

22 February 2012

Report from the Cabinet



Purpose of the Report

To provide information to the Council on issues considered by the Cabinet on 25 January and 8 February 2012 and to enable Members to ask related questions.

Members are asked to table any questions on items in this report by 2 pm on 21 February in order for them to be displayed on the screens in the Council Chamber.

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1. Report on a Review of Learning Disability Respite services and recommendations on changes to the in- house services
Key Decision AWH/03/11
Cabinet Portfolio Holder – Councillor Morris Nicholls
Contact – Nick Whitton- 0191 383 4619

We have considered a report of the Corporate Director, Adults, Wellbeing and Health that presented findings following the review of Durham County Council (DCC) learning disability respite services, and made recommendations on the future of Dean Lodge in the light of the Medium Term Financial Plan (MTFP), and taking account of the results of the consultation detailed in the report.

Respite is a service which provides periods of care for a person away from their carer. Respite services can be planned in advance or provided in an emergency, for example, when a carer is unwell. Respite services are important to service users, their families and carers. The Council remains committed to meeting the needs of service users through the use of respite services but it also needs to take account of: changes in demand; new opportunities being offered in the social care market; and the need to ensure that services operate efficiently and represent the best value for money. DCC spends approximately £1.7M annually on learning disability respite services and is providing new forms of respite where possible. As at 21.10.11 there were 343 learning disability service users accessing respite services.

In County Durham most learning disability respite services are provided through:

- Durham County Council building-based services at Hawthorn House (Newton Hall, Durham) and Dean Lodge (Ferryhill).
- A 'Shared Lives' service where service users take respite in a family or individual's home. The people who provide this service in their homes are paid by the Council. The Council oversees the service to ensure it meets quality standards.
- Independent residential care services provided by the market.
- Independent specialist respite services offering different models of service (e.g. respite in the service users own home).
- Service users also have the option of using a Personal Budget to purchase a respite service of their choice.
- All services provided or purchased by the Council are monitored for quality and performance and protected by safeguarding procedures and are only provided in response to assessed needs.
- The percentage split of service users accessing the above provision is as follows: Hawthorn House 28%; Dean Lodge 12%; Shared Lives 39%; Independent Sector 12%; Direct Payments 9% (figures as at 21.10.11).

The need to secure value for money to meet the MTFP and changes in demand and occupancy levels have prompted a review of in house building

based learning disability respite services. The review has focused on a number of factors including demand, achieving value for money, carer and service user views and the future shape of services.

The consultation on the future of learning disability respite has identified that the majority of Dean Lodge service users are opposed to its potential closure. Amongst the reasons put forward by service users and stakeholders for retaining Dean Lodge are the difficulties some service users would have in adjusting to change, perceptions about the expertise within the service for supporting people with high level health needs and concerns over whether there is sufficient capacity in existing services to be able to meet demand. Adults Wellbeing and Health has extensive experience and expertise in supporting vulnerable service users through change. The service is confident that it could mitigate against negative impact on service users.

Information indicates that there is sufficient capacity to meet the needs of service users within alternative DCC services and the wider care market. Alternative services could be provided with improved value for money for the Council.

There are a number of other re-provision costs that would be incurred if Dean Lodge closed. The total re-provision cost is calculated as £120,000 and net savings of £510,000 could be made by closing this service without reducing the amount of respite that service users and carers access. Durham County Council is providing two building based respite services where one would be sufficient to meet needs.

An Equality Impact Assessment (EIA) has been undertaken to identify any potential negative consequences from proposed changes to respite care, and to mitigate against these. The EIA has identified the main impacts that would arise from the closure of Dean Lodge, and also the mitigating factors that could be put in place to reduce any negative impact. They indicate that there are potential impacts relating to age, gender and disability which would need to be managed in any transitional arrangements:

Decision

We have: -

- Agreed to close Dean Lodge learning disability respite service.
- Noted that service users would continue to receive respite in line with their assessed level of need, and carer assessments will also be offered.
- Delegated to the Corporate Director for Adult Wellbeing and Health, in conjunction with the Portfolio holder, responsibility for developing and implementing a plan to close the service and re-provide for existing service users in a time scale which maximises positive outcomes and minimises and manages risks.

2. Management Options Appraisal Phase 1: Setting up of a Charitable Trust to Manage the Council's Sport, Leisure, Cultural and Library Services
Key Decision NS/05/2011
Cabinet Portfolio Holders – Councillors Maria Plews, Neil Foster, and Claire Vasey
Contact – Steve Howell- 0191 372 9180

We have considered a joint report of the Corporate Director, Neighbourhood Services and Corporate Director, Adults Wellbeing and Health which set out details of the Management Options Appraisal undertaken to establish the most suitable option(s) available for the future management of a range of services including Sport and Leisure, facilities and services, Museums, Libraries, and Outdoor learning centre at Middleton-in-Teesdale. An 'in principle' decision was sought for the potential transfer of some, or all, of these services to a Non-Profit Distributing Organisation (NPDO) subject to further work to establish the best option for the Council whilst agreeing a project plan and milestones to deliver this project.

The Council's Medium Term Financial Plan (MTFP) includes a number of savings proposals linked to the Management Options Appraisal (MOA) process. The principle aim of the MOA being to identify future management arrangements best suited to providing optimal value for money, whilst still meeting the Council's strategic priorities.

To assist development of the MOA, specialist independent advisors, Winckworth Sherwood, were appointed by the Council in April 2011. They have carried out a wide range of interviews with Officers, Elected Members (including the Leader and Deputy Leader) and key partner stakeholders. Winckworth Sherwood have also reviewed and analysed extensive financial and other relevant information provided by the Council, producing a report detailing their findings.

Subject to an 'in principle agreement', officers would prepare information on which a decision as to whether to transfer services into a charitable NPDO can be made. In order to make that decision, detailed information relating to transfer arrangements will need to be given. These will be contained within a Service Delivery Plan that will form the main proposal from any new entity for the provision of services.

In addition, it will be necessary to satisfy the Council that arrangements for staff, legal issues and corporate impact matters have been adequately dealt with, together with the confirmation of financial savings. This information, together with the Service Delivery Plan, will form the basis of a future report. It would be proposed that a Members seminar also be held in relation to the Service Delivery Plan, prior to it being presented to Cabinet.

The phase 1 of the MOA concludes that the Council establishes a charitable NPDO or transfers its services into an existing NPDO. The Council's in-house services, together with those managed through Leisureworks, at their discretion, should form part or all of the new arrangement.

This will require the Council and Leisureworks to work collectively to consider the detailed implications of such a move before any transfer is undertaken. This will represent a significant amount of work for both parties. It is, therefore, recommended that a framework be put in place through which all issues can be considered and communicated including the exact form and legal structure of any new NPDO

Consideration to the Leisure Connections contract would also be addressed in phase 2 of the project.

In order to progress matters a Project Board has been established of relevant senior officers and portfolio-holders. This group will oversee the development of any future work on the project.

In working towards the establishment of a new cultural and leisure trust, there is a great deal of detail to be worked out and arrangements put in place. A detailed schedule has been drawn-up which suggests that a reasonable timeframe, subject to Members' approval, to transfer to a new entity would be autumn 2012.

Decision

We have approved:

- (a) an 'in principle' decision to establish a charitable Non Profit Distributing Organisation as the preferred vehicle for those services;
- (b) subject to confirmation of a non-contestable market from the existing NPDO sector, work to develop a new NPDO be progressed in-house;
- (c) further consideration is given to the inclusion of service areas identified in the report;
- (d) that both recommendations (b) and (c) are subject to a delegated decision of the Corporate Directors of Neighbourhood Services, Adults, Wellbeing and Health and Children's and Young People's Services, in consultation with their respective portfolio holders and in consultation with the Corporate Director of Resources and the Cabinet Member for Resources;
- (e) a further report is prepared, in relation to any final decision to transfer, in line with the schedule proposed in the report.

3. Heart of Teesdale Landscape Partnership: Governance Cabinet Portfolio Holder – Councillor Neil Foster Contact – Sarah Robson- 0191 383 3444

We have considered a report of the Corporate Director, Regeneration and Economic Development that provided an overview of current governance and management arrangements for the Heart of Teesdale Landscape Partnership

(HoT) within the framework of the Heritage Lottery Fund (HLF) national scheme; its relationship with Durham County Council (DCC) and Barnard Castle Vision (BCV); and recommendations as to the future governance of the Partnership during the main implementation phase, programmed to last from late 2011 to early 2016.

The prime objective of the Heart of Teesdale Landscape Partnership's work is to inspire people to re-discover the landscapes of Teesdale, celebrate its unique beauty and character, and benefit from its rich cultural heritage and potential. A Local Conservation Action Plan was submitted as part of the HLF bid and contains over 100 locally based projects, put together with extensive community engagement. The Partnership has worked hard to involve a wide range of local interests to bring forward ideas and plans for a programme of activities. The projects arising will be expected to provide major public and community benefit.

HLF confirmed a grant of £1,895,700 on the 14 September 2011. The DCC contribution is £519,514 which, together with other match funding gives a total project value of £3,116,300. DCC is the accountable body for the project.

The strategic context for this scheme lies within a co-ordinated cache of similar DCC projects including the Limestone Landscapes, North Pennines AONB Partnership and Durham Heritage Coast.

The Partnership is one of some 45 Landscape Partnerships so far developed across the UK under a national scheme established by the Heritage Lottery Fund.

Decision

We have:

1. Approved the new Heart of Teesdale Landscape Partnership Terms of Reference;
2. Noted the implications of representation for Durham County Council in relation to the Partnership, particularly in terms of its own nominees and endorsement of other members including the Chair and Vice Chair;
3. Approved Durham County Council's continued role as a key partner and accountable body, including the signing of the new Heart of Teesdale Landscape Partnership Agreement;
4. Endorsed the proposals to implement formal Memoranda of Understanding between the Heart of Teesdale Landscape Partnership and Barnard Castle Vision and Durham County Council.
5. Agreed the delegated approval for the Corporate Director of Regeneration and Economic Development to agree the final documents for circulation.

**4. North Pennines Area of Outstanding Natural Beauty (AONB) Building Design Guide And Planning Guidelines
Cabinet Portfolio Holder – Councillor Neil Foster
Contact – Mike Allum - 0191 387 2228**

We have considered a report of the Corporate Director, Regeneration and Economic Development that considered the North Pennines Area of Outstanding Natural Beauty (AONB) Building Design Guide and Planning Guidelines and which sought agreement to recommend that Council endorses them as supplementary guidance to be included as part of the County Durham Plan.

The North Pennines AONB Partnership is responsible for co-ordinating efforts to conserve and enhance the AONB. The management of AONB's is a statutory function of local authorities under the Countryside and Rights of Way Act (CRoW) 2000.

The North Pennines AONB Building Design Guide updates and replaces two documents, already endorsed by the County Council and the former Derwentside, Teesdale and Wear Valley District Councils; the Guide on Good Practice in the Design, Adaptation and Maintenance of Buildings and the Agricultural Building Design Guide for the North Pennines AONB. The new Building Design Guide is designed to help implement planning, design and conservation policies relating to the AONB that are contained in the three relevant Local Authorities statutory development plans. It seeks to help generate increased consistency of approach towards matters of building design and building conservation across the AONB.

Decision

We have endorsed The North Pennines AONB Building Design Guide and North Pennines AONB Planning Guidelines as supplementary guidance under provisions in paragraph 6.3 of Planning Policy Statement 12 to assist the Local Planning Authority in considering and determining planning applications within the area designated as the North Pennines Area of Outstanding Natural Beauty.

**5. European Social Fund, Families with Multiple Problems Programme
Cabinet Portfolio Holders – Councillors Neil Foster, Claire Vasey, and Morris Nicholls
Contact – Graham Wood- 03000 262002**

We have considered a joint report of the Corporate Director, Regeneration and Economic Development, Corporate Director, Children and Young People's Services and Corporate Director, Adults Well Being and Health that provided an update on the Department for Work and Pension's preferred bidder for the North East Contract Package Area (CPA) to deliver the European Social Fund (ESF) Support for Families with Multiple Problems

provision and identified the implications for County Durham, and which sought approval for the Corporate Director to utilise delegated powers to enter into negotiations and complete contract documentation and deliver the programme in County Durham.

Department of Works & Pensions (DWP) is using around £200m of funding it receives from the ESF to help families with multiple problems overcome barriers to employment. This provision will support the wider cross-government Welfare to Work agenda to help improve the lives of families with multiple problems.

This provision is aimed at individuals in multi generational families with multiple problems that require support to move into employment. The recent DWP co-design of services report highlights that many of these families are already known to and receiving support from local authorities; therefore, local authorities will be the prime means for identifying families/households to participate in this provision.

The Government has recently announced a further funding opportunity for Councils to work with Families that currently require multi agency support and have suggested the appointment of a “Family Co-ordinator” within each authority. Initial development funding has been made available to Councils, with the Think Family Board taking a lead on this.

While a great deal of service integration and linkage has already been undertaken as part of the roll-out of the One Point service offer, it is envisaged that the appointment of the Coordinator would ensure that delivery of the existing Think Family related projects including this ESF contract will be maximised, ensuring the most appropriate families are targeted, the required interventions are appropriately resourced and duplication of referral does not occur. Further information will be made available once the Durham approach has been agreed with the Department for Communities and Local Government.

Decision

We have:

- Noted the extra opportunities provided by the ESF Families with Multiple Problems programme to support disadvantaged individuals and families in County Durham.
- Agreed that The Corporate Directors for Regeneration and Economic Development and Resources utilise delegated powers to enter into negotiations and complete contract documentation and deliver the ESF programme in County Durham.

6. Medium Term Financial Plan 2012/13 – 2015/16 and Revenue and Capital Budget 2012/13
Cabinet Portfolio Holder – Councillor Alan Napier
Contact – Jeff Garfoot- 0191 383 3555

We have considered a joint report of the Corporate Director, Resources and Assistant Chief Executive that provided comprehensive information to enable us to make recommendations for a 2012/13 balanced budget to the County Council meeting on 22 February 2012.

The Council continues to face unprecedented levels of reductions in Government grants over the current Comprehensive Spending Review (CSR) period to 31 March 2015. The Council's Formula Grant for 2012/13 was confirmed in December 2011 at £223.2m which is in line with the figure announced in last year's CSR – a reduction of £17.1m when compared to 2011/12.

In total, this report is forecasting that Government Support for the five year period 2011/12 to 2015/16 will reduce by £108.7m and by £115.8m when including the forecast grant reduction for 2016/17. This equates to a 30% reduction in Government Support over this period.

After also taking into account estimated base budget pressures and growth in some priority service areas, the report is forecasting the need to deliver £159.2m of cash savings for the five year period 2011/12 to 2015/16 and savings of £171.8m when including forecasts for 2016/17. This equates to a 40% net revenue budget reduction over this period.

Despite having to make the above unprecedented level of savings, the report recommended that Cabinet agreed a net revenue budget of £432.58m for 2012/13. Although the budget requires the delivery of £26.6m in 2012/13 in order to deliver a balanced budget, it is also able to protect and increase some service budgets for the benefit of council tax payers including:

- for the third consecutive year, the council tax for County Durham would stay the same in 2012/13 should the Council accept the Government's 'one off' Council Tax Freeze Grant. The grant would be payable in 2012/13 but not in future years, equates to almost £5m and is equivalent to a 2.5% council tax increase;
- protecting the winter maintenance budget in line with this being a high priority service based upon public consultation feedback;
- increasing the adult social care budget by £2.15m in recognition of the increasing demands on the service due to demographic changes and more people becoming dependent upon these services;
- increasing the children's safeguarding service budget by £1.5m in recognition of increasing demands due to more children entering the care service;
- an additional £3.5m of revenue to invest in new and current capital projects through prudential borrowing. The capital programme for 2012/13 will deliver schemes to the value of over £197m in line with the

Council's key priorities to stimulate regeneration and job creation within the local economy.

Grant reductions are forecasted to continue beyond the current CSR and into 2015/16 and 2016/17 after taking into account the Government's outline Departmental Expenditure Limit (DEL) forecasts included in the Chancellor's Autumn Statement on 29 November 2011. Analysis based upon a range of assumptions would indicate that Grant reductions for Councils in these two years could be 5.7% and 3.7% respectively.

Also, in addition to the current public sector pay freeze for 2011/12 and 2012/13, the Government has announced a 1% pay increase cap in the public sector for 2013/14 and 2014/15. Although councils receive no explicit, specific funding to finance pay awards, the Government has confirmed that Grant will be reduced in 2013/14 and 2014/15 based on an assumption that 2.5% had previously been built into formula grant calculations for each of these two years.

The Council's previous four year savings plan amounting to £123.5m for the period 2011/12 to 2014/15 was agreed by the Council on 23 February 2011, following a very extensive consultation in which over 8,000 people throughout County Durham either responded or participated.

The results of this consultation were fully reflected in last year's MTFP report and the development of this new MTFP for 2012/13 to 2015/16 has also taken this consultation into account. The new savings plans listed at Appendix 2 have therefore been built upon the detailed savings plan that was included in last year's MTFP plus £7.07m of new savings proposals for 2012/13 to bring the budget into balance.

The Council has carried out extensive work in relation to both Equality and Diversity Impact Assessments and Risk Assessments. This work has been challenging due to the size and scope of the recommendations included in this 2012/13 Budget and MTFP but is essential to ensure all factors are considered in the decision making process.

Decision

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

- (a) Local Government Finance Settlement
 - (i) Note the confirmation of the £223.2m 2012/13 Finance Settlement, which is in line with the CSR announcement.
 - (ii) Note the forecast further reductions in Government support in 2013/14 and 2014/15 of £2.28m and £2.44m due to the imposition of the 1% pay increase cap.

- (iii) Note the forecast of continuing reductions in Government support in 2015/16 and 2016/17.
- (b) Consultation
 - (i) Note the basis on which the consultation carried in 2010 has informed the budget setting process and the ongoing commitment to carry out targeted consultation prior to commencing service changes where they would impact service users
- (c) 2011/12 Revenue Outturn
 - (i) Note the 2011/12 Forecast of Outturn contribution to General Reserve.
 - (ii) Agree that the Corporate Director Resources be authorised to make decisions, as necessary, in the interests of the Council to finalise the Statement of Accounts for 2011/12.
- (d) 2012/13 Revenue Budget and Council Tax
 - (i) Approve the identified base budget pressures.
 - (ii) Approve the Service Grouping investments detailed in the report.
 - (iii) Approve the savings plans detailed in the report.
 - (iv) Approve the acceptance of the Council Tax Freeze Grant and thereby leave County Council' Council Tax levels unchanged.
 - (v) Approve the retention of the 10% Council Tax Discount for the owners of second homes.
 - (vi) Approve the 2012/13 Net Budget Requirement of £432.58m.
- (e) MTFP and Financial Reserves
 - (i) Note the forecast 2012/13 to 2015/16 MTFP financial position.
 - (ii) Set aside sufficient sums in Earmarked Reserves as it considers prudent to do so. The Corporate Director Resources be authorised to establish such reserves as are required and to review them for both adequacy and

purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.

- (iii) Aim to maintain, broadly, General Reserve levels of between at least 3% and 4% of the Net Budget Requirement or in cash terms between £13m to £17m.

(f) Capital Budget - Approval of Additional Capital Schemes

- (i) Approve the revised 2011/12 Capital budget of £167.929m.
- (ii) Approve that the additional schemes detailed in Appendix 6 be included in the Capital Budget. These capital schemes will be financed from the additional Government grants available, from match funding attained, from Capital Receipts, Prudential Borrowing and from Service Grouping budget transfers.
- (iii) Approve the Capital Budget for the 2012/13 to 2015/16 MTFP detailed in Table 20.
- (iv) Approve the continued inclusion of £30m of capacity annually across the MTFP funded from Prudential Borrowing and Capital Receipts.

(g) Savings Recommendations

- (i) Note the approach taken by Service Groupings to achieve the required savings.

(h) Equality Impact Assessment of the Medium Term Financial Plan

- (i) Note the equality impacts identified and mitigating actions.
- (ii) Note the programme of future work to ensure full impact assessments are available where appropriate at the point of decision, once all necessary consultations have been completed
- (iii) Note the ongoing work to assess cumulative impacts over the MTFP period which is regularly reported to Cabinet.

(i) Workforce Considerations

- (i) Note the position on workforce considerations.

- (j) Pay Policy
 - (i) Approve the pay policy statement which would require final approval by Council.
- (k) Risks
 - (i) Note that the key risks to be managed over the MTFP period.
- (l) Dedicated Schools Grant (DSG) and School Funding
 - (i) Note the position on the DSG.
- (m) Prudential Code
 - (i) Agree the Prudential Indicators and Limits for 2012/13 to 2014/15 contained within Appendix 8 of the report, including the Authorised Limit Prudential Indicator.
 - (ii) Agree the Minimum Revenue Provision (MRP) Statement contained which sets out the Council's policy on MRP.
 - (iii) Agree the Treasury Management Strategy and the treasury Prudential Indicators.
 - (iv) Agree the Investment Strategy 2012/13 contained in the treasury management strategy

**7. Housing Revenue Account Medium Term Financial Plan 2012/13 to 2016/17 and 2012/13 Budget
Cabinet Portfolio Holders – Councillors Alan Napier, and Clive Robson
Contact – Azhar Rafiq- 0191 383 4028**

We have considered a joint report of the Corporate Director, Resources and Corporate Director, Regeneration and Economic Development that provided information to enable us to make recommendations on the Council's Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) for 2012/13 to 2016/17 and the 2012/13 budget to the County Council meeting on 22 February 2012.

The HRA provides the income and expenditure associated with maintenance of the Council's housing stock of just under 19,000 dwellings. The Council is required to set an annual HRA budget and set the level of tenants' rents and other charges.

The Council is the largest social landlord in County Durham owning around 40% of all social housing. Under the Government's new system of housing finance from April 2012, the Council is required to plan over the longer term

and develop a 30 year HRA Business Plan to manage and maintain its housing assets. The proposed HRA budget for 2012/13, 30 year HRA Business Plan and five-year MTFP are considered in this report.

The headline implications for 2012/13 are as follows:

- Dwelling rents for 2012/13 to increase in accordance with Government guidelines which result in an overall average increase of 6.25%;
- Average rent per week to increase from £59.34 per week to £63.05 per week – an increase of £3.71 per week on average (on a 52 week basis);
- Increases in garage rents to be linked to the overall average increase in dwelling rents and the proposed charges per week for 2012/13 (excluding VAT) are £6.46, £6.63 and £7.01 in Durham City, Easington and Wear Valley respectively;
- Efficiency savings in housing management costs of £1.35m have been identified;
- A capital programme in 2012/13 of £44.854m.

Decision

We have agreed to make the following recommendations to Council:-

- To approve the 30 Year HRA Business Plan and five year HRA MTFP;
- To set dwelling rents for 2012/13 in accordance with Government guidelines which result in an overall average increase of 6.25%;
- To increase garage rents in line with the overall increase in housing rents;
- That approval of service charges proposed by the three service providers be delegated to the Head of Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance;
- A HRA capital programme of £44.854m in 2012/13;
- ALMO/INMO management fee levels as follows;
 - Durham City Homes £7,217,250
 - Dale and Valley Homes £5,511,000
 - East Durham Homes £11,755,000

- To split the Council's loans in two separate pools as suggested by CIPFA using the principles outlined.
- To authorise the Corporate Director Resources to make appropriate arrangements to enable the Council to implement self financing including decisions on borrowing and making the settlement payment to DCLG on 28 March 2012.

8. Council Plan and Service Plans 2012 – 2016
Leader of the Council – Councillor Simon Henig
Contact – Tom Gorman- 0191 372 7694

We have considered a report of the Assistant Chief Executive that provided a draft of the Council Plan for 2012-16 for consideration and comment before being submitted for approval by Council on 22 February 2012.

The Council Plan is the overarching high level plan for the County Council. It has been amended this year to cover a four year timeframe in line with the Medium Term Financial Plan and it is updated annually. It links closely with our financial planning framework and in broad terms sets out how we will consider our corporate priorities for change and the key actions we will take in support of delivering the longer term goals in the Sustainable Community Strategy (2010-2030) and the Council's own change agenda. The Council Plan for the forthcoming period has been revised alongside the review of our Medium-Term Financial Plan.

The Council Plan is underpinned by a series of Service Plans at a service grouping level. Service Plans provide more detailed information on the actions we are taking to deliver the Council's priorities, plus actions required for other service specific priorities. They have been prepared to a standard format and provide more detailed information on service context, details of strategic links, key actions, additional resources required and reference to relevant risk assessments.

Decision

We have:

- Agreed the content of the draft Council Plan and recommended it for approval by full Council on 22 February, subject to any final minor amendments by the Assistant Chief Executive.
- Agreed to the Corporate Directors having delegated authority in consultation with the relevant portfolio holders to provide final sign-off on their own Service Plan prior to Cabinet.
- Noted that Service Plans are now complete and copies are available on the Council's intranet.

9. Library Strategy
Key Decision AWH04/11
Cabinet Portfolio Holder – Councillor Maria Plews
Contact – Gerald Tompkins- 0191 383 3176

We have considered a report of the Corporate Director, Adults Wellbeing and Health that sought approval for consultation on the Council's strategy for library services, and proposals to deliver the Medium-Term Financial Plan savings in respect of library services. It describes proposals for changes to the County's library services, which will require public consultation, as well as setting out proposals for the future management of library services.

The report sets out proposals for consultation on our library service for the future. It is written in the context of reductions in Government funding, which will mean a reduction in Council spending of £123.5million by 2015, and changing patterns of use of our library services.

In preparing the strategy, the Council has reviewed national policy and considered library developments across the country. We have also looked back to the Scrutiny report "Beyond Books" (2009), and considered the responses to the first phase of consultation on the library strategy "Inspire... Include... Inform..." in 2010. We have considered the views of our users as expressed through surveys and the views of the wider public, for example in consultation on the Council's budget proposals. We have also considered how the library service can contribute to the Council's overall aims for the County.

In summary the library strategy has the following aims:

- To inspire a community of reading and learning;
- To create community library hubs, involving local people;
- To be modern and responsive; and
- To ensure that we have a well managed and efficient service;

and meet the following areas of need:

- reading for pleasure;
- raising confidence, skills and aspirations through access to informal and formal learning facilities, for study, research, self improvement and knowledge;
- the development of individual literacy;
- local community and public service information; and
- a place to meet and participate in community life.

In order to support our strategy we propose:

- to keep open all our library buildings, but reduce the opening hours funded by the Council;
- to revise our criteria for the communities that are served by our mobile library service;

- to co-locate libraries wherever possible with other services and to invest to improve their appearance and facilities;
- to drive down our support and management costs; and
- to move our library services into a not-for-profit Trust.

A number of these proposals would be subject to consultation, details of which are set out later.

This paper also sets out how we will achieve the £1.457m savings that have already been agreed for the library service over the four years of the Council's Medium Term Financial Plan.

There will be a period of public consultation on the proposals for change that the report sets out. The consultation will run for 12 weeks, from 10 February to 4 May 2012. The consultation will be publicised through press releases, letters to stakeholders, posters in libraries and a link on the Council's website. Area Action Partnerships and the County Durham Association of Local Councils will be given the opportunity to receive a presentation on the proposals, and seminars for elected Members will be held. The Safer, Stronger Communities Overview & Scrutiny Committee would also be invited to comment on the proposals.

Once the consultation period has been completed, analysis will be undertaken. We will consider a further report in July 2012, outlining the feedback from the consultation, setting out recommendations in response and presenting the final library strategy, with associated costs and timetable for any changes, for our approval.

Consultation on the human resource implications of these proposals will take place during the public consultation, although no decisions on these implications will be made before we have made decisions on the shape of the service in the future following consultation. All staff in the library service will be affected by these proposals, except for the management staff who have already been subject to consultation on the reorganisation of their responsibilities.

This strategy aims to create, for the people of County Durham, a financially sustainable library network that is vibrant, modern and enjoyable to visit. It will support the County Council's aims to provide altogether better services.

It sets out the need for a library service within County Durham, and shows how the Council can provide a comprehensive library service to meet that need within a reduced budget, delivering its medium term financial plan, whilst retaining its full network of library buildings, which will protect service delivery in many deprived communities, and continuing to provide a mobile library service to rural settlements, as well as dedicated services for people with mobility difficulties.

The proposals would reduce the level of service provided, but through working with local communities we can target opening hours to maximise usage in order to meet the need for library services as efficiently as possible. The value

of the savings associated directly with reductions in service amounts to 34% of the total MTFP target for libraries.

The proposed library strategy supports the Authority's commitment to equality by encouraging participation, offering opportunities for learning and providing shared community spaces. There are however elements of the proposal which are likely to impact on particular groups.

By definition as a public facing service the proposed reduction in library opening hours and review of mobile library criteria would potentially impact on the public and therefore across any of the protected characteristics groups as defined by the Equality Act 2010.

Initial separate equality impact assessments have been undertaken in respect of the proposed library strategy, reductions in opening hours of our library buildings, and in respect of changes to the criteria for the settlements that would receive a mobile library service. The main issues from the assessments are identified in the report, and identify initial actions necessary to mitigate the potential impacts, however the overall proposal to reduce opening hours rather than close libraries already mitigates against some negative impacts.

Decision

We have agreed:

- The proposed vision and outcomes for the Library Service
- To undertake public consultation from 10 February to 4 May on the proposals in this report, i.e.:
 - Our overall strategy for library services in County Durham;
 - To revise the criteria for the settlements that mobile libraries will visit, as proposed at paragraph 114 of the report;
 - To retain a network of 12 town centre and 27 community libraries; and
 - To reduce opening hours in town centre libraries to 36 hours per week, and in community libraries to 20 per week.
- To receive a further report in July 2012 for a decision on the future of the library service following public consultation.

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

14 February 2012