

# Public Document Pack

24 December 2007

Dear Councillor

A meeting of the Executive will be held in the **Council Chamber, Civic Centre, Newcastle Road, Chester-le-Street, Co Durham, DH3 3UT on Monday, 7th January, 2008 at 3.00 pm**

Yours sincerely

A handwritten signature in black ink, appearing to read 'Roy Templeman', is written over a light grey rectangular background.

**R TEMPLEMAN**

**Chief Executive**

## **AGENDA:**

1. Apologies for Absence
  2. Minutes of the Previous Meeting (Pages 1 - 12)
  3. Public Speaking
  4. To Receive Declarations of Interest
  5. Forward Plan and Work Programme (Pages 13 - 26)
  6. Executive Decision Tracker (Pages 27 - 36)
  7. Leisure Options Review (Pages 37 - 40)
- Report Of Director of Development Services

8. Corporate Governance Framework (Pages 41 - 48)  
Report Of Acting Head of Resources Directorate
9. 2008/09 General Fund Budgetary Projections (Pages 49 - 54)  
Report Of Head of Corporate Finance
10. 2008/09 General Fund Capital Programme (Pages 55 - 58)  
Report Of Head of Corporate Finance
11. Review of Medium Term Financial Strategy (Pages 59 - 86)  
Report Of Head of Corporate Finance
12. Sacriston Area Development Framework  
Report Of Acting Manager for Regeneration  
(Verbal Update)
13. Referrals from the Overview and Scrutiny Panels
- (i) Partnership and Efficiency (no references)
  - (ii) Regeneration and Housing (no references)
  - (iii) Leisure and Neighbourhood (no references)
14. Exclusion of Public and Press. To RESOLVE:  
"That, in accordance with Regulation 21 (1) (b) of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000, the public be excluded during the transaction of the following business because it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972."
15. Regeneration Quarterly Report (Pages 87 - 108)  
Report Of Acting Manager for Regeneration
16. Drury Houses (Pages 109 - 116)  
Report Of Acting Director of Community Services
17. Write-off of Irrecoverable Debt (Pages 117 - 120)  
Report Of Head of Corporate Finance

## **THE DISTRICT COUNCIL OF CHESTER-LE-STREET**

Report of the meeting of Executive held in the Council Chamber, Civic Centre, Newcastle Road, Chester-le-Street, Co Durham, DH3 3UT on Monday, 3 December 2007 at 3.00 pm

### PRESENT:

Councillor L Ebbatson (Leader of the Council)

Councillor S A Henig, (Portfolio Holder for Resources and Value for Money)  
Councillor S Barr, (Portfolio Holder for Community Engagement and Partnership Working)

Councillor C J Jukes, (Portfolio Holder for Regeneration and Strategic Planning)

Councillor M Potts, (Portfolio Holder for Health and Well-being)

Councillor S C L Westrip, (Portfolio Holder for Neighbourhood Services)

Officers: R Templeman (Chief Executive), I Forster (Assistant Chief Executive), T Galloway (Director of Development Services), J Henderson (Acting Head of Resources), I Herberson (Accountancy Manager), A Ainsley (Acting Head of Housing Services), L Dawson (Acting Manager for Regeneration), J Lulic (Community Development Manager), G MacCallam (Environmental Services Manager), L Howley (Acting Team Leader, Environmental Health), M Keenlyside (Environmental Strategy Co-ordinator), J Bradley (Assistant Solicitor), A Rose (Community Engagement Officer), A Stephenson (Executive Assistant) and K Fletcher (Democratic Services Assistant)

### **92. APOLOGIES FOR ABSENCE**

There were no apologies for absence received from Members.

### **93. MINUTES OF THE PREVIOUS MEETING**

It was proposed and seconded that the minutes of the previous meeting be agreed.

RESOLVED: "That the minutes of the meeting held 5 November 2007, copies of which had previously been circulated to Members be agreed as a correct record."

The Leader proceeded to sign the minutes

### **94. TO RECEIVE DECLARATIONS OF INTEREST**

Councillor Ebbatson declared a personal and prejudicial interest in relation to Item No 16 – Community Facilities Review as her partner is the Chair of Chester-le-Street and District CVS

Councillor Barr declared a personal and prejudicial interest in relation to Item No.16 - Community Facilities Review and Item No. 17 – SHIP2 and Village Hearts (Pelton Fell and Sacriston) as he is the trustee of Pelton Fell Community Group.

Councillor Henig declared a personal and prejudicial interest in relation to Item No 12 – Licensing Policy as he was involved with consultations through employment with Kevan Jones MP. He also declared a personal and prejudicial interest in relation to Item No 10 – Mid Year financial Monitoring in particular to budgets relating to Selby Cottage Nursery. Councillor Henig also advised that Councillor Jukes had the same interest in relation to this matter.

The Leader advised that Councillor Jukes had provided notice that he would declare a personal and prejudicial interest in relation to Item No.18 – Disabled Facilities Grant as he had spoken at length with the families involved.

#### **95. PUBLIC SPEAKING**

There were no questions or representations received from members of the public.

#### **96. FORWARD PLAN AND WORK PROGRAMME**

The Leader introduced the Forward Plan and Work Programme.

The Director of Development Services requested that the Leisure Options Review be considered at the Executive meeting in January 2008. Members agreed to this.

RESOLVED: “That the Forward Plan and Work Programme be noted and updated accordingly.”

#### **97. EXECUTIVE DECISION TRACKER**

Members considered the Decision Tracker and were updated on the progress of a number of developments including: Neighbourhood Management; Land Matters; Review into Leisure Services for Young People; Community Resource Centre at Sacriston; and Corporate Governance Framework Action Plan.

The Acting Manager for Regeneration made reference to Land Matters and confirmed that to date only one request had been received from a resident at Henley Avenue, Pelton Fell to purchase the land to the front of their property. She advised that consultations were still ongoing and that a further update would be provided at the January meeting of the Executive.

The Assistant Chief Executive advised that in light of the potential shift in Council priorities the review into Leisure Services for Young People would now be considered as part of the new model for engagement and that a more detailed update would be provided at the January meeting of the Executive.

The Assistant Chief Executive referred to the Corporate Governance Framework Action Plan and advised that currently an action plan had been created but was not ready for publication. He confirmed that a formal update would be provided at the January meeting of the Executive.

It was agreed that Item 9 be removed from the Decision Tracker.

RESOLVED: "That the Decision Tracker be noted, amended and updated accordingly."

#### **98. REVIEW OF CORPORATE PRIORITIES, CORPORATE PLAN PROPOSALS AND IMPROVEMENT PLAN**

Consideration was given to a report from the Assistant Chief Executive that reviewed the Corporate Priorities, Corporate Plan and Improvement Plan.

The Assistant Chief Executive advised that it had been necessary to look at the corporate priorities and corporate plan in light of the Local Government Review and Appendix 1 of the report provided suggested proposals.

He confirmed that the report also highlighted that an improvement plan would be prepared to take the Council forward over its remaining life.

The Assistant Chief Executive confirmed that Appendix 2 highlighted areas for change or an area to progress and that Appendix 3 also highlighted clear areas for improvement.

It was proposed and seconded that the recommendations to the report be agreed.

RESOLVED:

- "1 That the revised priorities set out in the report and specifically in paragraph 5.8 be agreed and that work commences to develop an appropriate model and project plan for delivery.
- 2 That the revised Corporate Plan proposals set out in Appendix 2 of the report be agreed and the progress against those which remain unchanged were noted.
- 3 That the Improvement Plan set out in Appendix 3 be agreed.
- 4 That the revisions are used to support the budget process and service planning for 2008/2009 and service plan."

**99. CORPORATE PERFORMANCE APRIL TO SEPTEMBER 2007**

Consideration was given to a report from the Assistant Chief Executive detailing key areas of performance from achieving the corporate plan to complaints.

The Assistant Chief Executive advised that an Executive/officer performance clinic had been held to discuss under-performance, although the overall direction of travel continued to show improvement.

He highlighted however that the speed in determining and responding to complaints needed to improve and that this matter would be undertaken as part of a CPI process.

The Leader commented that she had attended the performance clinic which she felt was constructive and positive.

It was proposed and seconded that the recommendation to the report be agreed.

RESOLVED: "That the progress on improvements and the contents of the Performance Report attached as Appendix 1 be noted."

**100. IRRECOVERABLE HOUSING DEBT - QUARTERLY REPORT**

Consideration was given to a report from the Acting Head of Housing Services to write off irrecoverable housing debt.

The Acting Head of Housing Services outlined the cases within the report whereby all options to recover the debt had been undertaken.

It was proposed and seconded that the recommendation to the report be agreed.

RESOLVED: "That the write off of the irrecoverable housing debt for the cases set out in Table 1 of the report be agreed."

**Councillor Jukes entered the meeting at 3.35pm**

**101. MID YEAR FINANCIAL MONITORING**

Consideration was given to a report from the Accountancy Manager detailing the Council's actual financial performance for the first six months of the year as compared with its estimated position.

### **General Fund**

The Accountancy Manager advised that the position to date showed a potential overspend of £287,000.

He confirmed that all managers had been advised that a freeze had been put on certain budgets and a specific request needed to be made to the Accountancy Manager and Chief Executive to release expenditure. Also if any vacant posts arose within the authority, careful consideration would need to be taken by the Chief Executive, Head of Organisational Development and the Accountancy Manager to approve that the vacancy could be filled.

The Accountancy Manager advised that Corporate Management Team and Heads of Service were working together to ensure that there would be no overspend at the end of the financial year.

### **Housing Revenue Account**

The Accountancy Manager advised that the position to date showed an underspend of £267,149.

He confirmed that there are variations within the planned responsive repairs budgets at the half year stage however it was expected that these will even out by the transfer date.

The Accountancy Manager also confirmed that it was expected that the DLO account would break even at the end of the trading period.

### **General Fund Capital Programme**

The Accountancy Manager advised that section 7.2 of the report demonstrated schemes for the year however a total of £940,000 of the 2007/08 approved capital programme remained unreleased at the mid year position and the release of further schemes was dependent on asset sales.

### **Housing Capital Programme**

The Accountancy Manager highlighted how best use would be made of monies made available from the Major Repairs Allowance to fund the capital programme.

### **Asset Sales**

The Accountancy Manager advised that monies generated from asset sales along with the proceeds from the final Pelton Fell receipt had been fully allocated to approved schemes.

### **2008/09 Budget Process**

The Accountancy Manager advised that this section of the report provided an overview of the budget process and that he would be liaising with Democratic Services to ensure the involvement of the Overview and Scrutiny Panels to consider the services within their remits.

It was proposed and seconded that the recommendation to the report be agreed.

REVOLVED: "That the financial monitoring information detailed in sections 5-9 of the report be noted and that the proposed 2008/09 budget process detailed in section 10 of the report be approved."

## **102. COMMUNITIES FOR HEALTH - ACTION PLAN**

Consideration was given to a report from the Director of Development Services to update Members on the commissioning process for an Intervention Programme under the Department of Health's Communities for Health Programme.

The Leader advised that as the action plan had not been fully prepared or circulated, delegated authority be given to the Portfolio Holder for Neighbourhood Services to agree the action plan and that an update be provided at the January meeting of the Executive.

RESOLVED:

- "1 That the Action Plan/Work Programme be circulated to Members and that delegated authority be granted to the Portfolio Holder for Neighbourhood Services to agree the Action Plan/Work Programme.
- 2 That an update be provided at the January meeting of the Executive."

**Prior to consideration of the following item Councillor S A Henig declared a personal and prejudicial interest and left the meeting.**

## **103. LICENSING POLICY**

Consideration was given to a report from the Acting Team Leader, Environmental Health regarding the review of the Council's Statement of Licensing Policy.

A revised Appendix B was circulated at the meeting which included all consultation responses received.

The Acting Team Leader advised that the Licensing Act 2003 requires the Council to publish a Statement of Licensing Policy and review it every three years and that the first review date for the Council was 7 January 2008.

He confirmed that the draft revised policy had incorporated new guidance and best practice and had been subject to consultation, which had raised few points that required significant alteration to the policy.

It was proposed and seconded that the recommendation to the report be agreed.



RESOLVED: “That the draft revised Statement of Licensing Policy be recommended to Council for approval.”

**Councillor S A Henig returned to the meeting.**

#### **104. ENFORCEMENT POLICY FOR PLANNING AND ENVIRONMENTAL HEALTH**

Consideration was given to a report from the Head of Planning and Environmental Health detailing the proposed Draft Environmental Health Enforcement Policy.

The Acting Team Leader, Environmental Health advised that the draft Enforcement Policy amalgamated and updated existing individual policies required by legislation, along with statutory codes of practice into a single document and that it also clarified the Council’s approach to Environmental Health enforcement activities.

He confirmed that this was a draft policy that was yet to be sent out to consultation.

It was proposed and seconded that the recommendation to the report be agreed.

RESOLVED: “That the draft Enforcement Policy, attached as Appendix A be recommended to Council as a version suitable for public consultation and that Officers carry out an appropriate consultation exercise.”

#### **105. REFERRALS FROM THE OVERVIEW AND SCRUTINY PANELS**

There were no referrals from the Overview and Scrutiny Panels.

#### **106. EXCLUSION OF PUBLIC AND PRESS. TO RESOLVE:**

RESOLVED: ““That, in accordance with Regulation 21 (1) (b) of The Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000, the public be excluded during the transaction of the following business because it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3, 4 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972”

**Prior to consideration of the following item, the Leader and Councillor S Barr declared their personal and prejudicial Interests and left the meeting.**

**Councillor Henig took the Chair.**

## **107. COMMUNITY FACILITIES REVIEW - SECOND STAGE REPORT**

Consideration was given to a report from the Community Development Manager detailing 'early wins' of Community Facilities assets transfer in Chester-le-Street.

The Community Development Manager advised that the report followed on from that presented to the Executive in July 2007 and identified three possible 'quick wins' for which he proceeded to outline to Members.

Comments were raised by Members in relation to the support to be provided to the Pelton Fell Community Resource Centre and the Community Development Manager advised that it would not be monetary support, but would include: assistance with funding applications; community engagement; general advice (relating to community development matters); and management committee training.

It was also highlighted that as the Leader had declared a personal and prejudicial interest in relation to this matter the delegated authority for resolving matters for Bullion Hall be changed from the Leader to the Portfolio Holder for Regeneration. Members agreed to this.

It was proposed and seconded that the recommendations to the report be agreed, subject to amendments discussed at the meeting.

RESOLVED:

### **Mile House**

- "1 That it be recommended to Council that discussions be opened with the Enterprise Agency, with a view to extend the lease on existing terms, and that the Council grant delegated authority to the Leader and Chief Executive to resolve this matter.
- 2 That a verbal report be provided to the Executive once a resolution has been identified.

### **Pelton Fell Community Resource Centre**

"The Executive re-iterated their support for the principle of transfer of the Community Resource Centre, and that officer support be provided through the Council's Community Development Team, on how to manage resources."

## **Bullion Hall**

- “1 That it be recommended to Council that discussions be opened with the CVS, with a view to extend the lease on existing terms and that that the Council grant delegated authority to the Portfolio Holder for Regeneration and Strategic Planning and the Chief Executive to resolve this matter.
- 2 That a verbal report be provided to the Executive once a resolution has been identified.”

“That subject to approval by Council, as necessary, the Community Facilities Review progresses onto Stage 3”.

**The Leader returned to the meeting and took the Chair.**

**Councillor Jukes declared a Personal and Prejudicial interest prior to consideration of the following item as he is the Chair of the Board and left the meeting.**

## **108. SHIP2 AND VILLAGE HEARTS (PELTON FELL AND SACRISTON)**

Consideration was given to a report from the Head of Regeneration providing an update on progress in relation to the development of the heart of the village at Pelton Fell and recommendations on usage of further SHIP2 funding.

The Acting Manager for Regeneration updated Members on the outcome of consultations held for proposals for the heart of the village Pelton Fell, the outcome of the application to the Big Lottery Fund and the usage of further SHIP2 funding, maximising its strategic impact.

The Leader raised concerns with regard to the land at Pelton Fell that would not be developed and requested that an amended plan be produced and presented to the Executive meeting in January.

Queries were also raised with regard to the allocation of SHIP funding and clarification was provided by the Chief Executive.

It was proposed and seconded that the recommendations to the report be agreed.

**RESOLVED:**

- “1 That the option of a refurbishment / conversion of the existing village hall at Pelton Fell, as a new community facility be agreed.

- 2 That the Acting Manager for Regeneration be authorised to pursue, with landowners, a joint disposal of the land at the village heart at Sacriston.
- 3 That from the additional SHIP resources available, an additional £350,000 towards the heart of the village at Pelton Fell (including the community resource centre) be agreed and an additional £150,000 on environmental improvements at Sacriston, as outlined in the report be agreed.
- 4 That the recommendations above were agreed on the proviso that completion takes place within 12 months and that a revised plan for the Heart of the Village, Pelton Fell (in light of the decision) be created, and brought back to the Executive in January 2008.”

**Councillor Barr returned to the meeting at this point.**

#### **109. DISABLED FACILITIES GRANT**

Consideration was given to a report from the Director of Development Services providing details of a Disabled Facilities Grant Application.

The Director of Development Services advised of the change of circumstances to the application which was previously considered and agreed by the Executive in August 2007.

It was proposed and seconded that the recommendation to the report be agreed.

RESOLVED: “That the recommendation in the Occupational Therapists report, to make an additional awarded of £39,327.76 in respect of the Disabled Facilities Grant application, as proposed in the Executive report of 6 August 2007 be agreed.”

**Councillor Jukes returned to the meeting at this point.**

#### **110. KERB-IT TENDERS**

Consideration was given to a report from the Environmental Services Manager to award a contract for the delivery of a service for the kerbside collection of materials for recycling within Chester-le-Street District.

The Environmental Services Manager provided an update on the background of the existing contract for the delivery of services and collection of material for recycling which terminates on 31 March 2008.

He advised that tenders for the service had been received by the deadline of 26 October 2007 and provided details of the preferred tender.

It was proposed and seconded that the recommendation to the report be agreed.

RESOLVED: "That the award of the Contract to the company Greencycle Ltd at a net cost to the Council of £89,804, based on a 25% recycling rate be agreed."

The meeting terminated at 4.47 pm

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**Chester-le-Street**  
District Council

## Executive Forward Plan and Work Programme



### January 2008

# About this document

Chester-le-Street District council is committed to continuous improvement. We want to make sure that we engage people in the decisions we make wherever we can. We want to let people know what decisions we are going to make and when.

The council's Executive, which is made up of the Leader and five Executive Members have powers to make certain decisions on behalf of the council. This document aims to go further than what the law requires us to do and let people know as far in advance what decisions the Executive is to make on the councils behalf. Where possible and in relation to what are called key decisions, it will let you know how you can make representations and who they can be made to. This document will be published every month at the Civic Centre and on the council's website at [www.chester-le-street.gov.uk](http://www.chester-le-street.gov.uk).

This document is in two parts:

**Part One: Chester-le-Street District Council's formal Executive Forward Plan**

**Part Two: the Executive's Decision Work Programme for the next year**

## Part One

The Executive Forward Plan is a statutory document which the council must produce every month covering a four month period. It is published fourteen days before it comes into effect. This is the first day of each month. It includes:

- a list of all 'key decisions' the councils will make on the council's behalf;
- details of the nature of the decision;
- details of the decision taker, which in the councils case is normally the council's Executive;
- when the decision is to be made;
- who are the principal consultees and the means by which consultations will be undertaken;
- a list of documents to be considered by the decision maker; and
- details of how and by when representations can be made.

**What are 'key decisions'?**

'Key decisions' are defined as executive decisions which are:-

- decisions likely to result in the District Council incurring expenditure which is, or the making of savings which are, significant, having regard to the District Council's budget for the service or function to which the decision relates, or
- significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the Council

## Part Two

The Executive's work programme is not a statutory document which the council must produce. It is advance notice of all other important decisions the Executive will take either on behalf of the council or in making recommendations to the council. It includes:



- a list of the non ‘key decisions the councils will make;
- details of the nature of the decision;
- details of the decision taker, which in the council’s case is normally the council’s Executive as a group;
- when the decision is to be made;
- who are the principal consultees and the means by which consultations will be undertaken;
- a list of documents to be considered by the decision maker; and
- details of how and by when representations can be made.

### Who are the Executive?

The Executive is made up of the Leader of the Council and five other Executive Members as follows:

<b>Cllr. Linda Ebbatson</b>	<b>Tel: 0191 387 2090</b>
<b>Leader of the Council with responsibility for Human Resources, Equalities, and Young People</b>	<b>E-Mail: lindaebbatson@chester-le-street.gov.uk</b>
<b>Cllr. Simon Henig</b>	<b>Tel: 0191 387 2090</b>
<b>Deputy Leader and Resources and Value for Money Portfolio Holder</b>	<b>E-Mail: simon.henig@sunderland.ac.uk</b>
<b>Cllr. Chris Jukes</b>	<b>Tel: 0191 389 1136</b>
<b>Regeneration and Strategy Planning Portfolio Holder</b>	<b>E-Mail: chris.jukes1@btopenworld.com</b>
<b>Cllr. Maureen Potts</b>	<b>Tel: 0191 370 0828</b>
<b>Health and Wellbeing Portfolio Holder</b>	<b>E-Mail: maureenpotts@aol.com</b>
<b>Cllr Simon Westrip</b>	<b>Tel: 0191 387 3512</b>
<b>Neighbourhood Services Portfolio Holder</b>	<b>E-Mail: simon.westrip@bigfoot.com</b>
<b>Cllr Steve Barr</b>	<b>Tel:0191 388 9907</b>
<b>Community Engagement and Partnerships Portfolio Holder</b>	<b>E-Mail: steve@link1970.fsnet.co.uk</b>

### How do I find out when the Executive is meeting?

Information about the time and venue for a particular meeting of the Executive may be obtained from the agenda available from the Reception Desk at the Civic Centre, from the District Council’s website or from the Executive Assistant. Public Speaking is allowed at Executive meetings so long as you comply with the council’s procedures. To find out more contact Democratic Services.

### How do I contact Members of the Executive or the Council Chief Officers?

Contact details for Members of the Executive and for the Council’s Chief Officers are set out in this Forward Plan.

If you have any queries about the Forward Plan, please contact the Executive Assistant at the Civic Centre on 0191 387 2010 or e-mail the Executive Assistant at: [amandastephen@chester-le-street.gov.uk](mailto:amandastephen@chester-le-street.gov.uk).





## Executive Forward Plan

Summary of Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Leisure Options Review	Executive	Revised date January 2008	Tony Galloway 0191 3872100	Corporate Management Team Portfolio Holder Leisure Options Working Group	By phone, or in writing to the Director of Development Services or by email to Tonygalloway@chester-le-street.gov.uk
Demand responsive bus services (Personalised community transport options) Findings of Partnership and Efficiency Overview and Scrutiny Panel	Executive	Revised date January 2008	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk

Summary of Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
<p>Review of the Community Partnerships</p> <p>Report from Partnership and Efficiency Overview and Scrutiny Panel</p>	<p>Executive</p>	<p>Revised date March 2008</p>	<p>Nigel Cummings</p>	<p>OSMB Relevant Executive Members Key Stakeholders &amp; Partners</p>	<p>In writing or by telephone to the Scrutiny Officer or by email to nigelcummings@chester-le-street.gov.uk</p>
<p>Irrecoverable Housing Debt Quarterly Report</p>	<p>Executive</p>	<p>March 2008</p>	<p>Paul Stephens 0191 3872494</p>	<p>Director of Resources Income Management Team Leader</p>	<p>In writing or by telephone to Paul Stephens Acting Director of Community Services or by email to paulstephens@chester-le-street.gov.uk</p>



**Chester-le-Street**  
District Council

## Part Two: Executive Work Programme



**January 2008**

## Executive Work Programme

Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Housing Strategy	Executive	Deferred date January 2008	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk
Review into Environmental Enforcement in relation to the Clean Neighbourhoods and Environments Act 2005 - Cost Benefit Analysis Report	Executive	Deferred date January 2008	Tony Galloway 0191 3872100	Portfolio Holder, Corporate Management Team	By phone, or in writing to the Director of Development Services or by email to Tonygalloway@chester-le-street.gov.uk

Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Review of Medium Term Financial Strategy	Executive	Revised date January 2008	Ian Herberson 0191 3872343	Corporate Management Team	In writing or by telephone, to the Head of Corporate Finance or by email to ianherberson@chester-le-street.gov.uk
Corporate Governance Framework	Executive	January 2008	Jayne Henderson 0191 3872300	Chief Officers and Corporate Governance Steering Group	In writing or by telephone, to the Acting Head of Resources Directorate or by email to jaynehenderson@chester-le-street.gov.uk
Sacriston Area Development Framework	Executive	January 2008	Leila Dawson 0191 3872233	Relevant Executive member Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk

Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Regeneration Quarterly Report	Executive	January 2008	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk
Bad Debt report Quarterly Report	Executive	January 2008	Ian Herberson 0191 3872343	Head of Revenue and Benefits Accountancy Manager Internal Auditor	In writing or by telephone, to the Head of Corporate Finance or by email to lindachambers@chester-le-street.gov.uk
2008/9 Budget and Capital Programme	Executive	January 2008	Ian Herberson 0191 3872343	Corporate Management Team	In writing or by telephone, to the Head of Corporate Finance or by email to ianherberson@chester-le-street.gov.uk
Employee Survey Results	Executive	Revised date February 2008	Ian Forster 0191 3872130	Corporate Management Team Portfolio Holder Employees Trade Unions	In writing or by telephone to the Director of Corporate Affairs or by email to ianforster@chester-le-street.gov.uk



Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
2008/9 Budget and Capital Programme	Executive	February 2008	Ian Herberson 0191 3872343	Corporate Management Team OSPs	In writing or by telephone, to the Head of Corporate Finance or by email to ianherberson@chester-le-street.gov.uk
Empty Property Strategy	Executive	Revised date March 2008	Tony Galloway 0191 3872100	Corporate Management Team Portfolio Holder Executive Members	By phone, or in writing to the Director of Development Services or by email to Tonygalloway@chester-le-street.gov.uk
Contaminated Land Strategy	Executive	Revised date March 2008	Tony Galloway 0191 3872100	Corporate Management Team Portfolio Holder Executive Members	By phone, or in writing to the Director of Development Services or by email to Tonygalloway@chester-le-street.gov.uk

Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Corporate Performance April to December 2007	Executive Corporate Performance Report and covering report	March 2008	Ian Forster 0191 3872130	Relevant Executive Members Corporate Management Team Internal consultation	In writing or by telephone to the Assistant Chief Executive or by email to <a href="mailto:ianforster@chester-le-street.gov.uk">ianforster@chester-le-street.gov.uk</a>
Regeneration Quarterly Report	Executive	April 2008	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to <a href="mailto:leiladawson@chester-le-street.gov.uk">leiladawson@chester-le-street.gov.uk</a>
Enforcement Policy	Executive	June 2008	Tony Galloway 0191 3872100	Portfolio Holders, Corporate Management Team	By phone, or in writing to the Director of Development Services or by email to <a href="mailto:Tonygalloway@chester-le-street.gov.uk">Tonygalloway@chester-le-street.gov.uk</a>

Summary of Non Key Decision	Decision Taker and Documents to be considered	Decision Date	Contact Officer	Consulted Parties and means of consultation	How to make representations and when by (If making representations in writing, please address them to the Director/Manager named at: Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT)
Regeneration Quarterly Report	Executive	July 2008	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk
Review of Industrial/Business Sites Findings of Overview and Scrutiny Ad Hoc Panel	Executive	February 2009	Leila Dawson 0191 3872233	Relevant Executive Members Corporate Management Team Ad-hoc scrutiny panel on industrial estates Industrial Estate tenants	In writing or by telephone to the Acting Head of Regeneration or by email to leiladawson@chester-le-street.gov.uk

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## EXECUTIVE DECISION TRACKER

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
1	4 July 2005	<p><b><u>Poets Estate, Pelton Fell – Environmental Improvement Strategy (EIS)</u></b></p> <ul style="list-style-type: none"> <li>▪ The EIS for the Poets Estate with the exception of the demolition and refurbishment of Area 4 were endorsed</li> <li>▪ Agreed with the principle of prioritising investment from the Capital Programme to support the implementation of the EIS for the Poets Estate</li> <li>▪ The scale of that investment will be subjected to a Full Council report that will consider the needs of the local community against the availability of resources and other Council investment priorities</li> <li>▪ The site of the existing Village Hall is declared surplus to requirements and the Regeneration Manager is authorised to prepare development options for the site.</li> </ul>	Included within quarterly regeneration report, January 2008.	Ongoing	Work started on site on 26 <sup>th</sup> February and is nearing completion.	Leila Dawson

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
2	4 July 2005	<p><b><u>Pelton Fell Neighbourhood Regeneration Partnership</u></b></p> <ul style="list-style-type: none"> <li>▪ The Integrated Regeneration Strategy for Pelton Fell as summarised in Annex A is endorsed with the addition of physical and emotional well being included in statements of health</li> <li>▪ The creation of a Pelton Fell Neighbourhood Regeneration Partnership is agreed with the provision that the interests of the whole District are protected</li> <li>▪ Agreed that Council funds are used to support the appointment of a Project Co-ordinator for the Pelton Fell Neighbourhood Regeneration Partnership as described in the report</li> </ul>	Included within quarterly regeneration report, January 2008.	On target	<p>Key future milestones:</p> <p>Phase 1 new build: ongoing.</p> <p>Scheme complete: 2009.</p>	Leila Dawson
3	5 September 2005	<p><b><u>Neighbourhood Management</u></b></p> <ul style="list-style-type: none"> <li>▪ Street clean card and in your ward profile rolled out a week beginning 12 March 2007.</li> <li>▪ Pride in our neighbourhoods information leaflet to be distributed in June 2007.</li> <li>▪ Formal evaluation to take place on first two phases.</li> </ul>	Revised date January 2008 Executive	Progressing	<p>September 2007 Update:</p> <p>Review of Ward profiles to be undertaken.</p> <p>Key milestones for the project not agreed as yet.</p>	Tony Galloway

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
4	6 February 2006	<p><b><u>Development Framework Principles for the Heart of Pelton Fell</u></b></p> <ul style="list-style-type: none"> <li>▪ That the Executive confirm the support given to the Pelton Fell Community Association to date and the principle of them seeking to establish the community facility, but it be recognised that the Council is unable to commit to any additional funding and that in order for them to move forward they be required to produce a sustainable business plan which is viable.</li> <li>▪ That the Officers report back with advice on supplementary planning policy to secure the long-term protection of the Pelton Fell Village Heart.</li> <li>▪ Agreement subject to business plan, to support the Pelton Fell Community Group requests as agreed.</li> <li>▪ Negotiations to take place for the purchase and disposal of land. Report back to Executive prior to any acquisition.</li> <li>▪ A written report was received at the August 2007 Executive. It was agreed the Head of Regeneration be authorised to commission a detailed public consultation process on the development framework principles in August and September 2007.</li> </ul>				
	3 December 2007	<ul style="list-style-type: none"> <li>▪ The option of a refurbishment / conversion of the existing village hall at Pelton Fell, as a new community facility was agreed.</li> <li>▪ The Acting Head of Regeneration was authorised to pursue, with landowners, a joint disposal of the land at the village heart at Sacriston.</li> <li>▪ It was agreed that £350,000 from the SHIP resources be put towards the heart of the village at Pelton Fell (including the community resource centre) and an additional £150,000 on environmental improvements at Sacriston, on the proviso that completion of the refurbishment of the Village Hall, takes place within 12 months and that a revised plan for the Heart of the Village, Pelton Fell be created, and brought back to the Executive in January 2008.</li> </ul>	Revised plan to be submitted to January 2008 Executive.	Progressing	Negotiations under way with landowners and prospective interested parties in the village.	Leila Dawson
	7 December 2007	Version 1	3			

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
5	5 November 2007	<p><b><u>Procurement Strategy Action Plan</u></b></p> <ul style="list-style-type: none"> <li>▪ To be included in the Quarterly Corporate Performance Report.</li> </ul>	March 2008	Ongoing		Linda Chambers/Ian Forster
6	5 June 2006	<p><b><u>Regeneration of Priority Villages using Single Housing Investment Programme Round Two (SHIP 2) and other opportunities</u></b></p> <ul style="list-style-type: none"> <li>▪ Framework of activities to be undertaken and regular reports be brought back to Executive as part of the Quarterly Regeneration Projects board</li> <li>▪ Monitoring via the quarterly Regeneration Report, cross referenced with work of the Capital Programme Working Group and the Director of Resources Financial Monitoring Reports</li> <li>▪ A strategic bid for regeneration is worked on with the Durham Coalfields Housing Renewal Programme and an Area Development Framework is considered as a priority</li> <li>▪ Update provided in quarterly regeneration report in April 2007 and progress noted.</li> </ul>	Included within quarterly regeneration report, January 2008.	Ongoing	July 2007 update:  Update included in the quarterly regeneration report.	Leila Dawson
7	3 July 2006	<p><b><u>Single Housing Investment Programme (SHIP 1)</u></b></p> <ul style="list-style-type: none"> <li>▪ Environmental improvements to be carried out at Front Street, Grange Villa and traffic calming measures be incorporated</li> <li>▪ Appointment of a Community Regeneration Officer agreed.</li> <li>▪ Agreed that the space next to the chapel between Stone Row and Pine Street to provide top quality open space and a play area for younger children is agreed.</li> </ul>	<p>Scheme now complete.</p> <p>Included within quarterly regeneration report, January 2008.</p>	Ongoing	July 2007 update:  Update included in the quarterly regeneration report.	Leila Dawson



	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
8	3 October 2006	<p><b><u>Medium Term Financial Strategy</u></b></p> <ul style="list-style-type: none"> <li>▪ Monitoring reports to be included on the Forward Plan</li> <li>▪ Agreement strategy to be reviewed twice a year although recognised that this may need to be more frequent during the housing transfer.</li> <li>▪ Agreement that only amended sections will be considered by Executive in the future. Key financial issues to remain part of the report.</li> </ul>	<p>Report to be submitted to January 2008 Executive.</p> <p>To include Surplus Land Proposals.</p>	Progressing	Report submitted to March 2007 Executive.	Ian Herbertson
9	9 February 2007  1 October 2007	<p><b><u>Land Matters</u></b></p> <ul style="list-style-type: none"> <li>▪ The Head of Regeneration be authorized to undertake options appraisal for Gibside shops.</li> <li>▪ The Executive agreed not to gift the land to the front of properties at Henley Avenue to owner occupiers at their request at this time.</li> <li>▪ Further discussions are to take place with residents in Henley Avenue with a view to agreeing a comprehensive scheme, uniform to all properties with owner-occupiers paying, at cost, costs incurred in improving the frontage to their properties.</li> </ul>	<p>Revised date January 2008 Executive.</p>	Ongoing	<p>June 2007 update:</p> <p>Consultation process underway. Now in receipt of land valuations.</p>	Leila Dawson

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
10	2 April 2007	<p><b><u>Communities for Health Programme</u></b></p> <ul style="list-style-type: none"> <li>▪ Action plan to be devised to indicate time scales and outcomes</li> <li>▪ Press release to be drafted regarding the launch of the programme.</li> <li>▪ A written report was submitted to the August 2007 Executive. Members gave their approval 'in principle' to the Commissioning proposal.</li> <li>▪ Delegated authority was granted to Councillor Westrip and the Director of Development Services to agree the commissioning of the work referred to within the report and action plan with the successful bidder, subject to it being within budget.</li> <li>▪ A SMART Action Plan to be created for the work to be carried out and be brought back to the Executive for information via the Decision Tracker.</li> </ul>	New date required.	Ongoing	Report submitted to August 2007 Executive.	Tony Galloway
	1 October 2007					
	3 December 2007					



	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
12	4 June 2007	<p><b><u>Review of Community facilities</u></b></p> <ul style="list-style-type: none"> <li>▪ The Head of Regeneration was authorised to lead the review of community facilities in the District</li> <li>▪ Discussions are currently underway with Legal and Financial consultants with regards to communal rooms in the context of the LSVT.</li> </ul>		Ongoing	Ongoing	Leila Dawson
	1 October 2007	<ul style="list-style-type: none"> <li>▪ The Head of Regeneration was authorised to identify any early wins that can be brought forward for consideration by the Executive that can contribute to the agreed vision for community facilities within the Council's existing policy and funding framework and reported back to the Executive in December 2007.</li> <li>▪ The Head of Regeneration was authorised to continue with the further progress in developing a strategic approach and action plan for community facilities, as outlined in Section 5 of the report.</li> <li>▪ The wider stakeholder consultation was deferred until further investigation work on community facilities had been undertaken.</li> </ul>				
	3 December 2007	<ul style="list-style-type: none"> <li>▪ The Council will open discussions with the Enterprise Agency about MILE House, with a view to extend the lease on existing terms. The Leader and Chief Executive were granted delegated authority to resolve this matter. A verbal report will be provided to the Executive once a resolution has been identified.</li> <li>▪ The Executive re-iterated their support for the principle of transfer of the asset, the Pelton Fell community resource centre, and provide support on how to manage resources through the Council's Community Development Team.</li> <li>▪ That it be recommended to Council that the Council open discussions with the CVS about Bullion Hall, with a view to extend the lease on existing terms. Delegated authority for resolving this matter was granted to the Chief Executive and Portfolio Holder for Regeneration and Strategic Planning. A verbal report will be provided to the Executive once a resolution has been identified.</li> </ul>	<b>New date required.</b>			

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
13	4 June 2007	<p><b><u>Report into the review into Leisure Services for Young People</u></b></p> <p><b><u>Outcomes requiring action:</u></b></p> <ul style="list-style-type: none"> <li>▪ Portfolio holder for community engagement and partnership working investigate greater partnership working.</li> </ul>	January 2008 Executive	Ongoing	A detailed report on progress will be reported to the January Executive	Ian Forster/Chris Potter/Nigel Cummings
14	4 June 2007	<p><b><u>Report into the review of Clean Neighbourhoods and Environment Act 2005</u></b></p> <p><b><u>Outcomes requiring action:</u></b></p> <ul style="list-style-type: none"> <li>▪ Cost benefit analysis of the recommendations to the report to be undertaken</li> </ul>	January 2008 Executive	Ongoing	Report to be submitted to September Executive	Tony Galloway
15	6 August 2007	<p><b><u>Review into public toilet provision in Town Centre - Report from Regeneration and Housing Overview and Scrutiny Panel</u></b></p> <ul style="list-style-type: none"> <li>▪ Further investigation is to be carried out into the viability of a community toilet scheme or similar innovative approach within Chester-le-Street town centre to increase current public toilet provision.</li> </ul>	New date required.	Ongoing	Further investigations to be carried out.	Leila Dawson

	<u>Date of decision</u>	<u>Decision</u>	<u>Progress/ Key Date</u>	<u>Status</u>	<u>Comments</u>	<u>Officer Lead</u>
16	6 August 2007	<p><b><u>Sacriston Area Development Framework</u></b></p> <ul style="list-style-type: none"> <li>A written report was submitted to the August 2007 Executive. The Area Development Framework for Sacriston was approved as the basis for future regeneration of Sacriston.</li> <li>The Head of Regeneration was authorised to progress the regeneration of Sacriston through developing a detailed action plan for the delivery of the priority proposals identified within the report.</li> </ul>	January 2008 Executive	Ongoing	Action plan has been drafted.	Leila Dawson
17	1 October 2007	<p><b><u>Updates Community Resource Centre at Sacriston</u></b></p> <ul style="list-style-type: none"> <li>Regular updates to be given to Executive on the progress on the Community Resource Centre</li> </ul>	Verbal update January 2008 Executive	Ongoing		Tony Galloway
18	1 October 2007	<p><b><u>Corporate Governance Framework Action Plan</u></b></p> <ul style="list-style-type: none"> <li>Regular updates to be given to Executive on the progress of the Corporate Governance Framework action plan</li> </ul>	Verbal update January 2007 Executive	Ongoing		Ian Forster
19	13 December 2007	<p><b><u>Update of the Communities Facilities Working Group</u></b></p> <ul style="list-style-type: none"> <li>Verbal update on the progress of the communities facilities working group.</li> </ul>	Verbal update January 2008 Executive	Ongoing		Jorge Lulic



**Chester-le-Street**  
District Council

**Report to:** Executive  
**Date of Meeting:** 7 January 2008  
**Report from:** Director of Development Services  
**Title of Report:** Leisure Options Review  
**Agenda Item Number:** **7**

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## 1. PURPOSE AND SUMMARY

1.1 The purpose of this report is to seek members' approval and agreement to the discontinuation of Phase 2 of the Leisure Options Review.

1.2 It is recommended that

In the light of Local Government Reorganisation and the proposed dissolution of Chester-le-Street District Council in April 2009 Members agree not to progress Phase 2 of the Leisure Options Review

## 2. CONSULTATION

2.1 The Corporate Management Team has been consulted and the informal Executive.

## 3. CORPORATE PLAN AND PRIORITIES

3.1 The report directly supports and contributes to two of the councils Corporate Priorities. These are:

- **Priority 6 – New ways of working in Leisure**

*Considering options for the delivery of our range of Leisure Services, improving the level of services offered, while responding to priorities the community has identified for the service*

## 4. IMPLICATIONS

4.1 Financial Implications and Value for Money Statement

There are no specific financial implications attached to this report.

#### 4.2 Risk

If Members were minded to progress with Phase 2 of the Leisure Options Review the process and implementation would not be completed before the dissolution of the council in April 2009. Therefore any key decisions on the process and its implementation including any expenditure leading up to April 2009 would have to be referred to and agreed by the “transition council”. It is unlikely that the transition council would approve the process and the associated expenditure pending the establishment of the new council in April 2009 and therefore any work is likely to be abortive.

### 5. **BACKGROUND**

- 5.1 In the winter of 2005 following a “Use of Resources” audit in which the level of expenditure and value for money provided by the councils Leisure Services was questioned. The council embarked upon a comprehensive review and options appraisal of its Leisure Services. The review was to be in two phases.
- 5.2 Phase one of the review was to critically review the level and quality of service provided, assess the value for money provided, identify gaps in service provision and develop a series of options for future service delivery which would provide improved quality and value for money.
- 5.3 Phase one of the review was completed and the findings and recommendations for phase two of the review was reported back to the Executive in December of 2006.
- 5.4 However Members took the decision not to go straight into phase two of the review but to delay its implementation until June 2007. This decision was taken in the light of the competing demands for resources due to the housing stock transfer which was reaching a critical phase in its development.
- 5.5 The implementation of phase two of the Leisure Options Review was further delayed by the proposals contained in the government white paper “Strong and Prosperous Communities” and the subsequent “Local Government and Public Involvement in Health Bill” for local government restructuring in county areas to form single Unitary Authorities as.
- 5.6 As a result of the Bills introduction and subsequent consideration of submissions made by the Districts Councils and the County Council the Secretary of State for Communities and Local Government has approved the establishment of a single unitary authority for County Durham to be effective from April 1 2009.



- 5.7 This means that the seven County Durham District Councils (including Chester-le-Street District Council) and the County Council will all be dissolved on 31 March 2009.
- 5.8 A transition council is in the process of being set up to oversee the change from a two tier to a single tier system between May 2008 and April 2009.
- 5.9 During the transition period the existing councils will have to refer key decisions (such as the Leisure Options Review) to the transition council for approval.
- 5.10 It is highly unlikely that Phase two of the Leisure Options Review would be completed and implemented before the April 2009 time frame before the council is dissolved.
- 5.11 It is equally unlikely that the transition council would approve the level of expenditure and resource input necessary to implement phase two pending the introduction of a new authority.

## **6. RECOMMENDATIONS**

- 6.1 It is recommended that

In the light of Local Government restructuring and the proposed dissolution of Chester-le-Street District Council in April 2009 Members agree not to progress Phase 2 of the Leisure Options Review.

## **7. BACKGROUND PAPERS / DOCUMENTS REFERRED TO**

- 7.1 Draft Leisure Options Review Report - 2006  
Minutes of Leisure Options Working Group Meetings  
Government White Paper – Strong and Prosperous Communities  
Local Government and Public Involvement in Health Bill

<b>AUTHOR NAME</b>	<b>Tony Galloway</b>
<b>DESIGNATION</b>	<b>Director of Development Services</b>
<b>DATE OF REPORT</b>	<b>5<sup>th</sup> January 2008</b>
<b>VERSION NUMBER</b>	<b>Version one</b>
<b>AUTHOR CONTACT</b>	<b>0191 3872101</b>

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**Chester-le-Street**  
District Council

**Report to:** Executive

**Date of Meeting:** 7<sup>th</sup> January 2008

**Report from:** Acting Head of Resources Directorate

**Title of Report:** Update on review of Corporate Governance Framework

**Agenda Item Number:**

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## **1. PURPOSE AND SUMMARY**

- 1.1 This report provides Executive with an update on the progress on the Action Plan to improve the Council's governance arrangements and confirms that the Corporate Governance Steering Group is responsible for on-going monitoring and reviewing of progress.

## **2. CONSULTATION**

- 2.1 Chief Officers and Corporate Governance Steering Group members have been consulted on the contents of the report.

## **3. CORPORATE PLAN AND PRIORITIES**

- 3.1 Good corporate governance arrangements enable the authority to pursue its vision, as well as underpinning that vision with mechanisms for control and management of risk.

## **4. IMPLICATIONS**

### **4.1 Financial Implications and Value for Money**

There are no specific financial implications arising from the contents of the report.

The Corporate Governance Framework's principles include 'ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.'

### **4.2 Legal**

There are no direct legal implications from the report, although the framework does include the requirement that authorities use their legal powers to the full

benefit of the citizens and communities in their area, and to recognise the limits of lawful activity placed on them.

#### 4.3 Personnel

The framework includes the core principle of 'developing the capacity and capability of members and officers to be effective' and the requirement to ensure that career structures are in place for members and officers to encourage participation and development.

#### 4.4 Other Services

All service areas will be involved in reviewing compliance with the code on an annual basis. All managers are required to produce annual assurance statements to support the annual governance statement (formerly the Statement of Internal Control).

#### 4.5 Diversity

The framework includes the requirement to ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.

#### 4.6 Risk

The framework includes the core principle of 'taking informed and transparent decisions which are subject to effective scrutiny and managing risk,' with specific requirement to ensure that an effective risk management system is in place.

#### 4.7 Crime and Disorder

There are no crime and disorder implications arising from the report.

#### 4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation are accurate, timely, consistent and comprehensive. The Council's Data Quality Policy has been complied with in producing this report.

#### 4.9 Other Implications

There are no other implications arising from the contents of the report.

### **5. BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL**

5.1 The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' sets out best practice for developing and maintaining a local code of governance and for discharging accountability for the proper code of

public business, through the publication of an annual governance statement that will make the adopted practice open and explicit.

Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, and honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

- 5.2 The framework defines the principles that should underpin the governance of each local government body. It provides a structure to help individual authorities with their own approach to governance.

Authorities are encouraged to test their structures against the principles contained in the framework by:-

- Reviewing their existing governance arrangements against this framework;
- Developing and maintaining an up to date local code of governance, including arrangements for ensuring its ongoing application and effectiveness;
- Preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

- 5.3 The preparation and publication of an annual governance statement in accordance with the framework is necessary to meet the statutory requirements set out in the Accounts and Audit (Amendment) (England) Regulations 2006 for authorities to prepare a statement of internal control in accordance with 'proper practices'.

- 5.4 In order to review current arrangements, it is necessary to:-

- consider the extent to which the authority complies with the principles and requirements of good governance set out in the framework;
- identify systems, processes and documentation that provide evidence of compliance;
- identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified;
- identify the issues that have not been addressed adequately in the authority and consider how they should be addressed;
- identify the individuals who would be responsible for undertaking the actions required and plan accordingly.

5.5 The framework defines six core principles of good governance:-

<b>Principle A</b>	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
<b>Principle B</b>	Members and officers working together to achieve a common purpose with clearly defined functions and roles.
<b>Principle C</b>	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
<b>Principle D</b>	Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
<b>Principle E</b>	Developing the capacity and capability of members and officers to be effective.
<b>Principle F</b>	Engaging with local people and other stakeholders to ensure robust public accountability.

5.6 The six core principles have a series of supporting principles, each of which translates into a range of specific requirements that should be reflected in authorities' local codes.

5.7 The Corporate Governance Steering Group, which comprises the Assistant Chief Executive, the Head of Legal and Democratic Services, the Head of Internal Audit, the Risk and Financial Services Manager and (at that time) Director of Resources, has reviewed the Council's current governance arrangements against the new CIPFA/SOLACE Framework in October 2007.

5.8 Whilst the review found that the Council's arrangements for corporate governance were essentially sound, there were areas for improvement and development identified by the Group and an Action Plan to address this was developed. The Action Plan is attached as Appendix 1.

## **6. RECOMMENDATIONS**

6.1 The Executive is recommended to:-

- (i) Note the progress on the Action Plan to ensure the Council meets the requirements of the new governance framework; and
- (ii) Confirm that the Corporate Governance Steering Group should be responsible for the on-going development, implementation and monitoring of the detailed action plan.

## Background Papers

- Delivering Good Governance in Local Government Framework
- Delivering Good Governance in Local Government – Guidance Note for English Authorities

**AUTHOR NAME:** Jacqueline McConnell  
**DESIGNATION:** Head of Internal Audit  
**DATE OF REPORT** 19 December 2007  
**VERSION NUMBER:** 1.0

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**APPENDIX 1**  
**Corporate Governance Action Plan**

<b>Core Principle</b>	<b>Agreed action</b>	<b>Outcome</b>	<b>By whom</b>	<b>By when</b>
A C D F	Develop a new Local Code of Corporate Governance, including responsibilities for implementing and reviewing the Code	Develop Draft Local Code of Corporate Governance  Code complete and report to Council	Head of Internal Audit/ Risk & Financial Services Manager	December 2007  February 2008
A C D F	Establish the process for producing the Annual Governance Statement	Report to Audit Committee outlining revised process  New-style AGS prepared	Risk & Financial Services Manager	January 2008  April 2008
A B C D	Implement the Partnership Strategy Action Plan	Strategy to be reviewed by Executive  Revised strategy in place	Director of Corporate Services	March 2008  May 2008
A	Review corporate comments, compliments, and complaints procedure	Continuous Process Improvement Project	Director of Corporate Services	May 2008
A D	Further develop the corporate approach to Value for Money and include a measure of the quality of service	Assessment of 2006/07 approach to VFM and revised approach ready to inform the budget setting process for the new organisation	Director of Corporate Services	October 2008
A D F	Develop and implement a corporate governance awareness and training programme	Training programme to be developed after the local code has been drafted.  Programme delivered	Head of Internal Audit /Risk & Financial Services Manager	January 2008  During 2008/09
B C	Produce an annual report on the work of Standards Committee and promote awareness of the role of the committee	Annual report in progress  Standards Committee internet page	Legal & Democratic Services Manager	February 2008  February 2008

### Detailed review of Corporate Governance against 2007 CIPFA/SOLACE Framework

Core Principle	Agreed action	Outcome	By whom	By when
A C F	Increase community and partner engagement	Strategy to be reviewed by Executive Revised strategy in place	Director of Corporate Services	December 2007 February 2008
D	Review the Council's Strategic Risks and Corporate Risk management Strategy	Carry out review of risk register and RM strategy Report to Executive on review of risk	Risk & Financial Services Manager	February 2008 March 2008
D E	Produce updated guidance on protocols for decision making, including delegation	Intranet based audit of decision making practices Review of existing protocols Revised guidance (if required)	Legal & Democratic Services Manager	February 2008 February 2008 February 2008
D	Produce an annual report on the work of scrutiny	Annual Report on the work of scrutiny	Scrutiny Officer	May 2008
A B C F	Incorporate the Council's values in to the review of priorities and strategic improvement plan	Strategy to be reviewed by Executive Revised strategy in place	Director of Corporate Services	March 2008 June 2007



**Chester-le-Street**  
District Council

**Report to:** Executive

**Date of Meeting:** 7 January 2008

**Report from:** Head of Corporate Finance

**Title of Report:** 2008/2009 General Fund Budgetary Projections

**Agenda Item Number:**

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## **1. PURPOSE AND SUMMARY**

- 1.1 The purpose of the report is to advise the Executive of the 2008/09 General Fund revenue budget projections and seek the Executive's views on potential growth areas and savings proposals.
- 1.2 The Executive is requested to consider the report and determine its 2008/09 budget proposals for consultation with the Overview and Scrutiny Panels.

## **2. CONSULTATION**

- 2.1 Corporate Management Team has been fully involved in the work supporting the budget projections.

## **3. CORPORATE PLAN AND PRIORITIES**

- 3.1 As the report is wholly concerned with the general fund revenue budget, it provides the means by which the Council will achieve the targets set out in the Corporate Plan for 2008/09.

## **4. IMPLICATIONS**

### **4.1 Financial Implications and Value for Money**

The financial implications are detailed throughout the report.

### **4.2 Legal**

There are no legal implications.

### **4.3 Personnel**

Some of the savings proposals may result in the deletion of vacant posts.

#### 4.4 Other Services

The potential growth areas and savings proposals will clearly have an impact on other service areas.

#### 4.5 Diversity

The budget proposals do not, at present, make any specific additional provision for equalities and diversity work.

#### 4.6 Risk

The budget proposals will be subjected to a risk assessment; this will be reported to the Executive in February when it considers its final budget and Council Tax recommendations.

#### 4.7 Crime and Disorder

The Crime and Disorder Act of 1998 requires the Council to consider all of its budgets, policies and plans in the light of their contribution to the reduction of crime and disorder.

#### 4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation are accurate, timely, consistent and comprehensive. The Council's data quality policy has been complied with in producing this report.

#### 4.9 Other Implications

There are no other implications arising from the contents of the report.

### 5. **THE PROVISIONAL FINANCE SETTLEMENT**

5.1 The provisional local government finance settlement was announced on 06 December 2007 and included the following for Chester-le-Street District Council:-

	<b>£million</b>
Revenue Support Grant for 2008/09	0.626
NNDR for 2008/09	4.495
= Formula Grant for 2008/09	5.121

Increase in formula grant compared with the adjusted 2007/08 figure is £50,708 (or 1%).

5.2 The Medium Term Financial Strategy, as updated in March 2007, did include an estimated increase in formula grant of £146,000 for 2008/09, but it was noted that this would have to be revised in the light of the 2007 Spending Review which covers 2008/09 to 2010/11.

## 6. RESOURCES AVAILABLE FOR 2007/08

6.1 As stated in section 5.1 above, Chester-le-Street District Council will receive formula grant of £5.121 million in 2008/09. The level of resources available to fund its revenue expenditure is also dependent on Council Tax levels. Every 1% increase in Council Tax raises approximately £30,000.

6.2 The table below shows how the resources available will vary depending upon the Council Tax set for 2008/09:-

	5% increase £m	4% increase £m	3% increase £m	2% increase £m	1% increase £m
Formula Grant	5.121	5.121	5.121	5.121	5.121
Council Tax	3.158	3.128	3.098	3.068	3.038
Total Resources	8.279	8.249	8.219	8.189	8.159

6.3 The Council Tax revenue assumes a council tax base of 17,086.65 Band D properties.

6.4 The 2007/08 Band D Council Tax for the District Council only is £176.06.

The Band D tax based on the different percentage increases shown in the table above would, therefore, be as follows:-

1% increase	£177.82
2% increase	£179.58
3% increase	£181.34
4% increase	£183.10
5% increase	£184.86

6.5 The Council Tax has to be calculated at a Band D, but approximately 84% of properties within the District are in a lower Council Tax band and will, therefore, pay less than the 'average' Band D Council Tax.

6.6 In announcing the provisional finance settlement, the government has made it clear that they expect council tax to increase by substantially less than 5% overall.

6.7 The resource projections shown in the table in section 6.2 do not include the collection fund surplus. The collection fund surplus is calculated in mid-January, but an estimated figure of £30,000 has been incorporated in the figures included in section 9.1.

## 7. BUDGET PROJECTIONS

7.1 A significant amount of growth has been incorporated in the 2008/09 budgetary projections as it is unavoidable:-

	£
Salaries, Wages and pensions	246
Reduction in income - including the impact of one-off grants, planning delivery grant and benefits subsidy	260
Increase in the recycling budget	46
Less Net savings in deleted posts	(163)
Increase in development control income	(50)
New planning delivery grant	(50)
Increase in benefits admin grant	(7)
	282

7.2 After taking account of the growth totalling £282,000, the 2008/09 base budget amounts to £8.382million.

7.3 The draft 2008/09 budget assumes an ongoing saving of £215,000 from vacancies. It is estimated that this saving will be achieved in the current year through natural vacancies. The procurement savings target and the additional income target of £50,000 and £45,000 respectively are also included in the draft 2008/09 budget.

7.4 The 2008/09 projections do not include any provision to offset the problems identified in the Mid Year Financial Monitoring Position report in respect of Leisure Services, Environmental Services and Regeneration. It is assumed that those services will ensure that any expected shortfall in income or increase in expenditure is covered by savings within the service.

## 8. GROWTH BIDS

8.1 Service areas were not asked to submit any proposals for new growth.

## 9. SAVINGS REQUIRED

9.1 The 2008/09 projected budget - incorporating all unavoidable growth amounts to £8.382m.

The gap between this and the resources available clearly depends on the Council Tax level. The table below shows the amount of savings which need to be identified depending on the Council Tax increase:-

<b>Council Tax Increase</b>	<b>Savings Required £000</b>
5%	73
4%	103
3%	133
2%	163
1%	193

Note that the figures shown above take account of the estimated collection fund surplus.

- 9.2 All Service Team Managers and Heads of Service were asked to identify savings proposals as part of their budget preparation. A summary of the options put forward will be circulated at the meeting for discussion.
- 9.3 Any other growth over and above that identified in section 7.1 will require further savings to be identified.
- 9.4 As stated in section 7.3, the budget does still include an assumption that savings amounting to £215,000 will be achieved through managing vacancies; this is over and above any saving identified from the deletion of vacant posts.

## **10. RECOMMENDATIONS**

The Executive is recommended to:-

- (i) note the provisional finance settlement as detailed in section 5;
- (ii) note the budget projections and available resources for next year (sections 6 and 7);
- (iii) consider the savings identified in section 9.2.

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**DATE OF REPORT:** 7 January 2008  
**VERSION NUMBER:** 1.0

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**Chester-le-Street**  
District Council

**Report to:** Executive  
**Date of Meeting:** 7 January 2008  
**Report from:** Head of Corporate Finance  
**Title of Report:** 2008/2009 General Fund  
Capital Programme  
**Agenda Item Number:** **10**

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## **1. PURPOSE AND SUMMARY**

- 1.1 The purpose of the report is to advise the Executive of the current capital programme commitments and the resources that are expected to be available to fund new schemes in 2008/09.

## **2. CONSULTATION**

- 2.1 Corporate Management Team has been consulted on the report.

## **3. CORPORATE PLAN AND PRIORITIES**

- 3.1 The Capital Working Group will use the agreed budget prioritisation criteria to assess any new capital programme bids for funding.

## **4. IMPLICATIONS**

### 4.1 Financial Implications and Value for Money

The financial implications are detailed throughout the report. Any the new capital programme bids could result in revenue savings; these will be considered by the Capital Working Group.

### 4.2 Legal

There are no legal implications.

### 4.3 Personnel

There are no personnel implications arising from the contents of the report.

### 4.4 Other Services

Several service areas have previously submitted capital programme bids, so the Council's Capital Programme clearly has an impact on other services.

#### 4.5 Diversity

The Capital Programme bid for Disabled Facilities Grant funding has implications for people with disabilities who need adaptations to their homes.

#### 4.6 Risk

It is essential that only available resources are committed; new schemes can only go ahead once the capital resources are in place to support them.

#### 4.7 Crime and Disorder

The Crime and Disorder Act of 1998 requires the Council to consider all of its budgets, policies and plans in the light of their contribution to the reduction of crime and disorder.

#### 4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation are accurate, timely, consistent and comprehensive. The Council's data quality policy has been complied with in producing this report.

#### 4.9 Other Implications

There are no other implications arising from the contents of the report.

### 5. **BACKGROUND**

5.1 Pooling arrangements introduced by the Local Government Act of 2003 and the Local Authorities (Capital Financing and Accounting) (England) Regulations of 2003, as amended, mean that 50% of receipts from the sale of housing land have to be pooled (paid over to the Government) unless they are spent on the authority's own affordable housing and regeneration projects.

5.2 The Council has previously agreed to use all housing capital receipts to fund its planned regeneration and/or affordable housing schemes.

5.3 As all housing capital receipts are used to fund regeneration and/or affordable housing schemes, it follows that other general fund schemes are dependent on the sale of other, non-housing assets.

### 6. **CURRENT CAPITAL PROGRAMME COMMITMENTS**

6.1 During 2007/08, the Capital Working group has monitored capital programme schemes and funding; allocating available resources, as and when they become available, to fund capital schemes. The capital programme position was included in the mid year monitoring report to the Executive on 3 December 2007.

- 6.2 Of the schemes approved in 2007/08, the following general fund schemes remain unreleased and are dependent on further capital receipts:-

<b>Health and Safety Requirements</b>	<b>£000</b>
Industrial Sites (£12,000 released)	313
Civic Centre (Roof repairs to be funded from the 2006/07 Civic Centre provision which is included in the slippage)	200
Cemeteries, footpaths, headstones, memorials (£10,000) released	110
Car Parking Repairs	22
Fire detection equipment – depot	10
Signage at the Leisure Centre (6,000 released)	10
	665

<b>Business Critical</b>	<b>£000</b>
Wheelie Bins (£8,000 released)	9
Web Replacement (£3,000 released)	7
CAPS Upgrade	5
CRM Integration	14
Boiler Systems at Riverside	5
Electoral Roll Upgrade	5
Floodlighting	9
Gym Equipment	7
	61

<b>Statutory Requirements</b>	<b>£000</b>
Disabled Facilities Grants (£84,000 released)	48
COSY	160
Secure e-payments system	6
	214

- 6.3 These schemes, totalling £940,000 will be reviewed by the Capital Working Group when it considers any new bids.
- 6.4 Salaries that are allocated to General Fund capital schemes in 2008/09 will need to be taken into account .
- 6.5 In order to secure the grant allocation in respect of disabled facilities grants an amount of approximately £85,000 will need to be found from capital receipts.
- 6.6 It will be known in the near future if our bid for the SHIP 3 programme is successful. However, this will be fully grant funded and won't require any funding from capital receipts.

## **7. ESTIMATED RESOURCES**

- 7.1 All 2007/08 resources have been fully allocated to 2007/08 schemes. There are, therefore, no uncommitted resources.
- 7.2 For 2008/09 it is estimated that capital receipts will amount to £1.2 million.
- 7.3 The Capital Programme Working Group will need to consider how best to prioritise limited capital resources set against the schemes not released to date in 2007/08 and any new schemes relating to the Council's Corporate Plan objectives for 2008/09.

## **8. RECOMMENDATIONS**

- 8.1 The Executive is recommended to note the resources expected to be available to fund existing and new capital programme schemes.

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**DATE OF REPORT** 7 January 2008  
**VERSION NUMBER:** 1.0

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**Chester-le-Street**  
District Council

**Report to:** Executive

**Date of Meeting:** 7 January 2008

**Report from:** Head of Corporate Resources

**Title of Report:** Review of the Medium Term Financial Strategy

**Agenda Item Number:** **11**

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## **1. PURPOSE OF REPORT**

The report advises the Executive of the updated Medium Term Financial Strategy.

## **2. CONSULTATION**

Corporate Management Team has been consulted on the report and involved in updating the Medium Term Financial Strategy.

## **3. CORPORATE PLAN PRIORITIES**

3.1 The Medium Term Financial Strategy underpins the Council's Corporate Plan. The financial strategy aims to provide the means by which we intend to achieve our vision and priorities as stated in the Corporate Plan, and result in priority based budgeting.

3.2 The Strategy covers a rolling three year period so that the authority can plan ahead. Key to the management of the Strategy is our budget prioritisation process whereby bids for growth can be ranked and we ensure that the use of resources is linked to the Council's overall vision and priorities. In effect, the Medium Term Financial Strategy provides the framework for the overall management of the Council's resources and the annual budget process for the next three years.

## **4. IMPLICATIONS**

### **4.1 Financial and Value for Money**

The financial implications are detailed throughout the Strategy.

All service areas are subject to value for money assessments; action plans coming out of the assessments inform the development of the Medium Term Financial Strategy. The value for money assessments and action plans will be monitored as part of our service plan monitoring processes.

#### 4.2 Legal

There are no legal implications.

#### 4.3 Personnel

The financial and service planning process, as outlined in the Strategy, involves workforce planning which clearly has personnel implications.

#### 4.4 Other Services

The implementation of the Financial Strategy has implications for other services.

#### 4.5 Diversity

Although the revenue budget does not make any central financial provision for equalities and diversities work, the corporate training plan and budget makes specific provision for equalities training and service plans embed equality into service delivery.

#### 4.6 Risk

The financial strategy is supported by a risk assessment.

#### 4.7 Crime and Disorder

The Crime and Disorder Act of 1998 requires the Council to consider all of its budgets, policies and plans in the light of their contribution to the reduction of crime and disorder.

#### 4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation and the appendices are accurate, timely, consistent and comprehensive. The Council's data quality policy has been complied with in producing this report.

#### 4.9 Other Implications

There are no other implications arising from the contents of the report.

### 5. **THE MEDIUM TERM FINANCIAL STRATEGY**

5.1 When the Medium Term Financial Strategy was approved in October 2006, it was agreed that it would be monitored by the Executive and, as a minimum, progress would be reported every six months - when the revenue budget and capital programme is set for the forthcoming year and when the final accounts for the preceding year are closed. It was noted, however, that the Strategy would be reviewed outside these processes when required, particularly when the exact impact of major financial changes, such as those relating to the housing stock are more certain.

5.2 The updated financial strategy appended to the report incorporates the effect of the 2006/07 outturn, the provisional 2008/09, 2009/10 and 2010/11 settlements and the impact of housing stock transfer.

6. **RECOMMENDATIONS**

6.1 The Executive is requested to consider and approve the updated Medium Term Financial Strategy.

<b>AUTHOR NAME:</b>	Ian Herberson
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<b>DATE OF REPORT</b>	18 December 2007
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## MEDIUM TERM FINANCIAL STRATEGY 2008/09 TO 2010/11

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## 1. SUMMARY

Key Headline figures from the proposals included in the medium term financial plan are as follows:-

	2008-09 £000	2009-10 £000	2010-11 £000
<u>General Fund Revenue Budget</u>	8,309	8,503	8,706
<u>Financed by</u>			
Government Grant	5,121	5,147	5,173
Council Tax	3,158	3,326	3,503
Collection Fund Surplus	30	30	30
Funding for Revenue Budget	8,309	8,503	8,706
Council Tax - Band D (£)	184.86	194.10	203.81
Council Tax - Band A (£)	123.24	129.40	135.87
Council Tax Increase (%)	5.0%	5.0%	5.0%
<u>General Fund Reserves</u>	770	2,208	1,848
<u>Housing Revenue Account Reserves</u>	1,798	0	0
<u>Capital Programme Spend</u>	1,327	1,327	1,327
<u>Financed by</u>			
Specified Capital Grant	127	127	127
Capital Receipts	1,200	1,200	1,200
Supported Borrowing	0	0	0
Funding for Capital Programme	1,327	1,327	1,327

## 2. INTRODUCTION TO THE MEDIUM TERM FINANCIAL STRATEGY

Chester-le-Street District Council's Medium Term Financial Strategy underpins the Council's Corporate Plan.

The Financial Strategy aims to provide the means by which we intend to achieve our vision and priorities as stated in the Corporate Plan, and result in priority based budgeting.

The Strategy covers a rolling three year period so that the authority can plan ahead; it includes expenditure forecasts and projected funding. These are based on assumptions which could change over time; and the Strategy will be reviewed so that the authority is able to respond to any changes.

Key to the management of the Strategy will be our budget prioritisation process whereby bids for growth can be ranked and we ensure that the use of resources is linked to the Council's overall vision and priorities.

The Strategy therefore:-

- Addresses the Council's vision and priorities as stated in the Corporate Plan
- Covers a rolling three year period
- Includes clear assumptions for projections and estimates
- Shows links with other resource management strategies and takes a holistic view of the Council's finances
- Details our financial management arrangements
- Includes prioritisation processes
- Identifies risks and actions proposed to manage risks; and
- Identifies monitoring and reporting arrangements

In effect, the Medium Term Financial Strategy provides the framework for the overall management of the Council's resources and the annual budget process for the next three years.

This strategy is intended to be used for all stakeholders:-

▪ For the Executive and Council	- to decide how the available financial resources will be used
▪ For Managers and staff	- to reinforce their roles in the financial management arrangements
▪ For residents	- to show how the Council's financial strategy impacts upon service provision
▪ For taxpayers	- to demonstrate how the Council looks after public resources
▪ For partners	- to share the Council's vision and help identify opportunities for joint working

Financial planning and service planning is part of the same process, with clearly linked time scales. The financial planning and budget process is about linking budgets to policies. The process incorporates Value for Money assessments, where services produce a statement as to whether Value for Money can be demonstrated in accordance with the Council's corporate VFM criteria. The statements are challenged through the Star Chamber approach and the process requires action when Value for Money is unproven.

Similarly, the service planning process requires services to consider their proposals to make efficiency savings over the next three years, and their plans to procure services in the future.

The Organisational Development Strategy sets out workforce planning guidance and this is incorporated in the service planning process, clearly identifying that workforce development planning is an integral part of business planning.

The Medium Term Financial Strategy provides a resource plan to underpin the delivery of the Council's local strategies and plans.

The medium term financial plan will be delivered through the implementation of the annual budget strategy and through following the agreed key financial principles.

The Council established its key financial management principles when it first considered the development of the Medium Term Financial Strategy and when it adopted its new financial procedure rules in May 2005. The financial procedure rules were revisited when the Council reviewed its Constitution in May 2006, but no changes were required.

### Reserves

The Council has agreed that ongoing revenue expenditure should not be dependent on contributions from the general fund balance. It has reviewed the need for all earmarked reserves which resulted in some funds being returned to the General Fund. The Financial Strategy now includes the specification of a minimum general fund balance.

### Additional Income

Additional income should be treated corporately and used to fund the Council's agreed priorities.

### Fortuitous Savings

Similarly, such savings must be treated corporately.

### Efficiency Savings

Savings resulting from managers' actions will be shared. Half will be retained in the service and reinvested in service improvements. The other half will be treated corporately. Together with the venture fund this acts as an incentive to bring forward innovative ideas for service improvement and/or new ways of working.

## Budgetary Growth and Capital Programme Bids

These will be considered collectively as part of the prioritisation process.

When the Council considered its approach to the development of its Medium Term Financial Strategy, it adopted a budget prioritisation process. This includes a structured scoring system, which helps to assess bids for growth contributions to the Council's vision and priorities.

A 'proforma' has to be completed for each bid for new funding. This includes:-

- A summary of the initiative and what it will achieve.
- Amount of funding required and for how long.
- Does the initiative attract any other funding?
- Does it result in income generation?
- Will it result in future savings (if so, what is the payback period)?
- Risks associated with the project and risks arising from not funding the initiative.
- Future implications - is further growth likely?
- For capital projects - one-off funding and ongoing revenue consequences.
- How the initiative affects other services.
- Beneficiary of new/extended service.
- Other agencies involved.
- Is the funding required to fund a new or extended statutory responsibility? If so, and the bid for growth is not successful, how do you propose to accommodate the new responsibility?
- What effect would this have on your services?

The pro-formas were used for the first time for growth bids resulting from the service planning process for 2006/07 and were considered during the budget review and analysis (or Star Chamber) meetings.

Bids were then considered informally by the Executive and Corporate Management Team and then as part of the formal budget process.

## Service Specific Funding

Service specific funding should be allocated to the relevant service, even if it does not have to be ring fenced to the service.

However, the service manager must show what impact the funding is having on service delivery and the implications of the cessation of the funding.

The use of the additional funding should not result in any ongoing financial implications which continue after the funding has ceased, unless these have been agreed as budgetary growth.

### Time Limited Funding

As with service specific funding, this should not result in any ongoing commitment for the Council. The funded project/initiative should cease once the funding dries up and this should be clear from the outset. If this has been used to test an innovative approach to develop services in accordance with our priorities, a full evaluation of the financial and service improvement implications would be needed before consideration is given to potential ongoing funding. This would also need to identify potential savings/reprioritisation of services to enable this to happen. Where the time limited funding will result in ongoing financial implications, these should be flagged up when the project starts. Effectively, this is then a growth bid and it should be subjected to the prioritisation process and, if supported, built into the Medium Term Financial Strategy.

### Treatment of Under and Overspends

At the end of the financial year, the Director of Resources may authorise the carrying forward of unspent budgets, having due regard to the following:-

- The Council's overall resources
- Agreements with external funding bodies, where funding can only be used for the purposes for which it was given
- Financial commitments already entered into on behalf of the Council
- The availability of funding to support financial commitments in future financial years
- The proposed applications of the funds to be carried forward

The Director of Resources will report all amounts carried forward to the Executive.

The Director may recommend that an overspending in a service area's budget is carried forward to the following year, and may therefore contribute to the first call on service estimates the following year.

### Freedoms and Flexibilities

Virement is limited to budgets which are fully controllable by the service manager.

Virements between individual controllable revenue budgets within a cost centre can be approved by the Service Team Manager up to a limit of £5,000 in total per individual budget. Similarly, Service Team Managers can transfer amounts within controllable budgets between cost centres up to an overall limit of £5,000 (in total between the cost centres).

The agreement of Corporate Management Team is needed for any virement above £5,000.

For capital, any transfers between schemes must be approved by the Executive.

### Invest to Save Initiatives

The Council has established a 'Venture Fund' of £150,000 for invest to save initiatives and to encourage innovation/new ways of working.

Managers can call upon this to use in their service areas with a view to fund initiatives that will result in savings and/or generate income together with service improvements. Beneficiary services are required to make repayments to the Venture Fund in future years so that there is an ongoing provision of investment available to support such initiatives. Bids to the fund must be able to demonstrate a payback period of no more than three years.

To date the Venture Fund has been used for leisure options work; the procurement partnership; and, licensing initiatives.

### **3. NATIONAL CONTEXT**

#### Local Government Finance Settlement

For 2006/07, the Government introduced a new funding system which focuses on grant and not on notional measures of spending and council tax. A new 'four block' model for distributing grant is now used. Councils receive:-

- A relative needs allocation using Relative Needs Formulae (RNF)
- A reduction based on relative resources - the ability of Councils to raise Council Tax
- A central allocation based on a per head amount
- An allocation to ensure a minimum increase in grant.

The settlement included a number of methodology changes for environmental, protective and cultural services (EPCS):- 2001 census data replaced 1991 census data; the fixed cost element was updated from £300,000 to £325,000 per authority; and there were adjustments to take account of the new duty in respect of concessionary fares.

#### Spending Review 2007

The 2007 Comprehensive Spending Review, covering departmental allocations for 2008/09 – 2010/11 was announced on 6 December 2007.

#### Local Authority Business Growth Initiatives

All business rates are collected by Councils and paid over to a central, national pool. The revenue is then redistributed on a per capita basis.

The Local Authority Business Growth Incentive Scheme (LABGI) allowed Councils to retain some of the business rate revenue that has resulted from increasing the business rate base at a local level. This covered period 2005/06 – 2007/08.

On 9 October 2007, DCLG published a consultation paper seeking views from local authorities and other interested parties on how best the LABGI scheme can be redesigned to create a permanent incentive for Councils that encourages sustainable economic growth, fully integrated within the local authority finance system.



Business growth is measured in terms of the increase in a local authority's rateable value during a calendar year. A single payment is made to each eligible authority in the final quarter of the financial year. The payments are treated as unringfenced grants, which means that they can be used by authorities to fund their own spending priorities.

#### Business Rates and Council Tax Revaluations

The last review for business rates took place in April 2005. Transitional payments ensure that the impact of revaluations is spread over a number of years.

The 2003 Local Government Act introduced 10 year revaluations for Council Tax. Valuations were initially planned for April 2005, which would have affected Council Tax bills in 2007/08 but this has been postponed following the extension to the Lyons Inquiry into Local Government Funding. The Government has now stated that it would not expect to consider revaluation before 2011 and that, even at this point, there would need to be clear benefits of doing this.

#### Capping

The Government announced that it expected the average Council Tax increase in England in 2008/09 to be substantially less than 5%.

#### 4. LOCAL CONTEXT

The Chester-le-Street District Partnership, which is the Local Strategic Partnership for the District, published its Community Strategy setting out its shared vision for the future of the District in March 2004.

The Strategy has a long-term aspirational vision that aims to address the economic, social, environment and regeneration of the District.

An updated 'Sustainable Community Strategy' was agreed by the District Partnership and the Council in June 2006.

The vision of the Sustainable Community Strategy is as follows:-

*'By 2016, the District of Chester le Street will be a place where people choose to live, to learn, to work and to visit. There will be inclusive, safe and healthy communities in our towns and villages built on a strong sustainable economic base with excellent communication networks. The District Council will be a place where everyone is working together for a sustainable future.'*

The four key elements to the Community Strategy are:-

- A strong, sustainable and diverse economic base
- Inclusive communities
- Excellent communication networks
- An attractive and protective environment

By working with our partners to achieve the Community Strategy's vision, we will improve economic, social and environmental well being for communities across the District. While the aims and priorities to achieve the strategy's vision are expressed separately they are all linked to each other. Actions to achieve one priority will impact on other priorities.

The Council shares this vision. It has developed its own vision and identified seven priority areas.

Its vision is 'Working together to fulfil the needs of our communities'.

The Council's priorities are now under review. Proposals were built into the Council's Corporate Plan for 2007 – 2010 and were due to be considered through the normal corporate planning cycle set out in the plan. Local Government Reorganisation has a significant impact on this. A process to review priorities was therefore agreed in October. This incorporates:-

- an understanding of the political and officer priorities;
- an understanding of residents' priorities;
- an understanding of the relevance of the current Corporate Plan's proposals and their ability to achieve outcomes within the lifetime of any transitional proposals;
- an understanding of the improvement measures necessary to guide the Council through the lifetime of any transitional arrangements and their relevance to new priorities;
- the need to address the 2008 – 2010 budget and scrutiny engagement in the process in the light of new priorities; and

- the need for a reassessment of Strategic risks.

## 5. KEY FINANCIAL ISSUES FACING THE COUNCIL

### Housing Transfer

The Council has agreed to transfer its housing stock to Cestria Community Housing Association. The position and requirements of the Council in embarking on LSVT have been consistent: the Council has not sought to make any money out of the transfer but have sought to get a broadly cost neutral position extending beyond this Medium Term Financial Strategy for the first 5 years having regard to the fact that we have 'in built' efficiency savings over that period of time and beyond.

A detailed financial model is available but remains commercially sensitive to the Council as part of the negotiations with Cestria Community Housing Association. The Council will consider the approval of the stock transfer at a Full Council meeting on 21 December 2007.

### Leisure Options Review

The Council has considered options for the delivery of its leisure services. It wants to develop leisure services so that they are more economic, efficient and effective and to consider innovative ways to improve the services. The Council agreed, therefore, to carry out a full options appraisal of the delivery of sports, arts and leisure services. Phase 1 of the work has now been completed. Progress in respect of Phase 2 will now be limited due to local government reorganisation.

### Procurement

The Council agreed its Corporate Procurement Strategy and Action Plan in April 2006. The Strategy will be implemented over the next three years and sets out the Council's aims, objectives, framework, policies and actions relating to its future approach to procurement.

The purpose of the Strategy is:-

- "To ensure that all procurement decisions made by the Council will help to deliver the Corporate Plan objectives, produce Best Value by demonstrating Value for Money and the effective Use of Resources."

All Procurement decisions should be made in order to achieve community benefits and support the continuous improvement of service delivery in Chester-le-Street.

A key theme of the Strategy is the development of a 'business case culture' whereby there is a clear justification for the chosen method of procurement based on the authority's objectives.

A Procurement Strategy Group and Procurement Strategy Network have been established, and a robust action plan had been developed and is being implemented.

The 2007/08 budget proposals include a target of £50,000 for cashable procurement savings to be delivered by managers working with the Procurement Strategy Network.

The aim is to identify potential savings at both a service team and corporate level and progress to date can be summarised as follows:

Saving 2007-08	To 30 Sept 07
	£
Service Team Initiatives	6,550
Corporate Contracts:	
Electricity Contract (Nepo)	9,370
ICT Hardware	1,640
Fire Safety	1,290
Telephones	8,520
Stationery	2,200
Total 2007-08	29,570

The Procurement Strategy Network will continue to investigate further cashable savings through its regular meetings and 2007-08 work-plan.

#### Joint Working

The authority is already committed to exploring joint working and operational partnerships with other authorities.

This commitment has resulted in a successful partnership arrangement with Derwentside District Council for Procurement.

#### Local Government Review

The Government has announced its intentions to proceed with the introduction of a single unitary authority for the whole of County Durham to take effect from 2009/10.

The responsibility for setting the 2008/09 budget remains with Chester-le-Street District Council but the responsibility for setting the 2009/10 budget will be that of the new Executive of the Unitary Council following elections in May 2008.

This Council has a general duty in the draft Implementation Order to ensure that actions they take do not prejudice the economic financial status of the new Council. The draft order is due to be considered by Parliament at the end of January 2008.

## 6. REVENUE FORECASTS 2008/09 TO 2010/11 - GENERAL FUND

Chester-le-Street District Council will receive formula grant of £5.121 million in 2008/09. As the Medium Term Financial Strategy runs up to the end of 2010/2011, some assumptions have had to be made for 2009/2010 and 2010/2011. At present, the Strategy assumes increases in Formula grant of 0.5% for each year in line with the provisional settlement.

The level of resources available to the authority to fund its revenue expenditure is also dependent on Council Tax levels. The Council Tax increased by 4.8% in 2007/08; for future years the financial strategy currently assumes Council Tax increases of 5.0%, year on year. The projections also show how available resources will vary if Council Tax levels differ from the level originally assumed. (Table 2).

Table 1

	2008/09		2009/10		2010/2011	
	£m	Increase	£m	Increase	£m	Increase
Formula Grant	5.121	+50,708 1%	5.147	+25,607 0.5%	5.173	+25,735 0.5%
Income from Council Tax (5% increase) and Collection Fund Surplus	3.188	+130,000 4.3%	3.356	+168,000 +5.3%	3.533	+177,000 5.3%
Total Resources	8.309	+180,708 2.2%	8.503	+193,607 +2.3%	8.706	+202,735 +2.4%

### Assumptions

2008/09 Taxbase = 17,086.65; Band D Tax = £184.86

2009/10 Taxbase = 17,136.65; Band D Tax = £194.10

2010/11 Taxbase = 17,186.65; Band D Tax = £203.81

The following table shows the effect of different options for Council Tax increases on the total resources available. The amount of Formula Grant assumed is the same as that shown in Table 1.

Table 2

	2008/09 £m	2009/10 £m	2010/11 £m
2% increase	8.219	8.408	8.606
2.5% increase	8.234	8.424	8.622
3% increase	8.250	8.440	8.639
3.5% increase	8.265	8.456	8.656
4.0% increase	8.280	8.472	8.672
4.5% increase	8.295	8.487	8.689
5.0% increase	8.309	8.503	8.706

## Tax Levels

The table below shows the band D Council Tax which results from varying percentage increases.

Table 3

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
2% increase	179.58	183.17	186.84
2.5% increase	180.46	184.97	189.60
3% increase	181.34	186.78	192.39
3.5% increase	182.22	188.60	195.20
4.0% increase	183.10	190.43	198.04
4.5% increase	183.98	192.26	200.91
5% increase	184.86	194.11	203.81

The revenue projections for the next three years are summarised below:-

Table 4

	<b>2008/09 £000</b>	<b>2009/10 £000</b>	<b>2010/11 £000</b>
Starting Position	8,100	8,309	8,503
Plus unavoidable growth	552	500	500
Less savings already identified	(270)	-	-
Less savings to be found	(73)	(306)	(297)
Base budget for the year matches funding available	8,309	8,503	8,706

### 2008/09

The unavoidable growth identified for 2008/09 comprises the pay increase, removing the planning delivery grant and LABGI grant from the budget in its entirety and an increase in the recycling budget. Again, bids for growth coming out of the service planning process will be in addition to this.

### 2009/10 and 2010/11

The only unavoidable growth shown here is that resulting from the pay increase.

## **HOUSING REVENUE ACCOUNT**

The Council plans to transfer its housing stock to a Registered Social Landlord at the end of 2007/08; consequently, the Medium Term Financial Strategy does not project the HRA position beyond the next financial year. The financial implications of stock transfer have been incorporated in the General Fund revenue projections and are outlined further in section 5 of the Strategy - Issues Facing the Council.

The balance on the HRA at the time of stock transfer is expected to be £1.798 million. This is available to the General Fund and the summary on page 1 reflects the estimated use of the balance in future years.

## 7. CAPITAL FORECASTS 2008/09 - 2010/11

The Council's Capital Programme is divided into two areas: regeneration, and other services.

Although the Council receives some specific capital grants and has been extremely successful in attracting external funding, the whole capital programme is extremely dependent on asset sales.

The Council has taken the opportunity to use all of its capital receipts resulting from the sale of housing land for the provision of affordable housing and regeneration schemes. By doing this the Council is able to retain all of its housing receipts for local use. This does mean that the funding for other services is dependent on the proceeds of sales from non-housing land and the retained proportion of Right-to-Buy receipts.

The Capital Working Group, chaired by the Executive Lead Member for Finance, monitors capital expenditure and funding and is involved in the prioritisation of new bids.

In addition, the Council benefits from Specified Capital Grants to help meet the costs of Disabled Facilities Grants.

The total funding for the next three years is summarised below:-

	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
Asset Sales	1,200	1,200	1,200	3,600
Specified Capital Grant	127	127	127	381
	1,327	1,327	1,327	3,981

The Council's I.T. Strategy for 2006-2009 has recently been updated. Beyond 2007/08 it only includes outline estimates of the scale of investment required and recognises that a business case will be developed for each potential development. The business case will assess the benefits to the Council and its customers against the costs of procurement, implementation and management.

At present, there are no ongoing commitments beyond 2007/08, meaning that resources totalling £1.2 million in 2008/09 will be available for regeneration and general fund schemes. This figure is based on a conservative estimate of the proceeds from asset sales.

The authority is pro-active in its approach to securing s106 agreements resulting in funding for schemes associated with new developments and agreeing significant developers' contributions as part of land sale contracts. In total, funding currently agreed through these processes amounts to £2.1million at present.

The proposed replacement Local Plan - the Local Development Framework - provides an opportunity to develop our current approach to s106 obligations, including widening the scope of agreements and the development of firmer guidance on such issues as payment matrices.



## 8. TREASURY MANAGEMENT STRATEGY

The Council adopted the CIPFA Code of Practice 'Treasury Management in Public Services' in 27 March 2003.

All Treasury Management activities are undertaken within the procedures set out in the Code and the Council employs external Treasury Management consultants to advise on its treasury management strategy and provide data and interest rate forecasts to assist in planning and reducing the impact of unforeseen adverse interest rate movements. Wider treasury activities also include managing the Council's cash flows, its previous borrowing activities and the investment of surplus funds. These activities are structured to manage risk foremost and then optimise performance.

In accordance with the Code's requirements, the Council agreed its Treasury Management Strategy, including Prudential Indicators for 2007/08 - 2009/10, on 1 March 2007.

The table below shows the Council's Capital Financing Requirement which is the Council's underlying indebtedness for a capital purpose.

	2008/09 Estimated Projection £m	2009/10 Estimated Projection £m	2010/11 Estimated Projection £m
CFR – Non Housing	3.80	3.65	3.50
CFR - Housing	0	0	0
Total CFR	3.80	3.65	3.50
Borrowing	0	0	0
Other long term liabilities	0.04	0.04	0.04
Total Debt 31 March	0.04	0.04	0.04

This reflects the fact that it is expected that the Council will become debt free following the transfer of the housing stock.

The Council's investment policy is governed by DCLG (previously ODPM) guidance which has been implemented in the annual investment strategy. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the Treasury function over the year. These are district historic indicators as opposed to the prudential indicators. The latest CIPFA Treasury Management Statistics, which are for the year 2005/06, show:-

Borrowing - gross average rate of interest on all external debt for the Council was 5.57% as compared with all English non-metropolitan districts' rate of 6.19%.

Investments - average rate of interest on all external investments was 4.61% as compared with all English non-metropolitan districts' rate of 5.02%.

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 pro-actively managed its treasury position. The Council continues to utilise historically low borrowing costs and complies 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.

The Council's investments comprise of reserves and balances, including unused capital receipts, income from government grants, council tax and business rates, and cash-flow timing differences between income and expenditure.

Clearly capital receipts have a significant role to play in the Council's investments. Although these have been earmarked to fund regeneration schemes, there have been delays between the receipt and expenditure on the scheme.

The 2007/08 revenue budget includes £300,000 from interest on investments. This is considered a realistic prudent figure and improving upon this is very much dependent on the timing of capital receipts. Our cash flow and investment forecast is monitored and updated on a monthly basis, consequently the estimates of the investment interest will be revised to reflect our treasury management activities.

## 9. RESERVE AND BALANCES

The Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance on reserves and balances in 2003.

Reserves can be held for three main purposes:-

- A working balance to help cushion the impact of uneven cash flows - this forms part of general reserves.
- A contingency to cushion this impact of unexpected events or emergencies - this also forms part of general reserves.
- A means of building up funds, often referred to as earmarked reserves, to meet unknown or predicted liabilities.

For each reserve held by a local authority, there should be a clear protocol setting out:-

- The reason for/purpose of the reserve
- How and when the reserve can be used
- Procedures for the reserve's management and control
- A process and timescale for review of the reserve to ensure continuity relevance and adequacy

Chief Financial Officers must take account of the strategic, operational and financial risks facing the authority in assessing the adequacy of unallocated general reserves when setting the budget.

Chief Financial Officers have a fiduciary duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and use of reserves is determined by the Council, informed by the advice and judgement of the Chief Financial Officer. In order to help the Council reach its decision in respect of reserves, the Chief Financial Officer should report the facts that influenced his judgement and ensure that the advice given is recorded formally. Where the Chief Financial Officer's advice is not accepted, then this should be recorded formally in the minutes of that Council meeting.

The Council's reserves at the beginning of 2007/08 are summarised below:-

	£'000
General Fund reserve	390
Insurance reserve	176
Earmarked revenue reserves	1,134
	1,700

The total reserves are estimated to stand at £0.77 million at the end of 2007/08 and £2.27 million at the end of 2008/09 when the residual HRA balance of £1.5 million will be added to the general fund reserve.

The General Fund reserve is a reserve set aside for unforeseen events and is needed to help cash flow management. The Council is responsible for collecting the Council Tax for Durham County Council, Durham Police Authority, Durham and Darlington Fire and Rescue Authority and the Parish Councils as well as itself. Instead of paying their share of the Council Tax as it is collected, the Council has to pay a proportion of the total due to the different organisations at specific times during the year, irrespective of whether the amount due has been collected. It is important, therefore, to have the general reserve available to meet these payments should this be required.

At £390,000, the general fund reserve represents approximately 4.8% of the net general fund budget (1.2% of the gross budget). The Council has agreed that the General Fund Reserve should not be allowed to fall below £349,000.

CIPFA's guidance note on Local Authority Reserves and Balances makes it clear that the factors which determine the appropriate level for balances can only be properly assessed at local level and stresses that decisions on the level of reserves should be set in the context of each local authority's medium term financial plan, not on short term considerations. The factors to be considered in determining the appropriate level of reserves include:-

- the treatment of inflation and interest rates in the budget;
- estimates of the level and timing of capital receipts;
- the treatment of demand-led pressures;
- the treatment of planned efficiency savings and productivity gains;
- the financial risks inherent in any new funding partnerships, major outsourcing arrangements or capital developments;
- the availability of other funds to deal with major contingencies and the adequacy of provisions;
- the overall financial standing of the authority;
- the authority's track record in budget and financial management;
- the authority's capacity to manage in-year budget pressures;
- the strength of the financial information and reporting arrangements;
- the authority's virement and end of year procedures in relation to budget under/overspends;
- the adequacy of the authority's insurance arrangements to cover major unforeseen risks.

If the general fund balance is not maintained at an adequate level, the authority may not have sufficient unallocated resources to deal with unexpected liabilities and has reduced capacity to manage in year budget pressures.

The insurance reserve is needed to ensure the Council can fund its self insurance costs.

The earmarked revenue reserves are a variety of funds earmarked for specific revenue purposes. They include the planning delivery grant, finally earmarked for leisure activities and the Venture Fund.

### Collection Fund Surplus

The Collection Fund Surplus is used to reduce Council Tax levels. Historically, this has been relatively small, for 2007/08 the District Council's share was £43,000. The Medium Term Financial Strategy assumes a surplus of £30,000 for both 2008/09 and 2009/10.

The projected tax base takes account of all expected major changes which may affect the property base of the district and a 98.5% collection rate is assumed when the taxbase for tax setting purpose is agreed.

The Council has recently decided to charge second homes the maximum of 90% council tax charge, thus giving the minimum 10% discount. This will have very little effect on the taxbase but the Council made a policy based decision to do this.

All expected changes in the taxbase have been incorporated in the financial projections.

### Housing Revenue Account Reserve

The Housing Revenue Account Reserve is currently £1.3 million and is expected to be £1.798 million when the housing stock transfers at the end of 2007/08. The Medium Term Financial Strategy assumes that this will be available to the Council in 2008/09.

## **10. MONITORING, REPORTING AND REVIEW PROCESSES**

The Medium Term Financial Strategy will be monitored by the Council's Executive. As a minimum, progress will be reported every six months - when the revenue budget and capital programme is set for the forthcoming year and when the final accounts for the preceding year are closed. However, the strategy is reviewed outside of these processes when required, particularly when the exact impact of major financial changes, such as that relating to the housing stock, become more certain.

The financial management principles have been communicated and are understood by all service team managers and other budget holders. They have been incorporated in the new financial regulations which, again, have been widely communicated as part of the new constitution; training on the new financial regulations has been provided to ensure they are fully understood. Refresher training and training sessions for new staff have been scheduled as part of the Corporate Training Plan.

The medium term financial strategy has been drawn up with the full involvement of corporate management team and, will be communicated throughout the organisation.

Financial monitoring reports are considered on a quarterly basis by corporate management team; high level monitoring reports are submitted to the Council's Executive at the six months, nine months and year end position. The three Overview and Scrutiny Panels receive more detailed monitoring reports for the services within their remit, again at the six months, nine months and year end stages.

The Executive also receives quarterly corporate performance management reports which link financial and non-financial performance, including key strategic risks.

The authority's corporate performance management system links performance indicators (both national and local) with financial management data.

### Consultation

The Annual Residents' Survey includes specific questions about the Council's budget. It gave some background information so that the questions could be put into context and asked residents to look at the costs, in terms of Council Tax, for each major service and asks whether they would be willing to pay more for the service, or have a reduced charge for a lesser service.

When the Council considered its 2007/08 budget, it took account of the outcome of the Residents' Opinion Survey and the views of the business ratepayers.

Business ratepayers are consulted as a matter of course prior to each year's revenue budget being set.

The Financial Strategy is published on the Council's website and residents and other stakeholders invited to comment.

## 11. RISK MANAGEMENT

<b>Risk</b>	<b>Action</b>
Projections about government funding are inaccurate.	Those assumed for 2008/09 and 2009/10 reflect the 2007 Spending Review. (Note that a 1% increase in formula grant means an increase in funding of £50,000).
Assumptions made in respect of pay and price increases are not correct.	Financial projections will be revised as the annual pay award is agreed. Pay inflation has been relatively stable over recent years. Pension figures may have to be amended in the light of new information from the pensions authority.
Income levels are not achieved	Budget monitoring arrangements flag this up at an early stage in the year so this can be quantified and corrective action taken if necessary.
Expenditure budgets not adequately controlled	Financial Management system includes controls to address this. Frequent, detailed budget monitoring reports and arrangements ensure this is picked up at an early stage.
Savings not achieved	Where savings prove to be unachievable, this will be identified through budget monitoring and reporting arrangements to enable corrective action to be taken.
Capital Receipts do not materialise	Capital Schemes dependent on the proceeds of planned asset sales do not start until the sales are certain. Only schemes with guaranteed resources can progress.
Unforeseen expenditure is identified for which there is no budgetary provision	Regular budget monitoring arrangements will identify problem areas and potential savings or additional income can be vired to fund the unforeseen expenditure in accordance with financial regulations.
Procurement target savings are not achieved	These have been allocated to each area and action is being taken to ensure that these are achieved. The work of the Procurement Strategy Network will help managers to achieve their procurement savings.

Subject to government decisions, the review of local government could have implications for the Council's decision making processes as early as 2008/09. Clearly this would impact on the Council's Medium Term Financial Strategy.

Local Government Reorganisation in Durham will be managed by a Joint Committee, which includes representatives from Chester-le-Street District Council.



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