5	366.1	372.2	375.4
<b>Teesdale</b>	294.9	312.9								
<b>Wear Valley</b>	268.6	275.6	281.9	286.6	306.7	356.0	307.4	360.9	336.8	356.8
<b>England</b>	325.0	339.4	347.8	364.4	381.7	396.5	410.6	425.0	436.0	453.3



(Data source: [www.fti.communities.gov.uk](http://www.fti.communities.gov.uk) data collected 02.01.08)

**LAA Indicator : NI173 People falling out of work and onto incapacity benefits.**

**LAA Indicator: NI152 Working age people on out of work benefits.**

Reducing the number of people who are economically inactive and claiming benefit by enabling them to return to and remain in the workforce is a key priority for the Government, and was strongly identified across the range of our partners as a priority, and was identified as a strong priority from the sustainability appraisal undertaken. County Durham has a particularly high proportion of people of working age who are economically inactive, with some parts of East Durham amongst the most 'employment deprived' in England.

Worklessness in some parts of County Durham has become an inter-generational problem, and is no longer directly related to the decline of the traditional industries. This issue is cross cutting and has direct correlation to the other economic wellbeing indicators for this LAA and it is also strongly linked to issues facing our health partners, as worklessness amongst younger people is often associated with mental health issues such as depression and anxiety. Low aspirations and a lack of employment opportunities has meant that in some communities, not working has become the norm, with people 'settling' for a life on reduced income via benefits.

Worklessness is concentrated in the District of Easington, where one in five people of working age receive Incapacity Benefit (IB), nearly three times the national average. Sedgefield, Wear Valley and Derwentside Districts also have a large proportion of IB claimants.

It is evident from the table below that County Durham is not currently performing well in relation to out of work benefits as 19.0% of resident working age people are claimants, where as only 14.2% of the resident working age people for Great Britain are claimants. County Durham has 11.7% of resident working age people are claiming Incapacity benefits, which is 1.5% higher than that of the North East and is 4.5% higher than Great Britain

The high number of people claiming Incapacity Benefit is a major factor for County Durham because, with this element removed, County Durham is performing better at Job

Seekers Allowance, Lone Parents and Others on Income related benefit than both the North East and Great Britain, however the partnership is aware that current performance in these areas needs to be maintained and improved.

These indicators are closely linked to our existing stretch target 4 which will continue to be a priority in 2008/09:

- **Stretch Target 4** - Supporting employers to successfully tackle worklessness.
  - Reducing the number of incapacity benefit claimants Countywide.
  - Reduction in capacity benefit claimants in NRF Districts.

These indicators are likely to link to the Tyne and Wear MAA.

### Working-age client group - key benefit claimants (May 2007)

	Durham (County) (numbers)	Durham (County)(%)	North East (%)	Great Britain (%)
Total claimants	59,140	19.0	18.9	14.2
Job seekers	6,830	2.2	3.1	2.3
Incapacity benefits	36,230	11.7	10.2	7.2
Lone parents	5,970	1.9	2.4	2.1
Carers	4,480	1.4	1.4	1.0
Others on income related benefits	1,360	0.4	0.6	0.5
Disabled	3,260	1.0	1.0	0.9
Bereaved	1,020	0.3	0.3	0.3

Source: DWP benefit claimants - working age client group. Note: % is a proportion of resident working age people

## Theme: Positive Contribution

A strong, diverse, vibrant and independent third sector is a vital component of a fair and enterprising society.

Partners have agreed through the County Durham LAA that the VCS has a key role to play in developing and delivering outcomes, and in empowering local people so that they can build their aspirations and increase their involvement in community life and decision-making. Partners agree that "all partners are responsible for effective VCS involvement whether through effective governance, service delivery or social capital"<sup>1</sup>.

SCS Strategic Outcome & Indicators	SCS Contributory Outcomes	LAA Indicators	
		Indicators to be included in the LAA	
Strong cohesive communities  <u>Strategic Indicator:</u> N12 % of people who feel that they belong to their neighbourhood.	A sustainable VCS Infrastructure	NI 4 % of people who feel they can influence decisions in their locality	<b>31</b>
	Communities are diverse	NI 6 Participation in regular volunteering	<b>32</b>
	Individuals make a positive contribution to	NI 23 Perceptions that people in the area treat one another with respect	

**33**

<sup>1</sup> County Durham LAA 2006

	their local community	and dignity	
		NI 110 Young Peoples participation in positive activities	<b>34</b>

**LAA Indicator: NI 6 Participation in regular volunteering.**

The national Third Sector review linked to CSR07 identifies the need for strong infrastructure to “support the environment for a healthy third sector”<sup>2</sup>(this is the rationale for the development of NI7).

Partners in County Durham have identified a need to strengthen the sector and its support structures to increase their effectiveness, and have undertaken significant work to develop a proposal (linked to sector led work commissioned from Sheffield Hallam University) to take this forward through an investment plan approach<sup>3</sup> during 2008/9. Note that this work will put in place more specific outcomes relating to VCS infrastructure.

**LAA Indicator: NI 23 Perceptions that people in the area treat one another with dignity and respect.**

This indicator has been included in the LAA as a measure of community cohesion as it is felt that this better represents the issues faced by County Durham. 50% of people in their local area perceive that people do not treat each other with respect and consideration is a very or fairly big problem (County Durham BVPI 2006). Strong and cohesive communities with shared values are essential attributes of societies with positive relationships between differing individuals and groups.

This indicator has been selected rather than indicator NI 1 (People from different backgrounds get on well together), as it is felt that NI 1 is too limited to people from different backgrounds and does not reflect the wider respect issues related to generation gaps, tolerance and 'community spirit'. The data behind NI 1 suggests that there is a particular issue with this in the Districts of Derwentside, Easington and Sedgefield, however there are concerns regarding the way in which the BVPI data used to measure this indicator, was analysed and therefore may not be representing a true picture.

**LAA Indicator: NI 4 % of people who feel they can influence decisions locally.**

Only 19.6% of County Durham Residents feel that they can influence decisions which affect their area (2007 LAA Baseline Survey). A major policy focus with a wide range of service providers is the inclusion of local people in their service planning and delivery. How effective these mechanisms are will be reflected in this key indicator of community empowerment.

**LAA Indicator: NI110 Young people's participation in positive activities.**

Through participation in positive activities, young people can contribute to their communities, as well as enhancing their own social and emotional development, building communication skills and self-esteem. This in turn increases resilience, helping them to

<sup>2</sup> *The future role of the third sector in social and economic regeneration*, Cabinet Office July 2007

<sup>3</sup> Agreed at Partnership Board December 2007

avoid risks such as experimenting with drugs, having unprotected sex, or being involved in crime, as well as contributing to better attendance and higher attainment at school. A lack of places to go and things to do, especially for teenagers was highlighted by young people in our Children and Young People's Survey (2007).

## Theme: Physical Place

Environmental factors are a major factor influencing people's feelings of well-being. Environmental degradation reduces property values, discourages local investment in employment and encourages crime and anti-social behaviour.

Transport, energy consumption, loss of forests, waste and land use all contribute to climate change, making this a cross cutting issue.

The need for clean public spaces is consistently raised by communities, and is a consistent priority within local community strategies. In addition street cleanliness and residents' satisfaction with these services are areas where performance generally needs to be enhanced to match standards elsewhere in the country.

SCS Strategic Outcome	SCS Contributory Outcomes	LAA Indicators	
		Indicators to be included in the LAA	
A high quality, clean, green, attractive and accessible environment.  Creation and maintenance of a high quality local built environment that meet the identified needs of communities.  Provision of sustainable residential accommodation across all tenures, meeting identified needs, in particular those of vulnerable groups.  Enhance choice and access to sustainable and integrated transport networks.  A balanced natural environment with a reduced impact on climate change	Improved public satisfaction with environmental and street cleanliness	NI 195 Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)	<b>16</b>
		NI 196 Improved Levels of street and environmental cleanliness - fly tipping	<b>Local</b>
	Decent homes	NI 192 Household waste recycled and composted	<b>17</b>
		NI 191 Residual household waste per head	<b>18</b>
	Affordable homes	NI175 Access to services and facilities by public transport, walking and cycling	<b>19</b>
		NI 187 Tackling fuel poverty – people receiving income based benefits living in homes with low energy efficiency rating	<b>20</b>
	Reduced levels of homelessness and hidden homelessness	NI 186 Per capita CO2 emissions in the LA area	<b>21</b>
		NI 158 % decent council homes	<b>22</b>
	Accessible transport	NI 88 Adapting to Climate Change	<b>23</b>
		NI 156 Number of Households living in Temporary Accommodation	<b>24</b>
Conservation of natural resources	NI 155 Affordable homes delivered (gross)		
		<b>25</b>	
	Reduced emissions		

**LAA Indicator: NI195 Improved street and environmental cleanliness (levels of graffiti Litter detritus and fly posting).**

The recent LAA community survey (7229 respondents) confirmed that clean streets are in the top 3 issues in making somewhere a good place to live (49.2%), behind level of crime (55.9%) and level of anti-social behaviour (64%). Furthermore when asked about what needs improving in your neighbourhood cleaner streets came out the fourth most popular priority (33.2% - out of 20 presented options) below facilities for young people (35.8%), activities for young people (40.9%) and level of anti-social behaviour (50.2%). The desire for cleaner streets was even more marked in 10% most deprived areas with 40.8% of respondents selecting this, and overall the third highest priority in these areas.

There is a considerable gap in performance across County Durham with one District achieving top quartile, but two Districts in bottom quartile, and the rest in between. Whilst considerable progress has been evidenced in recent years, there is an opportunity through the LAA 2008-11 to reflect the public priority and maintain the momentum to close the performance gap towards that approaching the best performing areas.

This indicator has been also selected for its cross cutting effects. For example improvements to street cleanliness help to reduce fear of crime, contribute to wellbeing, and play a contributory role in providing an attractive environment for a thriving economy.

**LAA Indicator: Improved street and environmental cleanliness (Fly Tipping)**

Illegal fly-tipping costs our partners large sums of money each year as well as being a blight on communities, and can cause a number of environmental health problems. This indicator is directly linked to the above LAA indicator of improved street and environmental cleanliness (levels of graffiti litter detritus and fly posting), however although these issues have similarities, the way they are measured is different, so for this reason the partners agreed that it was necessary to have these issues addressed under two separate indicators rather than combining them together.

**LAA Indicator: NI158 % decent council homes.**

There is an issue within the county's dwelling stock not meeting the decent homes standards.

Nationally house prices in the local housing market have risen sharply over the past few years and earnings have not kept pace. Although house prices within the county are significantly lower than the national average, the national trend has been followed, and home ownership has become increasingly unaffordable. Increased supply overall can contribute to improved affordability.

The possible designation of South & East Durham as a Growth Point will enhance supply but its progress in delivering a mix of market and affordable housing will need to be monitored.

**LAA Indicator: NI155 Affordable homes delivered (gross)**

A supply of quality affordable housing is essential if our existing residents are to be able to exercise choice in the housing market and if skilled workers are to be attracted to and retained in County Durham and both of these in turn are key to economic regeneration.

Housing improvement, alongside the increased supply of new affordable and market housing has therefore been a priority across all community strategies.

It is recognised that the emerging Local Development Frameworks (LDF) within County Durham play a key role in securing more affordable housing, as they are one of the main means of delivering more affordable housing in suitable locations through an appropriate policy in the Core Strategy of the LDF's. It is recognised that the preparation of Core Strategies within the county are disjointed due to each of the 7 districts being at different stages in preparation, and the uncertainties associated with forthcoming Local Government reorganisation is impacting upon this.

**LAA Indicator: NI154 Net number of additional homes. - TBA**

There is recognition that housing growth is seen as the third highest national priority after terrorism and climate change. Housing growth is particularly important to County Durham with respect the Regional Spatial Strategy (RSS), Housing Growth Point Submissions and the important role that County Durham plays in the City Region agendas of both the Tyne and Wear City region and Tees Valley City region.

**LAA Indicator: NI187 Tackling fuel poverty – people receiving income based benefits**

Fuel poverty is the requirement to spend 10% or more of household income to maintain an adequate level of warmth. This indicator was strongly identified as a priority across a full range of our partners, from LSPs to Thematic Partnership, and was strongly identified through the sustainability appraisal undertaken. This is a cross cutting indicator for County Durham as it is strongly linked to other priority indicators for this LAA, such as people falling out of work and onto incapacity benefits, working age people on out of work benefits, average earnings of employees in the area and the overall employment rate, from the Economic Wellbeing theme. In addition County Durham has an ageing population and the percentage of people in over retirement age will increase by over 25% by 2010.

**LAA Indicator: NI156 Number of households living in temporary accommodation.**

Homelessness is a function of a limited supply of decent affordable accommodation. Addressing the issues around homelessness will also directly contribute to other outcomes including health and well being and community safety. The Districts of Derwentside, Easington and City of Durham have significantly higher levels of homelessness than the national average.

These indicators are closely linked to our existing stretch target 2 which will continue to be a priority in 2008/09:

- **Stretch Target 2 - Children and young people are protected from homelessness.**
  - Reduction in the number of homelessness presentations amongst 16 and 17 year olds.
  - Making positive interventions through housing advice case work to achieve a reduction in homelessness.



**LAA Indicator: NI175 Access to services and facilities by public transport walking and cycling.**

The rurality of the County and its dispersed settlement pattern make access to transport a key priority for access to services, social inclusion and quality of life of many residents. County Durham is sparsely populated with only 2.2 persons per hectare compared to the national average of 3.5. Teesdale and Wear Valley are particularly sparsely populated. Dispersed, small, rural settlements, an increasing population, low car ownership and high levels of incapacity and health needs all create major challenges to accessing essential services, leading to poor quality of life and social exclusion for many local residents. Lack of affordable transport provision is also identified by children and young people as a significant barrier to accessing leisure, health and education opportunities. Accessibility and sustainable transport have been identified by all the LSPs as a very high priority. In addition, lack of good, integrated public transport options leads to increased car use and adverse climate change impacts.

These indicators are likely to link to the Tyne and Wear MAA.

**LAA Indicator: NI191 Residual household waste per head.**

It is no longer acceptable to dispose of waste in landfill sites and the costs are now rising fast. It is important to recycle and compost as much household waste as possible, and to find environmentally acceptable ways of treating what remains. This indicator has a direct correlation to the below LAA indicator of household waste recycled and composted, as an increase in recycling and composting will lead to a reduction in household waste per head, which in turn will help to combat climate change and to reduce CO<sub>2</sub> emissions.

**LAA Indicator: NI192 Household waste recycled and composted**

This indicator is cross cutting and directly links to helping reduce climate change and CO<sub>2</sub> reductions, and was identified as a priority across many of our partners from LSPs and thematic areas, and also emerged as a strong priority from the sustainability appraisal undertaken. This indicator has a direct correlation to the above LAA indicator of residual household waste per head, as increased recycling and composting will lead to a reduction in household waste per head. The recycling rates within County Durham have been improving, however there is still a need for greater improvement.

**LAA Indicator: NI188 Adapting to climate change.**

Climate change will impact on all aspects of life over coming decades. Increased winter flooding and storm events, coupled with excess summer temperatures will impact on health and disease, on delivery of services, on food production and on the emergency services. There will be economic opportunities for the region but adverse economic impacts are also predicted from damage to building stock and infrastructure and impediments to business. Alterations in the climate may have implications such as changes to biodiversity and fragmentation of habitat wildlife networks. Many scientists now believe that we have less than 10 years in which to tackle climate change before the Earth passes a tipping point / a point of no return.

In 2003 the Tees and Durham Energy Advice (TADEA) Company & National Atmospheric Emissions Inventory (NAEI) estimated County Durham's total emissions of CO<sub>2</sub> to be nearly 3 million tonnes. However, according to Defra's latest figures (2005) the County's CO<sub>2</sub> emissions by the end user is nearly 4.3 million tonnes. The main contributors were transport sources, which contributed over a third and domestic with nearly 38%. Industrial and commercial sources contributed just over one quarter between them and landfill accounted for approximately 2.5 %.

## Existing Stretch Targets

The present LAA indicators include 12 stretch targets which will continue to be priorities for the Partnership during 2008/09. All of these are linked to our proposed LAA targets. Two of the existing stretch targets (5 and 11) will be part of our new LAA targets. The existing stretch targets are as follows:

<b>Children &amp; Young People Block</b>	
1	More children eat and drink healthily and are regularly involved in physical activity inside and outside school. <ul style="list-style-type: none"> <li>Increasing the number of primary schools that are working towards the Healthy Schools Standard.</li> <li>Further enhance the take-up of sporting opportunities for 7 – 14 year olds to increase the percentage of children in that age group who spend a minimum of two hours each week on high quality PE and sport within and beyond the curriculum.</li> </ul>
2	Children and young people are protected from homelessness. <ul style="list-style-type: none"> <li>Reduction in the number of homelessness presentations amongst 16 and 17 year olds.</li> <li>Making positive interventions through housing advice case work to achieve a reduction in homelessness.</li> </ul>
3	Attainment levels for all children and young people are improved with gaps between groups reduced. <ul style="list-style-type: none"> <li>Raise standards at Key Stage 4 - increase the average number of points students achieve.</li> </ul>
<b>Economic Development &amp; Enterprise Block</b>	
4	Supporting employers to successfully tackle worklessness. <ul style="list-style-type: none"> <li>Reducing the number of incapacity benefit claimants Countywide.</li> <li>Reduction in capacity benefit claimants in NRF Districts.</li> </ul>
5	Increasing entrepreneurial activity <ul style="list-style-type: none"> <li>Increasing new VAT registered businesses.</li> </ul>
6	A Population with the skills to meet current and future business needs <ul style="list-style-type: none"> <li>Increasing achievement of adults qualified to NVQ Level 2 or equivalent Countywide.</li> <li>Increase in NVQ Level 2 or equivalent attainment in NRF Districts</li> </ul>
<b>Healthier Communities &amp; Older People</b>	
7	Improved health of the population by increasing life expectancy and substantially reducing premature mortality rates. <ul style="list-style-type: none"> <li>Increase the number of 4 week smoking quitters who attend NHS Smoking Cessation service.</li> </ul>
8	Improving the independence, choice and control of vulnerable people. <ul style="list-style-type: none"> <li>Percentage of older people within County Durham in receipt of Council Tax Benefit.</li> </ul>

9	Improving opportunities for older people to maintain a good quality of life. <ul style="list-style-type: none"> <li>• Number of adults and older people receiving direct payments per 100,000 18+ population.</li> </ul>
<b>Safer, Stronger Communities</b>	
10	To reduce crime, the harm caused by illegal drugs, and to re-assure the public, reducing concern about crime and anti-social behaviour. <ul style="list-style-type: none"> <li>• Reducing the number of secondary/deliberate fires (BV 206 (iii)).</li> </ul>
11	To reduce crime, the harm caused by illegal drugs, and to re-assure the public, reducing concern about crime and anti-social behaviour. <ul style="list-style-type: none"> <li>• Reducing year on year the number of first time entrants to the Youth Justice System.</li> </ul>
12	To reduce crime, the harm caused by illegal drugs, and to re-assure the public, reducing concern about crime and anti-social behaviour. <ul style="list-style-type: none"> <li>• Reducing the percentage of people reporting that their quality of life is affected by anti-social behaviour.</li> </ul>

## LAA Priority Indicators for Negotiation with Government

<b>Health and Wellbeing</b>	
NI 112 Under 18 conception rate	1
NI 121 Mortality rate from all circulatory diseases at ages under 75	2
NI 122 Mortality from all cancers at ages under 75	3
Mental Health Indicator	<b>Local</b>
% / Number of residents participating in physical exercise	<b>Local</b>
NI 55 Obesity among primary school children in reception year	<b>Local</b>
NI 56 Obesity among primary school age children in Year 6	4
NI 40 No of Drug Users in Effective Treatment	5
Reducing the harm caused by alcohol	<b>Local</b>
NI123 16+ current smoking rate	6
NI119 Self reported measure of overall people's health and wellbeing	7
NI 125 Achieving independence for older people through rehabilitation / intermediate care.	8
NI 141 Number of vulnerable people achieving independent living	9
<b>Safe</b>	
NI 21 Dealing with local concerns about anti social behaviour by police and the local council	10
NI 30 Re-offending rate of Prolific and priority offenders	11
NI 32 Repeat Incidents of Domestic Violence	12
NI 111 First Time Entrants to the Youth Justice System aged 10 - 17	<b>Local</b>
NI 47 People killed or seriously injured on road traffic accidents	<b>Local</b>
<b>Achieve</b>	
NI 117 16-18 year olds who are not in education, training or employment	13
NI 164 Working population qualified to at least Level 3 or higher	14
NI 79 Achievement of a level 2 qualification by the age of 19	15
<b>Physical Place</b>	
NI 195 Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)	16
NI 196 Improved Levels of street and environmental cleanliness - fly tipping	<b>Local</b>
NI 192 Household waste recycled and composted	17
NI 191 Residual household waste per head	18
NI175 Access to services and facilities by public transport, walking and cycling	19
NI 187 Tackling fuel poverty – people receiving income based benefits living in homes with low energy efficiency rating	20
NI 186 Per capita CO2 emissions in the LA area	21
NI 158 % decent council homes	22
NI 88 Adapting to Climate Change	23
NI 156 Number of Households living in Temporary Accommodation	24
NI 155 Affordable homes delivered (gross)	25
NI 154 Net number of Additional Homes	<b>TBC</b>
<b>Economic Wellbeing</b>	
NI 151 Overall Employment Rate	26
NI 173 People falling out of work and onto incapacity benefits	27
NI 152 Working age people on out of work benefits	28
NI 166 Average earnings of employees in the area	29
NI 171 VAT registration rate	30
<b>Positive Contribution</b>	
NI 4 % of people who feel they can influence decisions in their locality	31
NI 6 Participation in regular volunteering	32
NI 23 Perceptions that people in the area treat one another with respect and dignity	33
NI 110 Young Peoples participation in positive activities	34

<b>Statutory Education and Early Years Indicators</b>	
<b>NI 93</b> Progression by 2 levels in English between Key Stage 1 and Key Stage 2	<b>1</b>
<b>NI 94</b> Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	<b>2</b>
<b>NI 95</b> Progression by 2 levels in English between Key Stage 2 and Key Stage 3	<b>3</b>
<b>NI 96</b> Progression by 2 levels in Maths between Key Stage 2 and Key Stage 3	<b>4</b>
<b>NI 97</b> Progression by 2 levels in English between Key Stage 3 and Key Stage 4	<b>5</b>
<b>NI 98</b> Progression by 2 levels in Maths between Key Stage 3 and Key Stage 4	<b>6</b>
<b>NI 73</b> Achievement at level 4 or above in both English and Maths at Key Stage 2 Threshold)	<b>7</b>
<b>NI 99</b> Children in care reaching level 4 in English at Key Stage 2	<b>8</b>
<b>NI 100</b> Children in care reaching level 4 in Maths at Key Stage 2	<b>9</b>
<b>NI 74</b> Achievement at level 5 or above in both English and Maths at Key Stage 3 (Threshold)	<b>10</b>
<b>NI 75</b> Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold)	<b>11</b>
<b>NI 101</b> Children in care achieving 5 A*-C GCSE's (or equivalent) at Key Stage 4 (including English and Maths)	<b>12</b>
<b>NI 105</b> The Special Education Needs (SEN)/ Non SEN gap – achieving 5 A* - C GCSE inc. English and Maths threshold	<b>13</b>
<b>NI 83</b> Achievement at level 5 or above in Science at Key Stage 3	<b>14</b>
<b>NI 72</b> Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	<b>15</b>
<b>NI 92</b> Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	<b>16</b>

This page is intentionally left blank

# Agenda Item 6(a)

## Report of Community Services Scrutiny Committee

### Review of the Scrutiny of Council House Repairs

#### 1. Background

1.1 Following the original Scrutiny as part of the Building Services Best Value Improvement Plan in July 2003, this topic has been reviewed by the Panel on a number of occasions. The last review was carried out in November, 2006, when it was recommended to review Council House Repairs following the introduction of the new computer system, and the opportunity for staff to become accustomed to its use.

#### 2. Actions

2.1 The Head of Property Services, Operations Manager, Maintenance Manager and Customer Services Manager attended the Panel's meeting on 7<sup>th</sup> November, 2007, together with the Portfolio Holder for Communities. Members were advised as to progress made towards meeting the recommendations contained in the last repairs review report.

#### 3. Outcomes

##### Computer Management System

3.1 A new computerised system was installed in June, 2007, and workmen have been issued with PDA (Personal Digital Assistant). After the initial training the system was working well and it could be monitored at the office as to whether tradesmen are on the road, at a job or on a break. The second phase of the computer system is due for installation early 2008. This part of the system will keep records on types of repairs and use a traffic light system to indicate deviation from targets.

##### Reporting of Repairs

3.2 All staff using the new system have received training relevant to their field. It was important not to over load with information but to ensure that staff were confident and competent to carry out their jobs. The importance of on going training was stressed by Members. All tenants have been issued with a handbook which details how to report a repair to Customer Services. Customer Services' staff have been highly trained to identify the type of repair and input the details into the system.

3.3 An appointments system has been introduced which allows for tenants' preferences. It is working well.

3.4 Members were reminded that reporting of repairs to Council properties should be carried out through the laid down procedure, which is to report the repair to City Info by telephone. By doing this the City Info staff would record the call on the CRM system to enable Members to receive a follow up of the complaint.

##### Emergency Call Outs

3.5 Problems had been experienced with tenants using the emergency call out as a method of obtaining out of hours repairs for one reason or another. When repairs are reported the City Info staff ask a number of questions to determine if a repair is an emergency or not, however some tenants abuse the system. Initial discussions suggested that tenants who abuse the

emergency call out system should be charged after receiving an initial warning letter. Members agreed that Cabinet and Officers should consider methods of dealing with this problem.

Response and Re-let Times

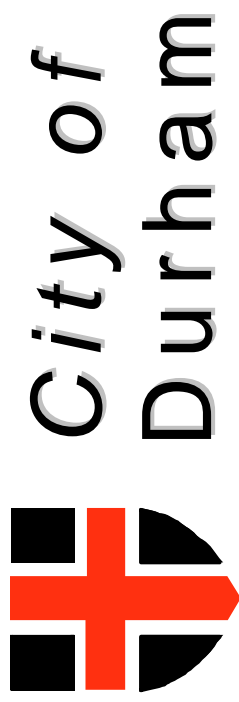
- 3.6 Half yearly figures for responsive repairs are very encouraging as shown at Appendix A. Northgate has acknowledged the considerable achievement of Property Services mastering the new system in a short time scale while still carrying out their day to day jobs. Members reiterated these congratulations.

**4. Recommendations**

- 4.1 That on going training be given to staff members as required and their commitment be commended.
- 4.2 That procedures be put in place to deter tenants who persist in using the emergency call out repairs service as an out of hours repairs service including the possibility of charging after a warning has been given..
- 4.3 That Members be reminded that whilst it may be appropriate for them to contact Officers directly to gain information, the reporting of customer repairs should go through the recommended City Info channels.
- 4.4 That the Head of Property Services and The Customer Services Manager and their staff be formally thanked for their efforts in bringing about the improvements noted.

Community Services Scrutiny Panel  
November 2007





**City of  
Durham**

**Property Services  
(Responsive Repairs Section)**

**HALF YEAR REPORT  
To End Of September - 2007/08**

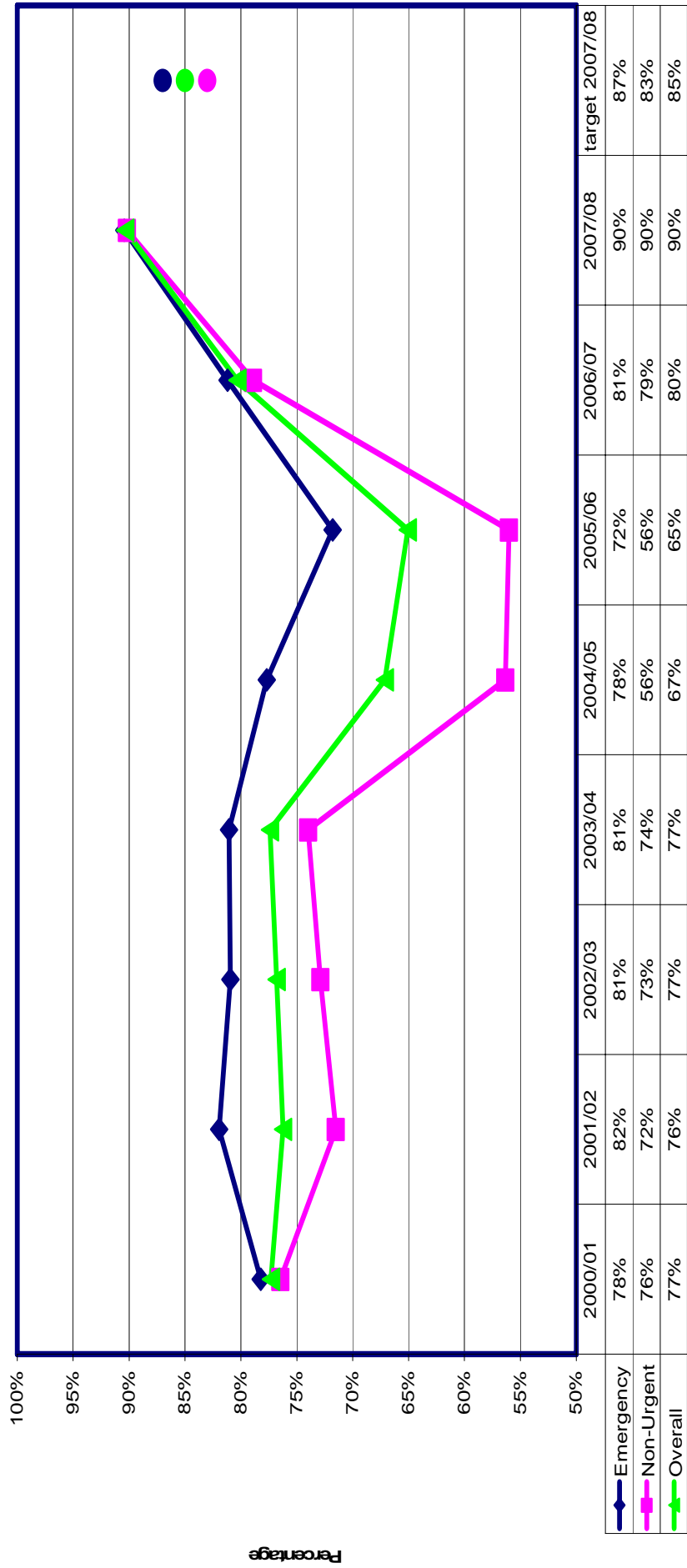
## R e s p o n s i v e M a i n t e n a n c e - R e s p o n s i v e R e p a i r s

“Repair Requests Completed On Time” shows the percentage of jobs that are completed within Governmental and locally agreed timescales. Three factors have contributed to this dramatic increase in performance:-

- Restructuring of the Building Section,
- Implementation of new Northgate computer system (including “Repairs Finder” and handheld technology), and
- Introduction of Appointment System.

The graph below compares the annual performance from the year 2000 to September 2007.

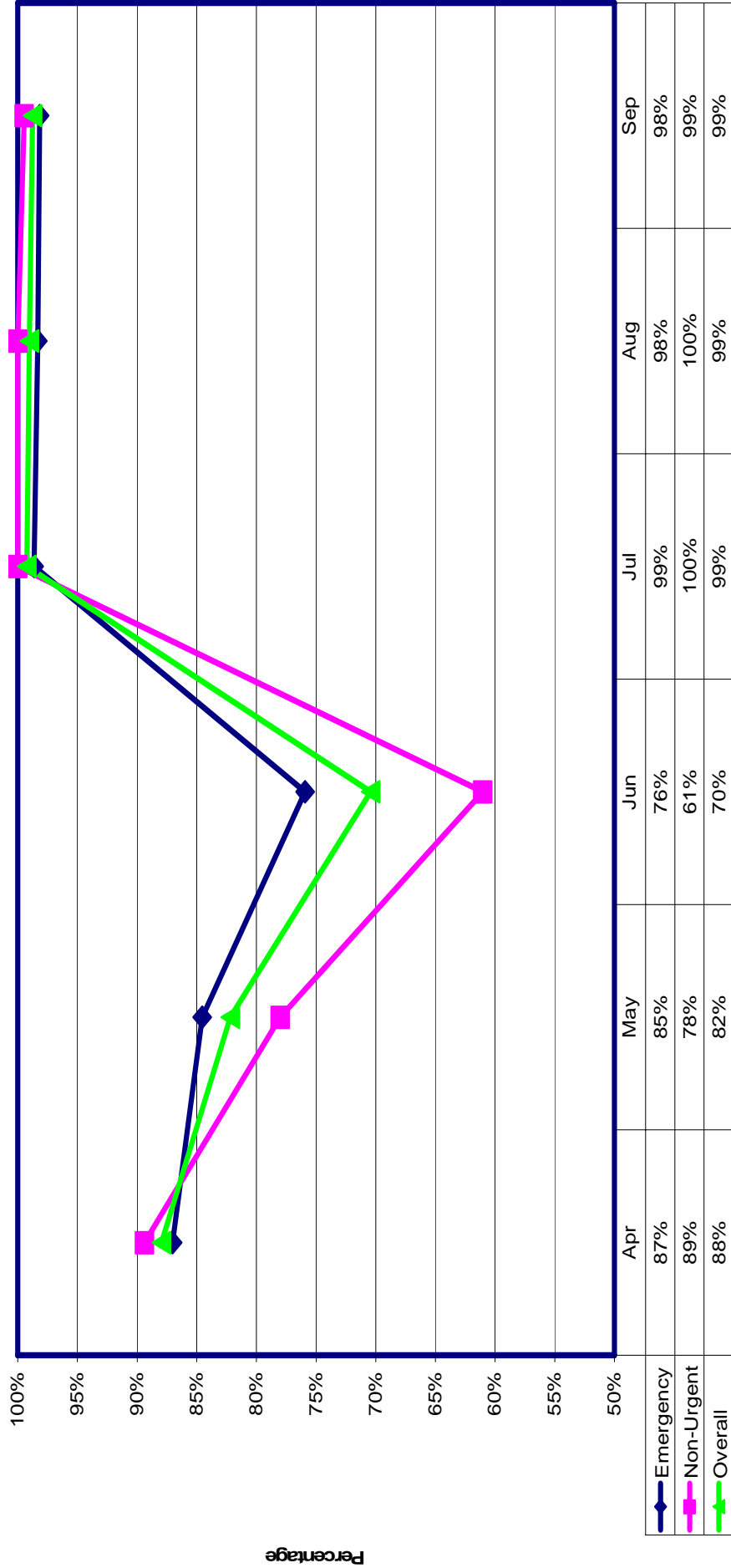
**Percentage Repair Requests Completed On Time  
End of 2nd Quarter 2007/08**



**R e s p o n s i v e M a i n t e n a n c e - R e s p o n s i v e R e p a i r s ( c o n t d . )**

The graph below compares this year's performance and regard should be given to the performance in particular over the last three months - July to September 2007, after the new Northgate system has become embedded.

**Percentage Repair Requests Completed On Time  
April to September 2007/08**



**R e s p o n s i v e M a i n t e n a n c e - R e s p o n s i v e R e p a i r s ( c o n t d . )**

This statistical data below reflects the performance over the last three months – July to September 2007.

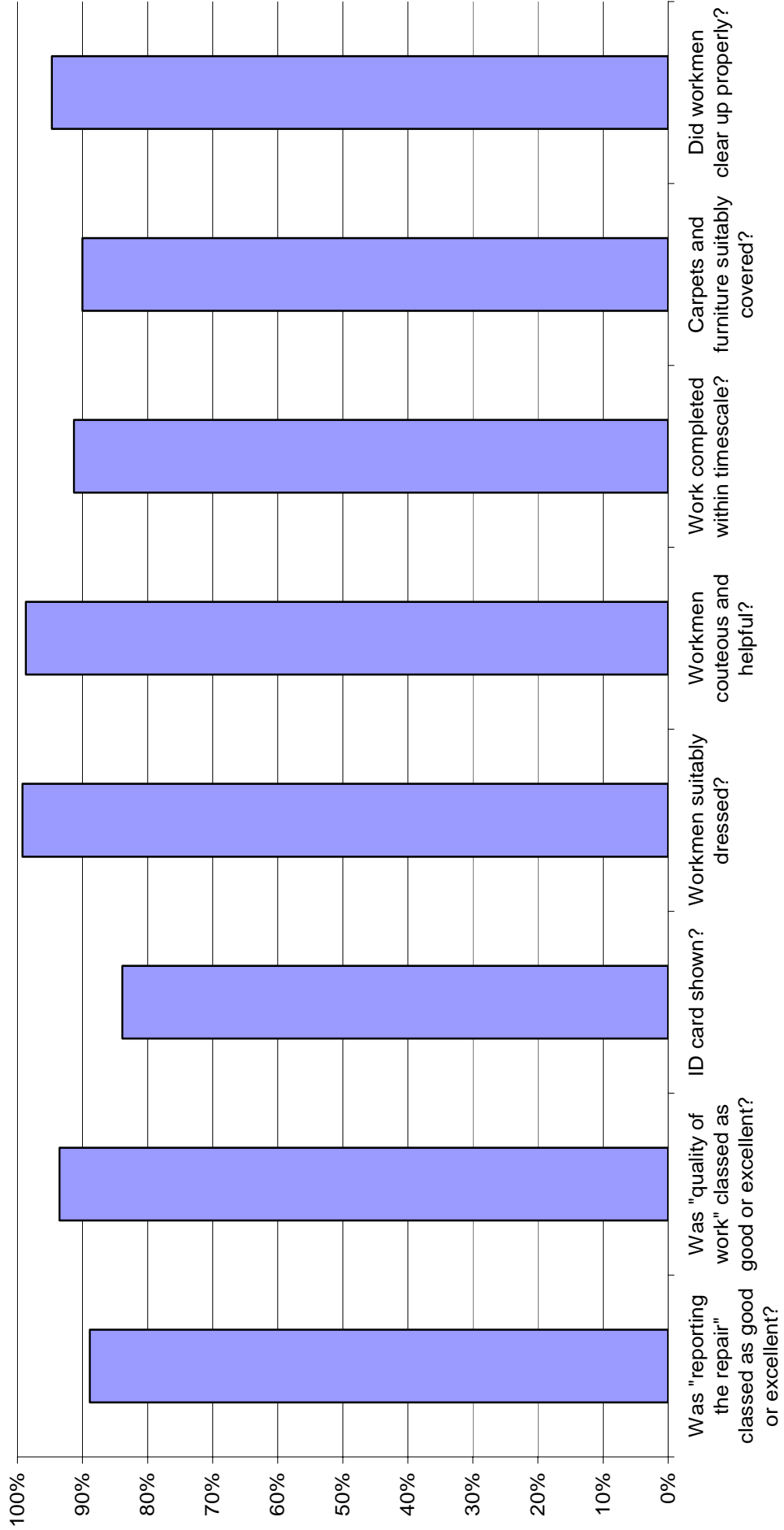
**Breakdown of Repairs Completed On Time - By Month**

	Jul-07				Aug-07				Sep-07			
	Total		Percentage		Total		Percentage		Total		Percentage	
	Received	Total Not Completed	Completed	Completed	Received	Total Not Completed	Completed	Completed	Received	Total Not Completed	Completed	Completed
<b>RIGHT TO REPAIR</b>	84	78	6	92.86%	105	97	8	92.38%	137	130	7	94.89%
<b>1-day</b>	20	20	0	100.00%	23	23	0	100.00%	33	32	1	96.97%
<b>3-day</b>	17	17	0	100.00%	28	28	0	100.00%	29	29	0	100.00%
<b>7-day</b>	121	115	6	95.04%	156	148	8	94.87%	199	191	8	95.98%
<b>Totals</b>	126	125	1	99.21%	115	113	2	98.26%	122	115	7	94.26%
<b>EMERGENCY</b>	88	88	0	100.00%	150	150	0	100.00%	219	219	0	100.00%
<b>2-hour</b>	221	219	2	99.10%	292	288	4	98.63%	440	433	7	98.41%
<b>24-hour</b>	25	25	0	100.00%	59	58	1	98.31%	102	100	2	98.04%
<b>1-day</b>	15	15	0	100.00%	26	26	0	100.00%	49	49	0	100.00%
<b>3-day</b>	66	66	0	100.00%	98	98	0	100.00%	178	178	0	100.00%
<b>5-day</b>	541	538	3	99.45%	740	733	7	99.05%	1110	1094	16	98.56%
<b>7-day</b>	20	20	0	100.00%	40	40	0	100.00%	67	67	0	100.00%
<b>Totals</b>	9	9	0	100.00%	8	8	0	100.00%	17	17	0	100.00%
<b>NON-URGENT</b>	484	484	0	100.00%	591	591	0	100.00%	1026	1020	6	99.42%
<b>10-day</b>	5	5	0	100.00%	9	9	0	100.00%	18	18	0	100.00%
<b>15-day</b>	518	518	0	100.00%	648	648	0	100.00%	1128	1122	6	99.47%
<b>30-day</b>	1180	1171	9	99.24%	1544	1529	15	99.03%	2437	2407	30	98.77%
<b>75-day</b>												
<b>Totals</b>												
<b>GRAND TOTAL</b>												

**R e s p o n s i v e M a i n t e n a n c e - R e p a i r s S e r v i c e S a t i s f a c t i o n**

“Responsive Repairs Survey Results” indicate the satisfaction levels of tenants with regard to various aspects of the responsive repairs service, from the initial report to the completed works. The satisfaction surveys results show very high satisfaction levels and these are to be maintained in future years.

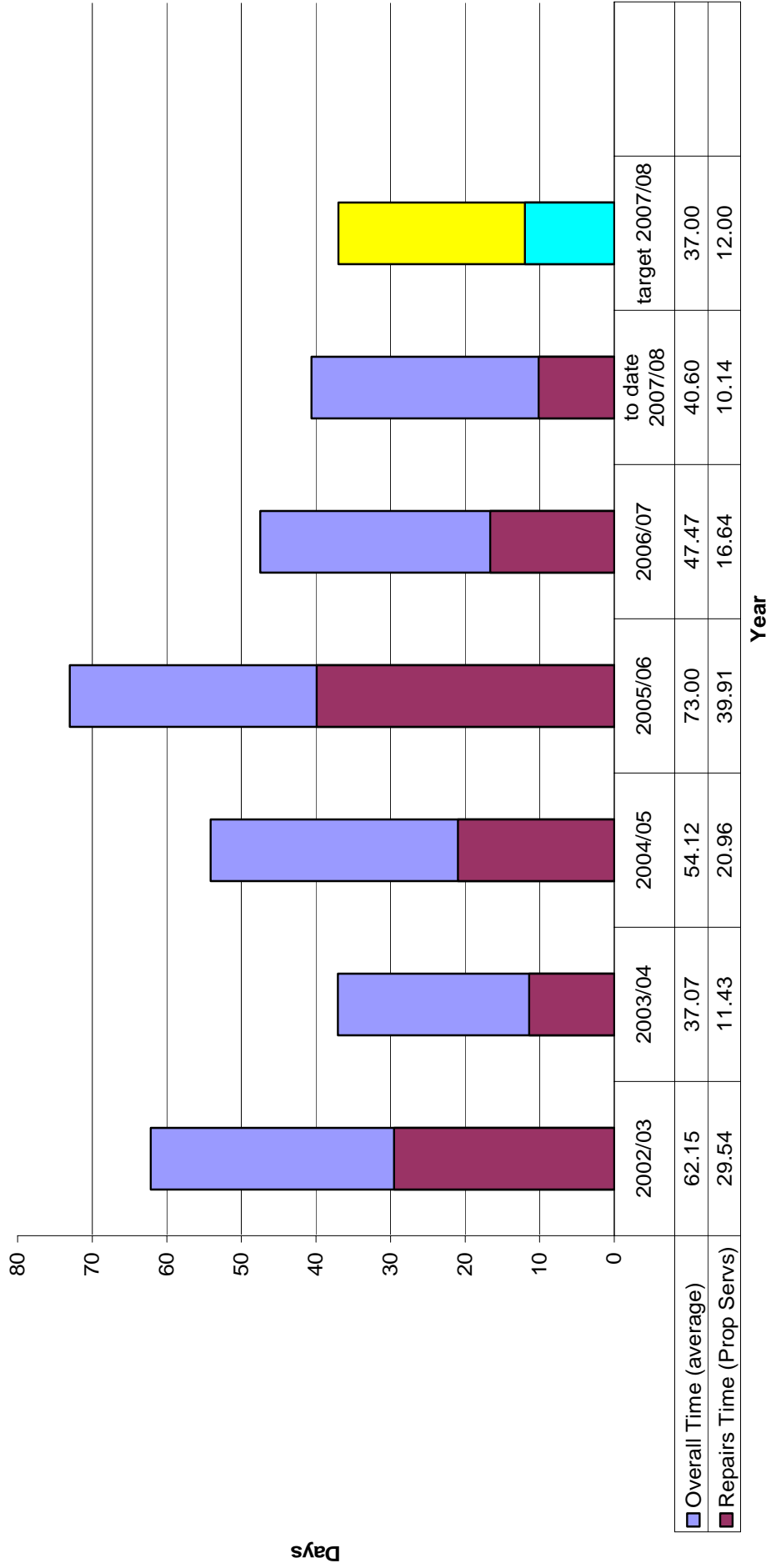
Repairs Satisfaction 2007/08



**R e s p o n s i v e M a i n t e n a n c e - V o i d R e p a i r s**

This is a BVPI for the overall void process and is calculated from the time, in calendar days, from the date the tenancy is terminated up to and including the date when the new tenancy agreement starts. However, it is possible to break this indicator down further to "Repairs Times" and "Overall Letting Times".

**Void Turnaround Times (average)  
End of 2nd Quarter 2007/08**



## Agenda Item 8(a)

<b>Report to:</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Jeff Riddell Head of Environment & Leisure Services Tel: 3018684
<b>Contact Officer</b>	Andrew Jackson Technical Support Manager Tel: 3018693
<b>Subject</b>	Neighbourhood Policing /Neighbourhood Management

### Purpose

To update Members on the effectiveness of the arrangements developed to deliver on the joint Neighbourhood Policing / Neighbourhood Management Agenda detailed in the report entitled 'Joint Working with Durham Constabulary – Neighbourhood Services' presented to Cabinet on 5<sup>th</sup> April 2006

### Recommendations

Members note the good work carried out in partnership with other responsible organisations.

### Information

The report presented to Cabinet on 5<sup>th</sup> April 2006 entitled 'Joint Working with Durham Constabulary – Neighbourhood Services' highlighted the need for developing proposals for a number of Council Services and the Police to work more closely around the Neighbourhood Policing / Neighbourhood Management Agenda. The aim was to develop district based Neighbourhood Teams and key issues identified in terms of better communications, consistency of approach and matters of enforcement together with opportunities for more effective integration and joint working. Terms of Reference for this joint neighbourhood management / policing approach were to:

- 1) ensure existing facilities and activities used by children and young people are maximised and that their needs are met in future.
- 2) improve and maximise the use of leisure and community facilities
- 3) further develop the problem solving approach, with particular focus on anti-social behaviour
- 4) tackle major housing stress and seek to develop sustainable communities
- 5) create 'Cleaner, Safer, Greener' communities by improving the quality of the local environment and reducing the fear of crime.

The purpose of these changes was to make us all more accountable and to provide a more consistent approach that would improve the quality of service provided to our communities.

The City Council's existing neighbourhood service delivery model was developed to further these new arrangements. The Police revised their beat boundaries and aligned them to the Council's six operational neighbourhoods. For communication purposes three meetings are

held (to cover combined eastern, central and western neighbourhoods) on a fortnightly basis involving front line officers from the Services (police, environment, leisure, neighbourhood wardens, community safety, community development and housing). The frequency of meetings ensures closer interaction and sharing of information about local issues between the front line officers involved. Where problems cannot be immediately resolved by these officers they are discussed at the Anti-Social Behaviour Group which is held monthly and is also attended by other agencies. In addition to this a senior management meeting (Neighbourhood Teams Strategic Group), with an escalation procedure from the individual neighbourhood teams, is held every six weeks. This meeting is chaired by the Executive Director and is attended by Managers from all the front-line services.

In developing these proposals regard was also given to the key elements of the Governments Respect agenda. These include 'Strengthening Communities' and 'Effective Enforcement and Community Justice' with a commitment to provide support in those communities suffering the greatest problems and to provide a consistent approach to tackling anti-social behaviour.

Since the launch of the new neighbourhood management teams in May 2006 a number of positive outcomes have been achieved from this joint partnership working:

- Tenancy enforcement on Council Housing estates.

A dedicated Tenancy Enforcement Officer based in the Housing Management Section has been appointed. This officer has responsibility for dealing with more serious enforcement issues after work by the Housing Officers, and acting as a link between Housing and the Council's Legal Services team. The Tenancy Enforcement Officer works closely with the Anti-Social Behaviour Officer and the Community Safety Officer and has developed an effective use of the anti-social behaviour tools, powers and enforcement measures available.

- The Clean Neighbourhoods & Environment Act 2005

This has consolidated and clarified many existing pieces of environmental legislation and extended the concept of Fixed Penalty Notices for a variety of environmental offences. Members have adopted the new powers and the Council's Enforcement Policy is to be updated to take into account new guidelines issued in relation to the prosecution of juveniles. Training in the use of the extended powers, for the Neighbourhood Wardens and other authorised officers, will be undertaken.

- Development of Neighbourhood Warden Team

A Senior Neighbourhood Warden has been appointed which has strengthened the Council's corporate approach to dealing with anti-social behaviour, environmental education and enforcement, and wider community safety issues in terms of co-ordination and consistency of approach to ensure that similar standards are applied across the district.

Our Neighbourhood Warden Scheme and the individual Neighbourhood Wardens are accredited under the Durham Constabulary Community Safety Accreditation

Scheme. This accreditation has been retained during the year. The benefit of this accreditation includes increased information sharing with the Police and additional enforcement powers.

- Regular Estate Walkabouts

These have been redesigned to follow a standard format. Terms of Reference regarding protocols and recording mechanisms have been developed. Walkabouts are held regularly between the Police (Beat Officers and PCSO's), Neighbourhood



Wardens and Housing Officers with any actions arising documented, progressed and evaluated.

- Links between Neighbourhood Wardens and Environment Team Leaders

Close liaison between Neighbourhood Wardens and Environment Team Leaders ensures early identification and rectification of problems. All members of staff are empowered to take responsibility for standards and come forward with suggestions for improvements through their Team Leader, or formally via the team briefing communication strategy. An incident reporting procedure is also in place allowing all staff to report environmental problems such as fly tips or defective street furniture, or make requests for equipment such as additional litter or dog fouling bins.

- Neighbourhood Forums

These have been introduced to give local communities the opportunity to come and meet with local Police beat officers and other service providers to discuss crime, disorder and the issues that affect the quality of life in a particular area. The first cycle of Forums took place between October 2006 and September 2007 when eleven individual meetings took place across the District. The second cycle of Forums commenced in October 2007. Meetings have already been held in Ushaw Moor and at Sherburn Road. Other Forums are planned as follows:

Wed 9 January 2008	Brandon	(Brandon House)
Thu 14 February 2008	City Centre	(The Studio, Gala Theatre)
Wed 12 March 2008	Witton Gilbert	(Community Centre)
Wed 9 April 2008	Gilesgate	(McNally Place)
Wed 14 May 2008	Bowburn	(Community Centre)
Wed 11 June 2008	Meadowfield	(St John's Church Hall)
Thu 10 July 2008	Coxhoe	(Village Hall Upstairs Room)
Wed 13 August 2008	Framwellgate Moor	(Newton Hall Community Centre)
Wed 10 September 2008	West Rainton	(Jubilee Hall)

- Durham City News

In terms of communicating with local communities, gathering views and opinions on proposals and action taken, and providing a feedback mechanism to residents the Durham City News has been fully utilised. Future articles will focus on the Neighbourhood Teams contact details / photographs, Neighbourhood Forums information and details of a recent joint campaign carried out in association with the DVLA.

- Community Development

A database of contacts is held within the Council's Community Development Section and is used to provide points of contact for any interested agency

- Joint Training Initiatives

To share resource and ensure a consistency of approach across all services the Police offered training for front line Council staff, along with their own officers. Training in Problem Solving techniques has already been undertaken and it is planned to carry out similar training exercises in relation to preparation of intelligence submissions and also breakaway skills.

- Capture of Data, Sharing Intelligence and Performance Management

Lots of management and performance information is collected by each individual service (Police, Housing Management System, Environment Management System, CRM etc). This information from the various services is collated through the Neighbourhood Teams and used by each team to identify 'Hot Spots' so that resources / initiatives from all the services working jointly together can be targeted to deal with the issues concerned.

- Environmental Crime Action Plan

The Neighbourhood Strategic Group through the Durham and Chester-le-Street Crime and Disorder Reduction Partnership have worked with EnCams (the Keep Britain Tidy Group) to produce an Environmental Crime Action Plan to tackle the effect which Anti-Social Behaviour has on the environment.

- Covert CCTV Camera

A successful application has been made to the Crime & Disorder Reduction Partnership for funding for a covert cctv camera to carry out surveillance in relation to environmental crime (particularly flytipping and anti-social behaviour)

- Streetsafe Initiative

The 'Streetsafe Initiative' is a multi-agency approach led by the Police to pro-actively target specific areas of the District to reduce crime, the fear of crime and improve the quality of life for local residents. The aim of the initiative is to create safe and confident communities with a clean, green and healthy environment. 'Streetsafe Initiatives' have been carried out in both Brandon and Bowburn. These areas saw an overall reduction in both crime and anti-social behaviour. Many positive comments were received from the local community about the benefits of the scheme. It is intended to extend this partnership approach to other areas of the District.

- Airwaves Radio Communication System

As already demonstrated the City of Durham Council's Neighbourhood Warden team and CCTV Service have established very strong operational links with Durham Police and have worked with them on a number of issues relating to environmental crime and anti-social behaviour. This partnership working identified the need for a quick and reliable two-way communications system with the Police. The City of Durham Council has therefore invested in the Police 'Airwaves' radio communications system. This provides a direct link between the two organisations, improves communication / information sharing and has improved the quality of service provided to our communities.

### **Future Development of the Neighbourhood Policing / Neighbourhood Management Agenda**

- Extending the Neighbourhood Team partnership approach to include other agencies.

As a result of the success of this neighbourhood management initiative it is intended to invite Durham Fire & Rescue Service to join the network of key officers to further facilitate partnership working and improve the quality of service we all provide for our residents and communities.

- Nightsafe Initiative

We need to create a city centre that provides more diverse night time activities which are not solely 'alcohol' based. This will create a more inclusive night time economy to make the City a safer, cleaner and more welcoming place for all. The 'NightSafe Initiative' will bring together the Police, City Council, County Council, licensees, retailers and transport providers to tackle the issues relating to crime, disturbance and street fouling. The Initiative will provide for the integration of all relevant management functions, encourage all stakeholders to take responsibility and will extend the scope of city centre management into the evening and late night.

- The Impact of the New Performance Framework for Local Authorities and Local Authority partnerships

The 2006 Local Government White Paper 'Strong & Prosperous Communities' has reduced the current 1200 indicators for assessing performance to 198 with effect from April 2008. These new National Indicators set out what Government believes should be the national priorities for local government, working alone or in partnership, over the next three years. This new performance framework is focused on outcomes and their delivery through stronger partnership working. Therefore many of the indicators also apply to the Police. Targets against the set of national indicators will be negotiated through new Local Area Agreements (LAA'S). The outcomes Government expects are grouped together as follows:

Stronger Communities  
Safer Communities  
Children & Young People  
Tackling exclusion and promoting equality  
Local Economy  
Environmental Sustainability

The services which form the City of Durham Neighbourhood Policing / Neighbourhood Management model jointly have an impact on all these Performance Outcomes. Therefore the importance of the joint partnership approach will only continue to increase in the years ahead and will be an effective mechanism for the delivery of high quality services to the communities we serve.

***Jeff Riddell***

**Head of Environment & Leisure Services**

**9 January 2008**

## Appendix 1

## NEIGHBOURHOOD TEAMS

LOCATION	POLICE	LOCAL AUTHORITY
<u>EAST</u> <b>Neighbourhood 2</b> <i>Pittington, West Rainton,  Carrville, Belmont, Sherburn,  High Grange Estate.</i> <b>Neighbourhood 3</b> <i>Shincliffe, Shadforth, Cassop,  Kelloe, Quarrington Hill,  Bowburn, Coxhoe, Littletown,  Sherburn Hill, Ludworth.</i>	<b>Sgt Turner</b>  4 Beat Officers  4 Police Community Support Officers	Environmental Team Leader, Neighbourhood Warden, Leisure Manager, Housing Officer, Community Development Officer, Tenancy Enforcement Officer, Anti- Social Behaviour Officer, CCTV  Plus representation from Registered Social Landlords
<u>CENTRAL</u> <b>Neighbourhood 6</b> Nevilles Cross, Gilesgate, Sunderland Road, Sherburn Road, City Centre <b>Neighbourhood 1</b> Framwellgate Moor, Newton Hall, Pity Me, Brasside, North End, Whitesmocks.	<b>Sgt Turner, Sgt Williamson</b>  4 Beat Officers  4 Police Community Support Officers	Environmental Team Leader, Neighbourhood Warden, Leisure Manager, Housing Officer, Community Development Officer, Tenancy Enforcement Officer, Anti- Social Behaviour Officer, CCTV  Plus representation from Registered Social Landlords
<u>WEST</u> <b>Neighbourhood 4</b> <i>Langley Moor, Meadowfield,  Brandon, Brancepeth, Croxdale,  Sunderland Bridge, Hett,  Merryoaks.</i> <b>Neighbourhood 5</b> <i>New Brancepeth, Ushaw Moor,  Broompark, Bearpark, Witton  Gilbert, Esh Winning,  Waterhouses.</i>	<b>Sgt Williamson</b>  5 Beat Officers  4 Police Community Support Officers	Environmental Team Leader, Neighbourhood Warden, Leisure Manager, Housing Officer, Community Development Officer, Tenancy Enforcement Officer, Anti- Social Behaviour Officer, CCTV  Plus representation from Registered Social Landlords

## Agenda Item 8(b)

<b>Report to:</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Jeff Riddell Head of Environment & Leisure Services 3018684
<b>Contact Officer</b>	Andrew Jackson Technical Support Manager 3018693
<b>Subject</b>	Proposed Woodland Burial facility at South Road Cemetery, Durham.

### Purpose

To update Members on the development of a woodland burial facility as detailed in the report entitled 'Developing a joint partnership arrangement for the provision of a woodland burial facility at South Road Cemetery, Durham City' presented to Cabinet on 1<sup>st</sup> November 2006.

### Recommendations

That the report be noted

### Information

The report presented to Cabinet on 1<sup>st</sup> November 2006 entitled 'Developing a joint partnership arrangement for the provision of a woodland burial facility at South Road Cemetery' set out the terms of a proposed arrangement between the City Council, Arbory Trust and Durham Woodland Burial Group to provide a woodland burial facility for the District. This followed 2 years of discussion between the various partners involved.

From the City Council's point of view the main benefits of entering into the partnership were to gain access to support and expertise to develop / manage the project; together with opportunities for partners to access external funding which the City Council on its own could not.

Unfortunately the Arbory Trust has, after very careful consideration, now decided that they are not able to proceed with the proposal. This is a bitter disappointment after all the hard work and enthusiasm that has been devoted to the project. The Arbory Trust has however offered to provide the project with technical advice / support should the remaining two partners decide to continue with the project.

A Community Interest Company with links to the Durham Woodland Burial Group, has offered to take the place of the Arbory Trust in the proposed joint partnership arrangement on the basis of the existing management agreement / licence approved by Cabinet. However the Local Government Review means that now is not the most appropriate time for the City Council to be entering into a long-term partnership agreement of this nature when the future of the authority itself is uncertain.

Considering the support for the establishment of a woodland burial facility in the District and the considerable amount of work already devoted to the project it is now proposed to take the project forward on the following basis:

- The City Council will continue to develop the site using of its own existing financial and staff resources in conjunction with a 'Friends' Group. The Arbory Trust has offered to continue to provide specialist technical advice as required.
- The City Council will operate and manage the facility using its existing administrative and financial systems / procedures.
- The Durham Woodland Burial Group would support the City Council and the project by establishing and managing a 'Friends' Group.
- The Friends Group would act as a consultee, provide a site guardian role in conjunction with the Council's existing cemetery staff, provide bereavement counselling, provide an educational / promotional service for woodland burials, look at external fund raising opportunities, develop a web-site and provide general support and advice to the project.

Looking to the future and further development opportunities for the project; the options which could be considered are:

- 1) The proposed new unitary authority to continue to manage and develop the site as part of overall bereavement services provision.
- 2) The proposed new unitary authority could licence the site to a Community Interest Company who would then undertake the management of the facility and its further development

***Jeff Riddell***

**Head of Environment & Leisure Services**

**17 January 2008**

## Agenda Item 8(c)

**STATUS PUBLIC**

<b>Report to</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Elizabeth Hall, Ext. 8596
<b>Contact Officer</b>	Elizabeth Hall, Ext. 8596
<b>Subject</b>	Risk Management Working Group - Progress Report

### Purpose

This report outlines the further progress Risk Management Working Group has made from April to November 2007 and the action it plans to take in future months.

### Recommendations

That the report be noted.

### Information

In the last 8 months, the Risk Management Working Group has met regularly and has further embedded risk management arrangements within this Council.

The Risk Management Working Group has revised the Risk Management Policy and Strategy and the Strategic Risk Register. Both have been approved by Cabinet. The Group has also produced an action plan to implement the 99 recommendations outlined in the Strategic Risk Register. This action plan has been reviewed in the light of Local Government Review and 7 proposed actions have been postponed. Of the remaining actions, 28 relate to the continuing operation of controls established in previous years, 8 of the new actions have been completed and work has begun on all others. Of these, 44 are scheduled for completion in 2007/08 and the remaining 12 in future years.

The Risk Management Working Group has continued to monitor the operational risk registers. All operational risk registers are being maintained on an ongoing basis and amended where necessary. New procedures have been established to ensure that all audit and health and safety risks are now included in these registers. Guidance notes have been amended accordingly. Training on health and safety risks will be provided in December and January.

The Group completed its annual self assessment of risk management arrangements in June. The Group found that the Council now complied with 89% of all good practice set out by CIPFA, compared with 71% in June 2006 and 37% in June 2005. The Group established an action plan to address weaknesses and in October 2007 reviewed this. Further progress

had been made and the Council now complies with 92% of good practice. Internal Audit has also completed an audit of risk management arrangements. Internal Audit assessed these as being good, a score of 2. Internal Audit made 5 recommendations, 4 of these have already been completed and work is ongoing on the remaining one.

The Risk Management Working Group is reviewing the risk management and awareness training needs of the Council. It has commissioned St Paul's Travelers to undertake 2 half-day workshops for staff in January and February, and Human Resources have identified 18 new members of staff and through PDRs 5 existing members of staff who would benefit from this training. Two workshops have also been arranged for any interested Members, one beginning at 10.00 am and ending at 12 noon on 18<sup>th</sup> January and one from 2.00 pm to 4.00 pm on 27<sup>th</sup> February. All workshops will be held in the Conference Room at Abbey Sports Centre. The Business Development Officer is also undertaking specialised professional Risk Management training and has recently attended a Management of Risk course, successfully completing the Foundation stage.

The Risk Management Working Group has continued to monitor insurance claims.

OMT has requested that this Group assess the implications of the recent Corporate Manslaughter and Corporate Homicide Bill, which will come into force on 6 April 2008. A small sub-group has been established to take this forward.

The Risk Management Working Group has continued to maintain and improve the Council's emergency planning and business continuity arrangements. It is currently finalising the high level Influenza Pandemic Plan and amending the Council's Emergency Plan and Business Continuity Plan in the light of the recent restructure. Work has been delayed because of reduced support from the Civil Contingencies Unit due to a review of the unit and staff vacancies. The Unit is currently in the process of appointing new staff and an increased level of support should be available in the New Year.

Members are asked to support the continuing work of the Risk Management Working Group and note the progress made.

**Elizabeth Hall**

**Director of Strategic Services**

**Date: 10 December 2007**



## Agenda Item 8(d)

<b>Report to:</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Chief Executive Tel: 0191 3018878 email: <a href="mailto:bspears@durhamcity.gov.uk">bspears@durhamcity.gov.uk</a>
<b>Contact Officer</b>	Chief Executive Tel: 0191 3018878 email: <a href="mailto:bspears@durhamcity.gov.uk">bspears@durhamcity.gov.uk</a>
<b>Subject</b>	Local Government Ombudsman Cases

**Purpose**

For Members' Information, I attach at Appendix A, schedule of successful defences of complaints referred to the Commission for Local Administration in England

**Recommendations**

That the report be noted.

Signature *Brian Spears*

**TITLE** Chief Executive

**Date** 19 February 2008

City of DurhamCABINET5 March, 2008Report of the Chief Executive - For InformationSchedule of Successful Defences of Complaints Referred to the Commission for Local Administration in England

<u>L.O. Case Ref. No.</u>	<u>Summary of the Nature of the Complaint</u>	<u>Local Ombudsman's Findings/Decision</u>
07/C/07934	That the Council did not properly consider the complainant's amenity when granting planning permission for a new development near the complainant's property.	<p>The LO had been unable to pursue this complaint as the complainant had bought the property after the approval for the development had been granted, and indeed after work had commenced on site. The complainant had responded to this provisional view but without providing any new information to alter that view and therefore the complaint had been discontinued.</p> <p>Reason for Termination: Ombudsman's Discretion</p>
07/C/08770	That the Council did not give correct information about the liability for Council Tax for a property that was intended for rent to students.	<p>The provisional view of the LO after considering the complaint about being wrongly advised, was that the complainant had the right to appeal the decision to the Valuation Tribunal. Any complaint about whether you are liable or not, are therefore, outside the jurisdiction of the Ombudsman. Under the Local Government Act 1974 the Ombudsman shall not investigate a complaint where there is a right to go to a statutory tribunal.</p> <p>Reason for Termination: Ombudsman's Discretion.</p>

## Agenda Item 8(e)

<b>Report to:</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Head of Legal & Strategic Services Tel: 0191 3018880 email:cgreenlay@durhamcity.gov.uk
<b>Contact Officer</b>	Legal & Complaints Officer Tel: 0191 3018876 email:klaidlaw@durhamcity.gov.uk
<b>Subject</b>	Schedule of Complaints received under the Council's Complaints Procedure 2007/8

### Purpose

For Members' information, attached at Appendix A is a Schedule listing the complaints received under the new complaints procedure, which was commenced in January 2007.

None of the complaints dealt with during this period have required options to be put to Members for a decision, but it is a requirement of the procedure that the Council should use complaints positively to see where systems, procedures and training can be improved to reduce the possibilities of errors and mistakes happening again.

The report is broken down to show the various stages of complaints. Stage 1 and 2 have been categorised to service areas.

**Stage 1** is the first point of contact relating to a complaint and these figures involve both formal and informal complaints (including complaints regarding basic operational issues). A substantial number of complaints are resolved at this level.

**Stage 2** should the complainant not be satisfied with the outcome at Stage 1, the complaint will then be referred to the relevant service manager/head of service, and a formal investigation will be carried out.

**Stage 3** is the final stage and is only commenced when stage 2 has been exhausted and the complainant is still unhappy with the outcome. At this stage the Council's Complaints Officer conducts a full independent investigation.

### Recommendations

That the report be noted.

**TITLE**           Head of Legal & Strategic Services  
**Date**            18 February 2008

**SCHEDULE OF COMPLAINTS RECEIVED UNDER THE  
COUNCIL'S COMPLAINTS PROCEDURE  
APR 2007 – FEB 2008**

**STAGE 1 STATISTICS**

<b>Service Provider</b>	<b>Total</b>	<b>Completed - Satisfactory/Unsatisfactory</b>
City Care	1	Satisfactory
Customer Services	26	3 Unsatisfactory/23 Satisfactory
Building Control	1	Satisfactory
Environment & Leisure	8	1 Unsatisfactory/7 Satisfactory
Environmental Health	2	Satisfactory
Financial Services	26	1 Unsatisfactory/1 Ongoing/24 Satisfactory
Homeless	1	Satisfactory
Housing Special Collections	1	Unsatisfactory
Housing	17	1 Unsatisfactory/16 Satisfactory
Housing Repairs	61	4 Unsatisfactory/57 Satisfactory
IT	1	Satisfactory
Land Enquiries	1	Satisfactory
Recycling	22	21 Satisfactory/1 Unsatisfactory
Modernisation	2	Satisfactory
Planning	5	Satisfactory
Refuse	47	5 Unsatisfactory/42 Satisfactory
Street Scene/Parks	4	3 Satisfactory/ 1 Unsatisfactory
White goods	2	Satisfactory

**STAGE 2 STATISTICS**

<b>Service Provider</b>	<b>Total</b>	<b>Completed - Satisfactory/Unsatisfactory</b>
Customer Services	1	Satisfactory
Financial Services	2	1 Satisfactory/1 Unsatisfactory
Housing	3	2 Satisfactory/1 Unsatisfactory
Housing Repairs	3	Satisfactory
Recycling	2	Satisfactory
Planning	1	Satisfactory
Refuse	3	Satisfactory
Street Scene/Parks	1	Satisfactory

**STAGE 3 STATISTICS****Investigated by Council's Complaints Officer and/or Service Head**

<b>COMPLAINANT</b>	<b>NATURE OF COMPLAINT</b>	<b>DEALT WITH BY</b>	<b>FINDINGS</b>	<b>LGO REFERRED</b>
Mrs H Mr S	Application for benefits Damage to property	Director of Legal & Administration Services Head of Housing/ Director of Legal & Admin Head of Financial Services	Not upheld Compensation accepted	No No No
Mr & Mrs H	Council Tax	Director of Legal & Administration Services	Costs waived	No
Mr & Mrs T	Elvet Waterside	Director of Legal & Administration Services	Not upheld	No
Mr M	Planning Application	Head of Planning Services/ Director of Legal & Admin	Not upheld	No
Mr B & Ms A	Planning Application	Director of Legal & Administration Services	Not upheld	No
Bell & Bell Rating Surveyors	Complaint re: Neighbourhood Wardens	Head of Environmental Services	Not upheld	No

Mr N	Local Development Framework/Elvet Waterside/Member involvement	Director of Legal & Admin on behalf of Leader and Chief Executive	Not upheld	No
Mr B	Benefit application	Head of Housing Services	Amendment to application form to be considered	No
Mr C	Application to purchase land	Director of Legal & Administration Services	Grant of easement offered	No
Mrs L	Planning application	Head of Planning Services/ Director of Legal & Admin	Not upheld	No
Ms C	Council tax benefit	Head of Housing Services/ Director of Legal & Admin	Errors to be corrected	No
Mr T	Housing rents	Head of Housing	Proceedings withdrawn	No
Mr F	Housing	Head of Property Services	Not upheld	Yes - Treated as Premature
Ms S	Council tax	Head of Financial Services/ Director of Legal & Admin	Not upheld	No
Mr O	Damage to property	Head of Environmental Services/ Director of Legal & Admin	Premier Waste to deal.	No
Blackett Hart & Pratt	Planning Application	Head of Planning Services/ Director of Legal & Admin	Refused planning application rescinded by development control committee	No
Mrs A	Site Visit/officer issues	Director of Legal & Administration Services	Not upheld	No
Mr J	Past planning application affecting property	Head of Planning Services/ Director of Legal & Admin	Not upheld	Yes
Mr & Mrs M	Council tax/HMO's	Head of Financial Services/ Legal & Democratic Services Manager	1 <sup>st</sup> Part of complaint upheld, 2 <sup>nd</sup> in part	No

Mr G & Mr K	Disclosure of sensitive information	Legal & Democratic Services Manager	Upheld	No
Mr G	Disclosure of Information	Legal & Democratic Services Manager	1 <sup>st</sup> part upheld, 2 & 3 dismissed 4 upheld in part	No
Mr S	Enforcement	Legal & Democratic Services Manager	Not upheld	No
Mr W	Council tax/customer services	Head of Community Services/ Legal & Democratic Services Manager	Not upheld	No

This page is intentionally left blank



## Agenda Item 8(f)

**STATUS PUBLIC**

<b>Report to</b>	Cabinet
<b>Date</b>	5 March 2008
<b>Reporting Officer</b>	Elizabeth Hall, Extension 301 8595
<b>Contact Officer</b>	Elizabeth Hall, Extension 301 8595
<b>Subject</b>	Harmonisation of Contract Documents

### Purpose

To update Cabinet on the adoption of a standard set of documents which have been developed during the Harmonisation of Contract Documents project in conjunction with the NECE.

### Recommendations

That the report be noted

### Information

Following consultation with the North East Centre of Excellence (NECE), the harmonisation of contract documents was identified as a priority project to further joint contracting and to simplify the complexity of the documents that suppliers perceive as a major barrier to tendering for public sector contracts.

In 2007, International law firm Eversheds' Newcastle office were commissioned by the NECE to work with all 25 local authorities across the North East to assist them to harmonise the documents used by Councils in procuring and contracting for goods and services.

The project has involved extensive consultation with Procurement, Legal, Finance, Health and Safety and Equalities and Diversity officers as well as representatives of the Supply Sector, lead by the North East Chamber of Commerce, Federation of Small Businesses and representatives of the third sector.

The desired outcomes of the project were to:

- ◆ Replace the existing myriad of Local Authority contract documentation with standard robust documents which incorporate all procurement and legislative requirements.
- ◆ Simplify the tender process, reducing inconsistencies, duplication and bureaucracy to deliver time and money savings for both suppliers and procurers.
- ◆ Encourage a diverse and competitive supply market including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- ◆ Build sustainability into processes and contracts to realise the greater contribution to well-being objectives within procurement decisions.

The project has delivered a harmonised suite of contract documents that are grouped under the following headings:

- ◆ Pre-Qualification Questionnaire
- ◆ PQQ Evaluation Template
- ◆ Invitation to Tender
- ◆ ITT Evaluation Template
- ◆ Terms and Conditions - Services
- ◆ Terms and Conditions – Goods
- ◆ Community Benefits - notes and model clauses
- ◆ Supplier Guide
- ◆ Category Generic Clauses (ICT)

The documents will be introduced to the Council gradually, starting with a service area which carries out a significant number of tenders, in order to ensure that the documents are appropriate to service needs. Full training will be given to employees on the use of the documents.

**Elizabeth Hall**

**Director of Strategic Services**

**Date:** 14 February 2008