

REVIEW OF THE REVENUE
MEDIUM TERM FINANCIAL PLAN
2007/08

30th January 2007

REVIEW OF MEDIUM TERM FINANCIAL PLAN

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REVIEW OF THE MEDIUM TERM FINANCIAL PLAN 2007/08

Responsible Cabinet Member - Councillor John Williams, Leader

Responsible Directors - Corporate Management Team

Purpose of Report

1. To review the Council's Medium Term Financial Plan (MTFP) in light of changes since its approval in March 2006 and consider the approval of the detailed budget for 2007/08, together with the Council Tax level for 2007/08.

Context

2. The Council continues to perform well with a 4 star rating in the Audit Commissions Comprehensive Performance Assessment (CPA). It continues to produce excellent value for money (VFM) receiving a 3 out of 4 rating meaning that only six Authorities in the Country achieve better VFM scores.
3. The Council through its developing Leading Edge organisation development strategy is striving to improve even further and is subject to significant levels of change to deliver further service improvement for the public of Darlington. At the same time, it is seeking increased efficiency to release funds to meet new budget pressures and relieve pressure on Council tax levels.
4. The level of Council Tax in Darlington remained the lowest in the North East region in 2006/07 which is a significant indicator of VFM particularly when considering that the Authority is among the highest performers in the Country. The balance of delivering high quality services that meet the needs of the public against the level of local taxation is at the centre of any budget making decisions a Council has to take. Darlington Borough Council has worked extremely hard in partnership with other organisations and the public to ensure the balance between the two factors is correct, e.g. low taxes and high performance. To maintain this balance will continue to be a challenge in the future. The Council raised £33.8m in 2006/07 from Council Tax.
5. The Council's main source of funding other than Council Tax is Government grant which is in the main split between specific grant to support schools (£57.0m at 2007/08) and a general grant for all other services (£33.1m in 2007/08). The Government reviews the level of grant it provides for Councils every three years and a new three year period will commence in 2007 which will provide grant figures for each Council for the years 2008/09 to 2010/11. The MTFP as presented to Members anticipates increases in the general grant of 3% each year and an average increase in school funding of 5.3%.

6. Top tier Councils throughout the Country (County Councils, Metropolitan Councils and Unitary Councils) face challenges in the period covered by the proposed MTFP in terms of service pressures particularly those arising from the rising costs of waste disposal and social care. Demographic changes represent a significant challenge nationwide as the number of people aged 65 and over increases each year putting increased demand on services provided to the elderly.
7. Levels of Council Tax have come under increasing scrutiny from the public and the Government has responded in recent years by introducing a pre-signalled Council Tax capping criteria. The criteria for 2007/08 at this stage suggests that any increase in excess of 5% is likely to result in “capping”. This criteria does not take account of current levels e.g. the fact that Darlington has the lowest Council Tax in the region does not mean it would be treated in any different manner to the Authority with the highest level of Council Tax in the region
8. The level of Council Tax increases in Darlington have reduced in the last two years with an increase in 2006/07 of 4.38% which equated to an increase for Band A properties of £28.57 p.a. (£0.55 per week). Despite the Council’s low level, Council Tax remains a significant issue when considering the establishment of a revised MTFP. In developing the proposed MTFP the Council’s Corporate Management Team (CMT) have been asked by the Cabinet to prepare an initial MTFP with a Council Tax increase of 3.9% which represents a reduction of 0.6% p.a. on the indicative 4.5% p.a. increase included in the MTFP approved in March 2006. The amendment would reduce resources available to the Council by approximately £2m over the period of the MTFP and therefore presents a significant challenge for the Council in the coming years.
9. The remainder of this report sets out the detailed considerations of delivering a MTFP that supports the Council in delivering its objectives including retaining 4 star performance and delivering a Council Tax increase of 3.9%.
10. Attached at **Appendix 1** is the MTFP approved by Council on 9th March, 2006.

SECTION ONE - REVIEW OF 2006/07 BUDGET

11. Before considering future year budgets it is essential to review progress in the current year to understand its impact on future years. Attached at **Appendix 2** is the budget monitoring report for November 2006, which gives the latest projection of expenditure and income for 2006/07. The report highlights additional resource allocation approvals made during 2006/07 of £0.246m.
12. Attached at **Appendices 3 to 7** are detailed reports from each department and as part of these they identify resources to be carried forward to 2007/08 in line with the Councils established practice. During 2006/07 two significant unavoidable pressures have emerged, which are expected to largely continue into future years and therefore required additional funding. They are Adults Services and Development and Environment income. The Adult Services projected overspend is £0.885m. The reasons for this were reported to Cabinet in September 2006 and relates principally to purchase of external care, where client numbers have increased. There have also been unavoidable increases in residential home fees and loss of Supporting People income. Development and Environment department has suffered unavoidable reductions in income from Car Parking, Markets and Cemeteries and Crematorium, which total approximately £0.275m. These have been reported to Cabinet in the quarterly revenue budget management updates. Children’s Services department is

projected to be £0.439m underspent in 2006/07. This is principally due to the planned management of staff vacancies, which are gradually being filled or are being reconfigured through reviews of support services and the third tier management structure. It is proposed to return £0.400m of resource to corporate balances. If they are approved the following will be the departmental positions: -

Department	Surplus c/fwd £000's
Children's Services	-39
Community Services	-64
Development and Environment	0
Corporate Services	-227
Chief Executive	0
TOTAL	-330

13. Financing costs, which are centrally managed outside of departmental resource allocations, have been significantly reduced by a combination of pro-active management and favourable changes in interest rates and cash-flows. These changes are also expected to largely continue into future years.

Projected Revenue Balances at 31st March, 2007

14. During 2006/07 two significant additions to revenue balances are expected to be achieved: -
- Local Authorities Business Growth Incentive (LABGI) Grant - £1.7m. This scheme rewards Councils in the form of a one off grant when the growth in value of their National Non Domestic Rates (NNDR) Valuation list is greater than their historic average. Members will recall that Darlington received £0.653m in 2005/06. In 2006/07 it is anticipated that the Council will receive a further £1.7m, which indicates how successful the Council's economic regeneration strategy has been.
 - Newcastle Airport Dividend - £1.9m. Following changes to the Airport's financial structure, the seven local Authority shareholders will receive dividends totalling approximately £80m. Darlington's share of the dividend is expected to be £1.9m.
15. Taking account of the changes identified, the projected balances are as follows :-

Opening balances at 1st April, 2006	£M'S 11.999
Less	
Approved use of reserves 2006-07	-2.389
In year approvals	-0.246
Projected net overspend 2006/07	-0.043
LPSA grant reprofiling	-0.220
Add	
Business Growth Incentive Grant	1.700
Newcastle Airport dividend	1.900
Projected balances at 31st March, 2007	12.701

16. The Council retains revenue balances to cover unforeseen future budget pressures and liabilities, a recent example being the equal pay settlement. The Director of Corporate Services, in consultation with the Council's external auditors, is required to advise the Council on minimum levels of balances to be retained in respect of such risks. Following

this year's review the recommended level of retained balances is £4.5m. After retaining this level, the Council has £8.201m of balances available that it may use to support expenditure over the life of the MTFP. This figures represents the first component when revising the MTFP.

17. The table below sets out the key risks that have been taken into account in assessing the minimum prudent level of balances.

Officer	Risks	Impact	Likelihood
Director of Corporate Services	Grant settlements lower than 3% planned	Medium	Medium
Director of Development and Environment	Waste Disposal costs higher than £1m provision	High/Medium	Low/Medium
Director of Corporate Services	LABGI do not deliver funds projected	High	Low
Director of Community Services	Adult costs grow faster than inflation	High	Medium
Chief Executive	Capacity to deliver change and savings	High	Medium
Director of Corporate Services	Equal pay claims are successful	High	High
Director of Corporate Services	A capitalisation order for known equal pay claims is not achieved so funding has to be made from revenue.	High	High

SECTION TWO – SERVICE PLANNING

18. The preparation of the MTFP takes place alongside the service planning process and the financial implications of service planning are taken into account in the MTFP. The service planning process takes account of local and national priorities and considers the value for money of individual services.
19. In many cases local priorities mirror national priorities e.g. Educational achievement. However, local issues and demands will place a local flavour on the Council's overall priorities. The Community Strategy identifies the Council's overall policy priorities which balances national and local priorities for Darlington. The Community Strategy has eight connecting themes :-
- (a) Improving the Local Economy.
 - (b) Raising Educational Achievement.
 - (c) Promoting Inclusive Communities.
 - (d) Promoting Community Safety.
 - (e) Enhancing the Local Environment.
 - (f) Stimulating Leisure Activities.
 - (g) Improving Health and Well Being.

(h) Developing an Effective Transport System.

20. Whilst the Council and its partners are making progress on all themes, the Darlington Partnership agreed to prioritise activities to the following: -

- (a) Improving the Local Economy.
- (b) Raising Educational Achievement.
- (c) Promoting Inclusive Communities.

21. Whilst the Community Strategy gives the overall strategy context for the MTFP in accordance with good practice, the council commissions an annual independent residents survey that asks what the most important issues are for local people and what is most in need of improvement. The survey is statistically representative of the borough's population and is conducted through face to face interviews to avoid exclusion on the basis of literacy levels. The results of the survey are taken into account during the service planning process and therefore informs the MTFP.

22. The following table identifies how the Council's budget for the period 2003/04 to 2006/07 was allocated compared to the eight community themes.

	2003/04 £m's	2004/05 £m's	2005/06 £m's	2006/07 £m's
Improving the Local Economy	2.0	2.2	2.4	2.4
Promoting Inclusive Communities	8.5	9.0	9.4	10.9
Raising Educational Achievement	59.8	64.4	69.5	72.1
Stimulating Leisure Activities	2.2	3.2	4.0	4.2
Promoting Community Safety	0.3	0.5	0.7	0.9
Improving Health & Well-being	29.5	30.9	32.0	34.6
Enhancing the Local Environment	7.8	8.7	9.1	9.8
Developing an Effective Transport System	2.6	3.5	4.4	4.3
Total	112.8	122.4	131.5	139.1

23. The analysis demonstrates that additional resources have been allocated to all eight community strategy themes, with significant increases in the three shared-priority areas of Local Economy, Inclusive Communities and Educational Achievement.

24. Set out in the following paragraphs is an update on each of the Community Strategy themes which identifies the key service planning issues for the Council.

Improving the Local Economy

25. Darlington economy continues to expand and delivers benefits for the public of Darlington together with additional resources for the Council (LABGI grant) to assist in delivering the priorities of the Community Strategy. The success of the Darlington economy owes a lot to the Darlington Gateway Strategy which will have its next phase developed over the period of the MTFP.

26. The table in paragraph 21 together with substantial recent capital investment demonstrates considerable financial support for the local economy and the service planning process has prioritised the following: -

Car Parking Initiative £80,000 2007/08 only

This initiative which allows public parking in the town centre to receive the third hour free of charge is aimed at stimulating trade in the town centre.

Markets Initiative £30,000 2007/08 only

This fund is made available to give early support to the town's markets prior to the implementation of a new Markets Strategy.

Raising Education Achievement

27. This theme is a key local and national priority and is matched by significant annual increases in funding. For 2007/08 the Dedicated Schools Grant will increase by 6.6% which will enable the Authority to work in partnership with schools to fund new initiatives to improve attainment, behaviour and attendance. This together with the considerable funding available from the Local Area Agreement (LAA) which focuses on children and young people will enable significant improvements to be achieved.
28. The service planning process has identified the need to build on our successful Skills Plus initiative which was introduced as a pilot in 2005 to pre-empt the national programme to transform secondary education. The initiative has enabled groups of children, initially from the Pupil Referral Unit and Eastbourne School, to access improved learning opportunities at Darlington College. Each student follows a chosen vocational option plus key skills in Maths, English and ICT. Results from last year show a stunning increase in attendance and achievement and all year 11 pupils on the course last year have successfully enrolled onto post 16 courses this year.

Skills Plus Initiative £100,000 2007/08 only

The pump priming of this initiative will facilitate the roll out to all secondary schools with the intention that it becomes self-financing in the future.

Promoting Inclusive Communities

29. This theme has raised a number of service planning issues which aim to assist sections of the public in gaining access to services and leading a full life within the community, the issues are set out below :-

Voluntary Sector Grants £45,000 2007/08 to 2008/09

The voluntary sector undertake essential work in supporting vulnerable groups and assisting in capacity building with groups. The additional funds will enable this good work to continue to thrive. Grants are awarded to a number of organisations including the Citizens Advice Bureau, Council for Voluntary Services and the Community Associations.

Welfare Rights Teams £70,000 p.a. from 2008/09

The Welfare Rights Team comprising two members of staff was first established in June 2005 with internal one off funds. The service has provided advice to nearly 800 clients and prepared 102 appeals on behalf of clients. Of the appeals 88 have been heard with 55

achieving a successful outcome. Since being established, the section has increased benefit take-up for the most vulnerable residents by £862k to date.

Customer Services £120,000 p.a.

The newly established Customer Services division within the Council has been well received and well used. The additional funding will enable the service to further improve its response times and levels of service offered to the public of Darlington.

Stimulating Leisure Activities

30. Key improvements have been made in the provision of leisure including the refurbishment of the Dolphin Centre and the Arts Centre leading to reduced net running costs as a result of an invest to save approach to the developments. This financial year although there are many new initiatives within the area of leisure these can all be accommodated within existing resources.

Improving Health and Well-Being

31. This theme sees a considerable number of initiatives and pressures due in no small part to the need to provide for an ageing population. The pressure and initiatives are set out below :-

Adult Care Budget £1,560,000 p.a.

The significant pressure on the Adult Social care Budget is due to the ageing population and the life extension of people with Learning disabilities due to advances in medical care. The vast proportion of this pressure relates to increased external provider provision of residential home and care placements.

Other pressure areas, which have been previously documented, include increases in fees at Victoria House, a learning disability facility with traditionally low fees. Also the loss of supporting people income, which was reduced as a result of review of the supported living project that the income related to. An action plan is in place to reduce these financial pressures by £660,000 in 2007/08 and £870,000 from there onwards.

Residential Care Fees up to £500,000

The current contract with residential home providers finishes in 2006/07. Inflation, the true cost of care and quality standards have all been factors in the increased cost for 2007/08 and future years.

Foster Care Allowances £100,000 p.a.

A planned increase in the use of in-house foster care placements rather than more expensive external placements is currently being undertaken. This results in improved outcomes for children and families and is recognised as a key strength in the 2006 Annual Performance Assessment report. Careful management of external placements in previous years has allowed this to be managed within existing resources. However due to increased number of children required to be fostered this is no longer sustainable.

Rosemary Court £250,000 p.a.

Rosemary Court is an extra care scheme designed to allow elderly people with dementia to be as independent as possible with the comfort of knowing help is on hand when required. The increase in cost is in respect of the requirement for 24 hour care staff.

Promoting Community Safety

32. Community surveys repeatedly show this is a very important area for the public of Darlington. Over a number of years, the Council has increased investment in CCTV and Community Wardens to address the public's priorities. LAA funding is to be utilised to increase the number of PCSO's deployed on the streets of Darlington and to run campaigns to prevent burglary and vehicle crime.
33. To further enhance Community Safety, the following service planning initiative is recommended :-

Community Safety Wardens up to £60,000 p.a.

Funding for two Community Safety Wardens comes to an end in 2006/07. To continue to deliver the high level of service mainstream funding is required. In 2007/08 and 2008/09 £50,000 of the funding required will be received from the Local Area Agreement.

Enhancing the Local Environment

34. The recently implemented Street Scene initiative although in its early stages, has already shown improvements in performance as measured by BVPI's and by public surveys. The initiative will ultimately deliver savings of £500,000 p.a. but to ensure continued high level services during a period of considerable change, the pace of implementation of the savings has been slowed down when compared to the original estimates to reflect feedback via the service planning process. In addition the following is also recommended: -

Pedestrian Heart Cleaning £50,000 p.a.

To ensure high levels of cleanliness within the newly developed town centre a specialised machine is required which will scrub and wash the new paving areas where problems with oil and staining have occurred.

Developing an Effective Transport System

35. The Council continues to work innovatively to improve the transport system with externally funded initiatives such as Town on the Move and the Darlington Eastern Transport Corridor. Considerable Council funding has also been invested via the "Lets get Cracking" initiative however further improvements are recommended as set out below: -

Pedestrian Heart Transport £100,000

To further improve the shopping offer following completion of the Pedestrian Heart it is proposed to introduce a town centre transport facility similar to those operated in some other town and city centres. This will offer easy movement within the pedestrianised area. It is estimated to cost £100,000 per annum.

Supported Public Transport £150,000

Supported public transport continues to make an important contribution to developing an effective transport system. Negotiations with bus operators are on-going but at this point it is assumed that additional funding of £150,000 per annum will be required to deliver the desired outcomes.

36. There are a small number of budgetary pressures that need to be accommodated that are of a more general nature, these are set out below: -

Reduced Recharge to the Housing Revenue Account up to £60,000 p.a.

The Housing Revenue Account is a ring fenced budget where the cost of maintaining council housing is met by rents and subsidy. As council properties are sold the cost of cleaning and grounds maintenance in communal and shared amenity areas needs to be apportioned to the general fund as it can not be subsidised by the HRA.

Reduced DLO Profits £100,000 p.a.

Entering into a partnering contract on Housing works reduced the turnover of the in house building team and hence reduces the profits. The main aim of the new arrangement is to improve services to tenants but there will also be financial benefits to the Housing Revenue Account. Savings of £90,000 per annum have also previously been identified in the revenue MTFP.

Assistant Director's Post Development and Environment Department £80,000 p.a.

The Council has an ambitious capital programme supported by successful bidding for external funding, which contributes to delivery of priorities across the Community Strategy themes. Cabinet has previously recognised and supported the need to strengthen the Council's project management arrangements by the establishment of an additional Assistant Director post. Additional resources of £80,000 per annum are included in the draft estimates for 2007-08 and future years.

Relocation of staff from Hopetown House £70,000 p.a.

Expiry of the lease for Hopetown House early in 2007-08 necessitates relocation of the Engineering and Transport Policy teams to office accommodation at the Beehive at Lingfield. There is an increase in revenue costs of £70,000 per annum. Some increase would have been unavoidable even if a new lease for Hopetown House had been available.

Reduced income Development and Environment Department £180,000 p.a.

There has been no increase in off-street short-stay car parking charges for four years. Over that time, the departmental budget has absorbed the resulting financial pressure, largely as a result of growth in parking volume. During 2005-06 use of Council Car Parks increased while the Cornmill Car Park was closed for redevelopment. There has been a 6.5% increase in use of Council car parks in the period from April to November 2006 compared with the same period in 2004-05. There has, however, been a reduction in parking income during 2006-07, projected to be approximately £0.2m below budget. Some improvement in the volume of parking income is expected in 2007-08 but the underlying pressure is assumed to

continue into 2007-08 and beyond.

Authority Wide Employment Issues

37. The Council employs in excess of 4,500 staff who are key to providing the high levels of service mentioned earlier in this report. There are two issues that require addressing within the MTFP as set out below :-

Single Status Implementation

38. The Council in partnership with the Trades Unions have implemented Phase 1 of the single status agreement which includes basic remuneration and enhancements. Phase 2 implementation is ongoing and includes issues such as flexible working and car allowances. Phase 1 was by far the most complex with a considerable financial consequence both in terms of the cost of implementation and reducing the potential cost of equal pay claims by ensuring an equality proof pay and reward scheme was introduced.
39. The “case law” and challenges raised against Council’s continues to develop on a monthly basis and despite implementing Phase 1 of the Agreement, this Council and many others still face the potential of significant financial claims in the next few years, some in respect of previous service and some in respect of the medium term future. Since last year’s budget was approved, including a provision for single status, detailed implementation has taken place in respect of all staff included whom have an estimated annual cost of £56m. The implementation cost is approximately 1% greater than anticipated which no doubt reflects the complexity of the project and the need to make amendments late in the implementation to further reduce the risk of equal pay claims. The net additional cost subject to the final appeals process open to employees is :-

2007/08	2008/09	2009/10	2010/11
£m’s	£m’s	£m’s	£m’s
0.300	0.400	0.500	0.600

Employer Pension Liability

40. The Durham County Pension Fund of which Darlington is a member will shortly be reviewing its liabilities and assets and in light of latest information, it would be prudent at this stage in the development of the MTFP to make a provision for a stepped increase in employers contribution rates as set out below :-

2007/08	2008/09	2009/10	2010/11
£m’s	£m’s	£m’s	£m’s
-	0.150	0.300	0.450

Driving and Implementing Change

41. The Council faces an ambitious and challenging change agenda. Successful delivery will require front-loaded funding. It is, therefore, proposed to set aside £0.3m in 2007/08 to help to provide the resources that will be needed.

42. Set out in the table below is a summary of all the service planning issues recommended for inclusion in the MTFP.

	2007/08	2008/09	20091/0	2010/11
	£m's	£m's	£m's	£m's
Community Services				
Reduced Recharge to the HRA	0.030	0.060	0.060	0.060
Adult Care	1.560	1.560	1.560	1.560
Reduced DLO profits	0.250	0.100	0.100	0.100
Voluntary Sector Grants	0.045	0.045		
Residential Care Fees	0.350	0.400	0.450	0.500
Rosemary Court	0.250	0.250	0.250	0.250
Community Safety Wardens	0.010	0.010	0.060	0.060
Pedestrian Heart – Cleaning	0.050	0.050	0.050	0.050
Welfare Rights		0.070	0.070	0.070
Development and Environment				
Reduced Income	0.180	0.180	0.180	0.180
Assistant Director's post	0.080	0.080	0.080	0.080
Hopetown Relocation	0.070	0.070	0.070	0.070
Car Parking Initiative	0.080			
Net Budget Pressure	0.070			
Supported Public Transport	0.150	0.150	0.150	0.150
Pedestrian Heart – Transport	0.050	0.100	0.100	0.100
Markets Initiatives	0.030			
Children's Services				
Foster Care Allowances	0.100	0.100	0.100	0.100
Skills Plus	0.100			
Corporate Services				
Customer Services	0.120	0.120	0.120	0.120
Council-wide				
Single Status implementation	0.300	0.400	0.500	0.600
Employers Pension Liability		0.150	0.300	0.450
Change Fund	0.300			
Total	4.175	3.895	4.200	4.500

Value for Money

43. The comparison of service performance and cost with other organisations assists the Council in identifying areas where VFM is not being achieved to the optimum level and therefore allows the Council to take appropriate action to remedy the situation. The Council's self assessment on VFM completed as part of the Comprehensive Performance Assessment (CPA) framework can be reviewed in full on the Council's intranet under Chief Executive's intranet page entitled 'Value for Money', however, set out at **Appendix 8** is a chart illustrating how the main service areas compare performance with cost illustrating where the service lie in terms of value for money, the table demonstrates that overall the Council achieves excellent VFM. The Council has been assessed as 3 out of 4 in terms of

value for money as part of the CPA process which means only three Authorities in the Country have a better VFM rating than Darlington.

44. Clearly not all services are performing at the optimum level as measured in the table and as part of the ongoing planning process action continues to be taken to improve performance/reduce costs, the level of intervention at this time is determined by relative positioning on the chart. For example, significant reviews have taken place in respect of Street Scene with a view to improving overall VFM. Each Director's report attached identify at a lower level issues of value for money that require reviewing as the chart identifies service blocks only.
45. Members will recall that in response to the 'Gershon Efficiency Agenda' the Council responded with its Leading Edge Programme which signalled the Council's next phase of Organisational Development. Leading Edge has at its heart a desire to challenge and improve services and deliver even better overall VFM. To deliver the agenda the Council has focused on a number of key projects that will initially drive Leading Edge and deliver the efficiency gains that are required to meet the Gershon Challenge and to deliver the efficiencies required by the MTFP to bridge the gap between expenditure and resources.
46. The ultimate VFM comparator for the Council is overall performance as measured externally by the CPA process which has recently been refreshed as four stars in a four star rating scheme and the Council's level of Council Tax. The level of Council Tax levied in Darlington continues to be comparatively low being the lowest in the North East region in 2006/07 and just above the 25th percentile for all Local Authorities in the Country. The performance measure together with the low Council Tax further support the overall conclusion that the Council provides excellent VFM.
47. The Council set in place last year a number of Leading Edge projects that had significant contributions in terms of improving VFM, the revised projected efficiency savings are set out below. In addition, a summary of departmental savings is also included in the table, the details of which are included in the appended Directors reports. Members will also see a line in the table "General Savings Target" this represents a target for CMT to deliver the MTFP that would enable the Council to achieve a 3.9% Council Tax. Such a savings target is indeed stretching and will need considerable officer and Member commitment if delivery is to be guaranteed. It is anticipated that savings will be achieved by areas such as procurement, accommodation reviews, business process reengineering of services and further work on reviewing administration throughout the Council. Members will note earlier in the report a sum of £300,000 is included in the 2007/08 budget to supplement existing resources to pump prime the changes that will be required to deliver the significant savings identified in the table below :-

PLANNED AND POTENTIAL SAVINGS				
	2007/08	2008/09	2009/10	2010/11
	£m's	£m's	£m's	£m's
Street Scene (note 1)	0.000	0.160	0.360	0.360
Depot Relocation	0.110	0.110	0.110	0.110
Administration Review	0.150	0.500	0.500	0.500
Procurement (note 1)	0.100	0.200	0.200	0.200
Darlington & Stockton Partnership		0.200	0.400	0.400
Decriminalisation of Parking	0.025	0.050	0.050	0.050
Departmental Efficiencies (See Director's reports for details)				
Corporate	0.800	0.710	0.710	0.710
Development & Environment	0.090	1.090	0.090	0.090
Community	0.660	0.870	0.870	0.870
Children's Services	0.220	0.225	0.230	0.230
General Savings Target		0.500	0.750	1.000
Total Savings	2.155	4.615	4.270	4.520

Note 1 – Street Scene savings exclude £140,000 per annum savings achieved in 2006/07, which have been taken out of departmental resource allocations. Procurement savings exclude £122,000 per annum savings achieved in 2006/07, which have been taken out of departmental resource allocations.

48. The above efficiencies will form the basis of the Annual Efficiency Statements that are required by the Gershon Agenda.

Detailed Estimate Preparation

49. Estimates have been prepared on existing levels of service with no allowance for growth or service improvements built into them. However, unavoidable budget pressures to retain existing levels of service have been included and are identified within Departmental reports at **Appendices 3 to 7** together with efficiency savings proposed to offset such increases.
50. As required by the Local Government Act 2003 - Part 2, the Director of Corporate Services, as the Council's Responsible Financial Officer, has to inform Members of the robustness of the proposed estimates and he makes the following comment: -

"The estimates presented to Council have been prepared on the most up to date information available and within the guidance I have set out. For 2007/08 I am satisfied that these represent a fair view of the Council's ongoing plans and commitments, however, Members will appreciate that some budgets more than others are subject to volatility and therefore we will continue to monitor budgets closely and take remedial action when appropriate. The estimates for 2008/09 and beyond have also been prepared in detail but clearly although they are our best estimate of future commitments, they become less certain the further into the future they are. In terms of future grant projections these are based on the best information available. Clearly such projections will also be subject to variation as they are based on current data which is subject to change in the coming years".

SECTION THREE AVAILABLE RESOURCES

Government Grant Allocation

51. In November 2005 the Government announced a two year grant settlement for all Local Authorities and the MTFP could therefore predict with certainty the grant figures for 2007/08, these figures have been confirmed in the provisional settlement for 2007/08. Consequently, unlike previous years, comparison with projection is not needed. For future years the projected grant increases included in the MTFP are set out below, actual figures will be available in November 2007.

	Revenue Support Grant %	Dedicated Schools Grant %
2008/09	3	5.8
2009/10	3	5
2010/11	3	5

Council Tax

52. Paragraph 9 of this report states that the proposed MTFP is based on Council Tax increases of 3.9% per annum. The projected Council Tax yield is: -

2007-08	2008-09	2009-10	2010-11
£35.684m	£37.447m	£39.297m	£41.237m

Local Authority Business Growth Incentive Grant (LABGI)

53. Paragraph 14 of this report identifies a projected £1.7m LABGI grant in 2006-07. LABGI is a three-year scheme, which is due to end in 2007-08. Based upon our success in the first two years of the scheme, it is estimated that we will receive £1.4m in 2007-08.

Local Public Service Agreement (LPSA)

54. The LPSA, the forerunner of Local Area Agreements, was a three-year initiative that included a reward grant, paid to Councils who successfully achieved targets agreed between the authority and DCLG. The grant is paid over two financial years and is 50% revenue and 50% capital. Final confirmation of the amount of reward grant is still awaited but it is projected that we will receive £0.360m for revenue in each of 2007/08 and 2008/09 financial years.

Available Revenue Balances

55. In paragraph 16 of the report it was identified that £8.201m of revenue balances were available to support the MTFP after setting aside £4.5m of balances for risk purposes. To deliver a Council Tax increase of 3.9% each year within the MTFP the following utilisation of available revenue balances is needed :-

	Balances Utilised £m's	Balances Remaining £m's
2007/08	2.153	6.048
2008/09	1.545	4.503
2009/10	1.702	2.801
2010/11	0.999	1.802

56. In March 2006, Council agreed a Reserves Policy, which established a framework for determining a minimum prudent level of revenue balances and a range within which balances will be maintained. The proposed utilisation of revenue balances is consistent with that policy.

Headroom

57. Headroom (resources within the MTFP not allocated) has been a feature of the MTFP for a number of years and it has been proven to be a sound approach as resources tend to be needed in future years to meet unforeseen demand and budget pressures. The proposed budget includes specific provisions for Single Status, Waste Disposal and Pensions therefore the following levels are proposed: -

	2007/08 £m's	2008/09 £m's	2009/10 £m's	2010/11 £m's
Headroom	Nil	0.500	1.000	1.000

SECTION FOUR - SUMMARY

58. The elements of the MTFP discussed earlier in this report are brought together in the table below :-

	2007/08 £m's	2008/09 £m's	2009/10 £m's	2010/11 £m's
Service expenditure	127.689	133.172	137.373	142.397
Service Planning	4.175	3.895	4.200	4.500
Planned and Potential Savings	-2.155	-4.615	-4.270	-4.520
Headroom		0.500	1.000	1.000
Total Expenditure	129.709	132.952	138.303	143.377
Total resources including planned use of revenue balances	129.709	132.952	138.303	143.377

59. The above table together with the contents included in the appended Directors reports deliver the proposed MTFP at **Appendix 11**.

60. The underpinning strategy that supports the table at Appendix 11 is detailed at **Appendix 10**. The key thrust of the strategy is :

- (a) To continue to provide 4 star services

- (b) To plan effectively
- (c) To deliver VFM
- (d) To keep Council Tax comparatively low and if possible in line with the Retail Price Index (RPI).

Outcome of Consultation

61. Consultation has taken place with employees, Trade Unions, Headteachers and the Darlington Partnership. The revenue MTFP also takes account of citizens priorities identified through the community survey. A range of views was expressed regarding Council Tax. There was not, however, consensus on what level of increase would be most appropriate for 2007/08.

Legal Implications

62. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

63. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

64. The issues contained within this report require Council approval and the report will be presented to Council on 8th March, 2007 following consideration by Resources Scrutiny and further consideration by Cabinet.

Decision Deadline

65. For the purpose of the 'call-in' procedure this does not represent an urgent matter. The report will be considered by Resources Scrutiny Committee as part of the budget process.

Key Decisions

66. This report does represent a key decision and has been advertised in the Forward Plan

Recommendation

67. It is recommended that :-

- (a) Directors' proposals in their reports at Appendices 3 to 7, including carry-forward of resources from 2006/07, expenditure reductions and fees and charges, be approved.

- (b) That the Medium Term Financial Strategy as set out at **Appendix 10** be agreed.
- (c) The revised Medium Term Financial Plan set out in Appendix 11 be approved.
- (d) Council Tax be increased by 3.9% for 2007/08.

Reasons

68. The recommendations are supported by the following reasons :-

- (a) To enable the Council to set a budget and Council Tax for 2007/08.
- (b) To approve the MTFP strategy.

Corporate Management Team

Background Papers

Local Government Finance Settlement 2006/07
Budget working papers

Paul Wildsmith : Extension 2301
TAB

MEDIUM TERM FINANCIAL PLAN

	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m
Children's Services	66.572	69.997	72.939	76.024
Community Services	28.536	29.066	30.005	30.888
Development & Environment	11.014	11.384	11.928	12.284
Chief Executive	0.972	1.118	1.146	1.199
Corporate Services	8.364	8.778	9.076	9.368
Joint bodies and levies	0.581	0.616	0.661	0.681
Financing costs	3.588	3.943	4.288	4.366
Service Planning	0.426	0.355	0.302	0.311
Headroom	0.000	0.500	1.000	1.500
Single Status	2.500	2.600	2.500	1.900
Waste Management	0.000	0.000	1.000	1.030
Leading Edge Efficiencies	(0.240)	(1.135)	(1.660)	(1.760)
Contribution to/(from) revenue balances	(2.389)	(1.000)	(1.450)	(1.300)
Total Expenditure	119.924	126.222	131.735	136.491
Total Resources	119.924	126.222	131.735	136.491
Balances				
Planned opening balance	11.649	9.260	8.260	6.810
Contribution to/(from) balances	(2.389)	(1.000)	(1.450)	(1.300)
Closing balance	9.260	8.260	6.810	5.510
Council Tax				
Council Tax increase %	4.5%	4.5%	4.5%	4.5%
Weekly band A increases	£0.56	£0.59	£0.62	£0.64

REVENUE BUDGET MANAGEMENT – NOVEMBER 2006

Projected General Fund Balance at 31st March 2007	
Medium Term Financial Plan (MTFP) :-	£000
MTFP Planned Opening Balance 1/4/2006	11,649
Approved net contribution from balances 2006/07	(2,389)
Planned Closing Balance 31/03/07	9,260
2005/06 Out-turn increase in opening balance 1/04/06	350
Additional resource allocation approvals 2006/07	
No 16 Bus Service	(33)
Assistant Director - Capital Projects	(40)
Street Scene	(140)
Town Centre Parking	(33)
Projected corporate underspends / (overspends) :-	
Joint Board & Levies	(12)
Financing Costs	843
Revised projection of General Fund Balance at 31/03/2007	10,195

Departmental Projected Year-end carry-forward Balances

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			((a) + (b))		((c) + (d))		((e) - (f))
	Brought forward	Planned utilisation 2006/07 budget	Total (available) / to be recovered	2006/07 projected out-turn	Projected 2006/07 (surplus) / deficit	Planned 2006/07 (surplus) / deficit per MTFP	(Improvement) / decline from planned position
	£000	£000	£000	£000	£000	£000	£000
Children Services	0	0	0	(439)	(439)	0	(439)
Community Services	(273)	273	0	981	981	(90)	1,071
Development & Environment	84	(34)	50	243	293	37	256
Chief Executive	0	0	0	30	30	0	30
Corporate Services	(649)	432	(217)	(10)	(227)	(134)	(93)
TOTAL	(838)	671	(167)	806	639	(187)	826

**CHILDREN'S SERVICES DEPARTMENT BUDGET REVIEW
MEDIUM TERM FINANCIAL PLAN 2007/08**

Purpose of Report

1. To review the Medium Term Financial Plan for the Children's Services Department.

Service Outline

2. To assist Members the following section explains the services provided by the department and shows the proposed budget for 2007/08 for each area. Detailed estimates for 2006/07 and 2007/08 are shown in **Appendix 9**.

Service Description	Proposed Budget 2007/08 £000
<p>Individual Schools Budget (net of devolved specific grant income) The aggregate amount of budgets delegated to schools through Darlington Borough Council's Fair Funding formula, funded through the ring-fenced Dedicated Schools' Grant (DSG). The DSG and other funding changes are explained in more detail later in this report.</p>	51,985
<p>Local Area Agreement (LAA) This budget covers the staffing, management and running costs of new schemes introduced within the Children and Young People block of the LAA. This includes the developments in intensive family learning, cluster working and cluster initiatives and a targeted multi-disciplinary team.</p>	785
<p>Pupil Support Services This budget covers the staffing, management and running costs of Education Other Than At School (EOTAS), Home & Hospital Teaching, Pupil Support, Skills Plus, Educational Psychology, Learning Support and Sensory Support.</p>	2,800
<p>Special Educational Needs (SEN) Inclusion Services This budget covers the staffing, management and running costs of the SEN service. In addition to the costs associated with running these services are costs of SEN placements, e.g. in other local authorities and special residential schools.</p>	1,730
<p>Early Years Early Years Team: this budget covers the staffing and management of the team who work with schools, settings, providers and parents in order to ensure high quality teaching and learning in the Foundation Stage and to ensure enough places for three and four year olds are resourced efficiently. Also included is the staffing, management and running costs of the Council's own provision of childcare and early education (Kids & Co).</p>	1,873

<i>Service Description</i>	Proposed Budget 2007/08 £000
Children's Centres Grant-funded budget which covers the staffing, management and running costs associated with the Children's Centres.	1,472
School Improvement & Development This budget covers the staffing, management and running costs of the team whose prime function is to challenge and support schools in achieving high standards. The budget also includes expenditure funded by Standards Fund grants which is targeted grant towards achieving developments and improvements in teaching, learning and educational attainment.	1,883
Safeguarding & Specialist Support Children's Accommodation: this budget covers the staffing, management and running costs of the children's residential service and the costs of the fostering, adoption and intensive support teams. Also included is the provision of in-house foster care and the cost of placing children in agency placements e.g. residential, fostering, secure accommodation and special residential schools. Children's Commissioning: this budget covers the staffing and running costs of Harewood Lodge, a short break centre for physically disabled children, and Harewood House, a joint base with Barnardos for family support. Also covered are the children and families teams including leaving care and children with a disability.	6,932
Performance, Planning & Resources This budget represents the management of support services within the department – directorate support, finance, administrative support services, performance management, policy development, workforce development, capital project management, admissions and home to school transport. This budget also includes costs such as printing, telephones, postages, equipment, stationery etc that relate to the function of the department as a whole and which are not charged to individual services for internal budget management purposes.	5,150
Libraries and Community Learning This budget covers the staffing, management and running costs of the libraries and community learning service within Darlington.	2,029
Specific Grant Income (excluding specific grant income devolved to schools)	(7,393)

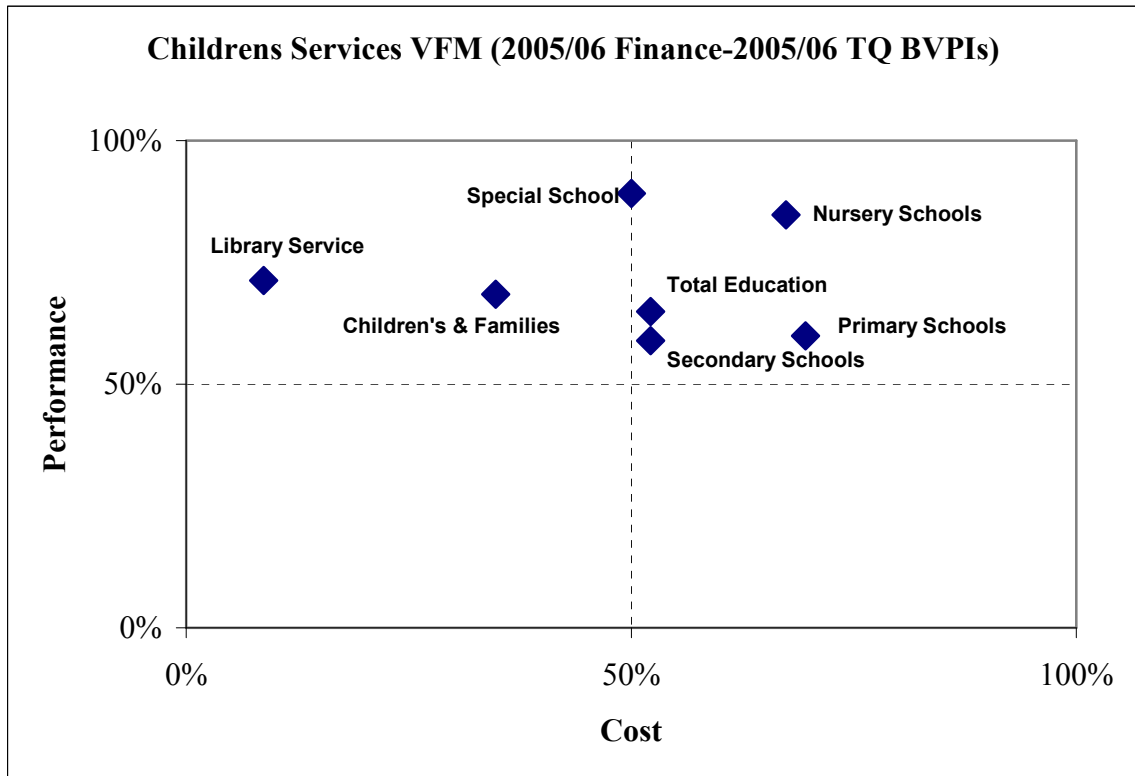
Service Planning

3. The Department has undertaken an extensive review of its service plan and MTFP. This has involved the determination of priorities through the service planning process and linkage to required improvement in performance. Senior managers met in October 2006 and identified the vision and objectives of the department and within those, specific challenges for the coming years. Resources have been directed towards key improvement priorities where necessary.
4. The priorities reflect the summary of improvement recommendations included in the joint annual performance assessment (APA) report of The Commission for Social Care Inspection (CSCI) and The Office for Standards in Education, Children Services and Skills (Ofsted). The priorities also reflect the initial self-evaluation undertaken as part of preparations for the forthcoming Joint Area Review (JAR).

5. The department's key areas for improvement are:-
 - (a) Staying safe – long term stability of looked after children needs to improve further
 - (b) Enjoying and achieving – insufficient progress made by pupils at Key Stages 3 and 4
 - (c) Enjoying and achieving – attendance and exclusion rates
 - (d) Enjoying and achieving – implementation of revised school challenge and support protocols
 - (e) Making a positive contribution – independent support is needed for birth parents and families of adoptive children
 - (f) Making a positive contribution – need to improve quality assurance of education and workplace provision
6. In order to meet these challenges Corporate Management Team have supported additional funding of £100k to assist in the roll out of the Skills Plus programme to all secondary schools.
7. Skills Plus was introduced as a pilot in 2005 to pre-empt the national programme to transform secondary education. Initially it was introduced to pupils from the Pupil Referral Unit and Eastbourne School who attend Darlington College on a full time basis. Each student follows a chosen vocational option plus key skills in Maths, English and ICT. Results from last year show a stunning increase in attendance and achievement and all year 11 pupils on the course last year have successfully enrolled onto post 16 courses this year.

Value for Money

8. Data published by the Audit Commission comparing cost and performance has been used to provide indications of VFM across the Council's services, primarily with regard to 'front-line' services that are delivered direct to the public. A model has been developed within the Council that presents the published data graphically. Comparison is made with all unitary councils and Darlington's position relative to others is expressed as a percentile.
9. The charts below should be regarded as indicators, prompting questions that may lead to management action, rather than providing definitive answers. In some cases the measures of performance that are available do not provide a rounded balanced view and need further development over time. The latest cost and performance data available for all authorities, to enable comparisons, is 2005/06 out-turn. The top left-hand corner of the chart is the optimum position indicating high performance at low cost. It must be stressed this process is still in its development and a starting point on which to evolve.



10. The costs analysis of Education expenditure compares Darlington with other Unitary Authorities. Whilst the overall position is around average expenditure for all schools, the position in relation to Nursery and Primary schools appears high. This is possibly skewed for Nursery schools in particular because of the relatively small numbers of schools. The graph gives an indication of performance against cost ranging from average performance at average costs to good performance at higher cost.
11. Darlington generally has a good record of academic achievement when compared to other North Eastern Authorities, and has been making steady progress against the national average since LGR in 1997. However it is known that results in a number of areas have improved.
12. The Performance Percentile takes into consideration a number of measures additional to performance against academic examinations. Measure such as absence from school, time taken towards provision of a statement of educational need, exclusions from school and a measure of levels of qualifications in Nursery settings all combine to give the average scores in each educational setting.
13. The Children's and Families area needs to evolve and the performance data used needs to be extended, as it does not reflect the national performance measurement of performance indicators in some areas. This is not representative of the children's social care service as it is at present, which has just been awarded four stars in the recent Annual Performance Assessment (APA) exercise for 2006.
14. The APA is an inspection of the whole of Children's Services conducted jointly by the Commission for Social Care Inspection (CSCI), the Office for Standards in Education (Ofsted) and the North East Strategic Health Authority (SHA). The purpose of the assessment is to evaluate the outcomes for children in the area and the contribution of Council services to those outcomes. The APA contributes to the overall Corporate

Performance Assessment of the Council. The final judgement scores for Darlington's APA for 2006 are as follows.

Areas for judgement	Grade awarded
The contribution of the <i>local authority's children's services</i> in maintaining and improving outcomes for children and young people	3 (Good) 'a service that consistently delivers above minimum requirements for users'
The council's overall capacity to improve its services for children and young people	3 (Good) 'a service that consistently delivers above minimum requirements for users'
The contribution of the <i>local authority's social care services</i> in maintaining and improving outcomes for children and young people	4 (Excellent/Outstanding) 'a service that delivers well above minimum requirements for users'

15. VFM will be continuously scrutinised and reviewed throughout the ongoing integration of the Children's Services department with the intention of embedding it into the management and culture of the department. There are ongoing developments in the department's Performance Management Framework which will bring together the management of finance and performance. This will enable a holistic and consistent approach to service management across the department, increase accountability and lead to improvements in service delivery and efficiency.
16. Specifically, there will be a single combined monthly finance and performance management process. This will encompass all aspects of service and financial planning and will bring together current systems for budget management, monitoring of performance indicators, service plan monitoring, project management and preparation for inspections. This single cohesive system will seamlessly translate into annual processes for e.g. budget setting and service planning and will produce outputs on a timely basis into corporate reporting systems e.g. budget and performance management.

Efficiency Gains

17. To improve efficiency, deliver a budget within the proposed resource allocation, offset pressures and enable reallocation of resources to areas of increased demand within the Department, the following reductions in budgeted net expenditure have been made.

Action	Financial effect £000
Allowance for staff turnover *	150
Efficiency savings – centralised procurement processing*	19
Total	169
<i>* £169,000 meet 'Gershon' definition of Efficiency Gains</i>	

18. To assist with corporate financial pressures CMT has considered and supported the proposed additional savings as shown below. These savings will reduce the Department's existing resource allocation thereby freeing up resources corporately.

19. Children's Services are undertaking an ongoing review of support processes and the role and function of support staff across the department. This is to ensure that the best possible integration and support across all of Children's Services is achieved and to identify within the support services the greatest opportunities for efficiency and improvement in service delivery. This support services review is running alongside and is complementary to other reviews, such as admin and procurement, which are ongoing within the Council.
20. Higher level actions such as structural changes across the third tier management structure and throughout the support services structure will be implemented to achieve efficiencies. There will also be an increased focus on empowering all staff within the department to drive the department's change programme forward and identify ways of doing things differently. 'Gifted and talented' officers will be identified as change champions and will form a virtual team who can be utilised to participate in reviews of services across the department and pass on their skills, knowledge and experience to others. In essence a cultural change that will embed the need to identify efficiencies across the department as part of an ongoing process.

Action	Financial effect £000
Services Structure Reviews	200
Home to School Transport - re-tendering of contracts	20
Total	220
<i>* £220,000 meet 'Gershon' definition of Efficiency Gains</i>	

Risk Management

21. Through the service planning process, risks are identified and assessed in terms of probability and potential consequence. Arrangements are made to manage risks within acceptable levels with the aims of minimising losses and maximising opportunities. None of the proposed savings present risk to service users.

Departmental Medium Term Financial Plan

School Funding

22. Schools are funded through the Dedicated Schools Grant (DSG) which is a ring-fenced grant and can only be used in support of the Schools' Budget. The Schools' Budget contains elements of retained central departmental expenditure on pupils as well as the amount that is delegated to schools, otherwise known as the Individual Schools' Budget (ISB). Local authorities are responsible for determining the split of the DSG between the centrally retained expenditure and the ISB, and then allocating the ISB to individual schools in accordance with the Authority's Fair Funding formula.
23. The DSG is calculated by multiplying the number of full-time equivalent pupils aged 3-15 by an amount per pupil (the DSG Guaranteed Unit of Funding). Darlington will receive DSG for 2007/08 at £3,782 per pupil for 15,073 full-time equivalent pupils, equivalent to

£57.007m in total. This equates to an overall 6.6% increase in the amount per pupil. However 1.6% of this increase relates to targeted funding reflecting specific Government priorities.

24. The full-time equivalent pupil numbers used in determining the DSG are, at this stage, indicative figures issued by the Department for Education and Skills (DfES). The final DSG will be based upon the January 2007 pupil count which will not be finalised by the DfES until June 2007 at the earliest. Therefore all local authorities have to set ISB budgets prior to knowing the final DSG allocation.
25. At this stage the total ISB shown elsewhere in this report is based upon the indicative DfES pupil numbers used to calculate the DSG. However the latest information suggests that actual pupil numbers in the January 2007 count will be marginally higher. This is not guaranteed and is subject to change and therefore, to be prudent, the Department has decided to keep the total ISB at this level for now rather than over-estimate the level of resources available to schools.
26. To put this in context, the final pupil numbers for the DSG in 2006/07 were 17 less than those used to set the ISB in that year which represents a variation of only 0.1%. However this equates to a cash difference of £61k which is not insignificant and demonstrates that there is a very small margin for error. This course of action will hopefully mean that the department is in a position to distribute additional resources to schools following finalisation of DSG rather than claw over-committed resources back.
27. In 2007/08 the Government requires the Authority to continue with the minimum funding guarantee for schools. This means that Authorities must ensure per pupil funding increases by 3.7% for all schools. These figures have been set at a level which covers the anticipated average cost pressures on school. Authorities are expected to continue to operate their Fair Funding formula, but must also check that their formula delivers the guarantee.
28. In 2007/08 the Department plans to increase the overall delegated funding for schools by a minimum of 5% per pupil. This compares favourably with the Department's central budgets which receive an increase of 3%. The Department, in consultation with the schools and Schools' Forum, will decide on the distribution of the whole of the grant locally, subject to meeting the minimum funding guarantee, and taking into account local circumstances as well as the government's priorities. There are a number of major issues to deal with and these are explained in more detail below.
29. There is a massive national programme currently in its inception to transform secondary education across the country. This represents an entitlement for children aged 14-19 with an increased focus on skills, personal qualities, flexibility and technology. Specifically this involves specialised vocational diplomas, functional and employability skills and a review of GCSE and A levels. This entitlement must be delivered as part of a consortium and engagement with schools, colleges and employers will be key. The Authority and the Learning Skills Council (who fund post 16 education) must co-operate with each other to provide the full entitlement.
30. In practical terms, even if a school is not involved in the delivery of a diploma, students have an entitlement by 2013 to access a diploma at an appropriate level and the school must allow this to happen. The first diplomas will be available for teaching from September 2008 and the remainder of the programme will be phased in over the following two years. There are potentially massive resource implications for schools and the Authority and the

consortium are working on issues around funding, transport and the quality of teaching and learning over the next few months.

31. Recent draft guidance has been received from central government outlining proposals for local authorities to provide full time education from day 6 of a permanent exclusion. Currently authorities have a non-statutory obligation to make full time education provision for permanently excluded pupils from day 16, this change will place a legal requirement to continue to do this and do it 10 days earlier. This will have a significant impact on the Authority's current arrangements and there are potentially massive resource implications for schools and the Authority.
32. The Department will work with schools to tackle these issues and will support and encourage schools to work in partnership to fund new initiatives to improve attainment, behaviour and attendance. This, together with the considerable funding available from the Local Area Agreement (LAA) which focuses on children and young people, should enable significant improvements to be achieved.

Departmental Budget

33. The Department is projecting a non-recurring underspend of £400k in 2006/07. This underspend is an amalgamation of a number of different issues, most of which offset each other, but is in the main due to the planned management of staff vacancies. These vacancies are gradually being filled or are being reconfigured through the aforementioned reviews of support services and the third tier management structure. It is proposed that this one-off underspend is returned fully to corporate balances.
34. Detailed estimates have been prepared for the next four years, based on current service levels and in accordance with corporate guidelines. Detailed estimates include: -
 - (a) Provision for annual pay awards of 3% and general price inflation 2%;
 - (b) Unavoidable pressures;
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income;
 - (d) Service planning implications, specifically additional resources that have been approved;
 - (e) Additional income generated by proposed increases in charges (these require Member approval)
35. Employee costs account for approximately 70% of the Department's gross expenditure budget. These are projected to rise more quickly than increases in resources as a result of increments and grant allocations, particularly Standards Fund, frozen at the same level as 2006/07.
36. The Department receives approximately £7m of funding from central government via specific grants. There is a degree of uncertainty around the level of these specific grants that the Department will receive. To be prudent, where grant allocations have not yet been received these grants have been included within the net budget for 2007/08 and future years at the same level as the grant received in 2006/07, adjusted for known changes. Budget pressures could arise if the actual grant allocations differ to the amounts currently included within the budget.
37. The cost of external placements for children remains a pressure area mainly because of the size, volatility and demand-led nature of this budget. The planned reduction in the number

of children looked after, achieved through improved stability of placements and planning for young people in care, has enabled the Department to manage this budget within existing resources. However these pressures remain and one new case could cost in the region of £200k per year.

Unavoidable Growth

38. The department faces significant unavoidable pressures in the following areas.

Issue	Financial effect £000
Foster Care Allowances	100
Total	100

39. A planned increase in the use of in-house foster care placements rather than more expensive external placements is currently being undertaken. This results in improved outcomes for children and families and is recognised as a key strength in the 2006 Annual Performance Assessment report. Careful management of external placements in previous years has allowed this to be managed within existing resources. However due to increased number of children required to be fostered this is no longer sustainable.

40. As a result of these pressures, additional resources of £100k are requested to produce a balanced departmental MTFP.

	2007/08	2008/09	2009/10	2010/11
	£000	£000	£000	£000
Resources				
Planned resources brought forward from previous year	0	0	0	0
Resource allocation for this year *	69,046	71,522	74,508	77,688
CMT supported bids for additional resources				
- Service Planning	100	0	0	0
- Unavoidable Growth	100	100	100	100
Planned resources carried forward to following year	0	0	0	0
Total resources available	69,246	71,622	74,608	77,788
Budgets				
Draft detailed estimates	69,246	71,622	74,608	77,778
Total planned use of resources	69,246	71,622	74,608	77,778
* 'Gershon' efficiency savings made in order to achieve agreed resources level	(389)	(399)	(408)	(413)

Proposed Charges

41. The schedule of charges for services provided by the Department has been reviewed, taking account of strategic objectives, efficiency, the cost of services and income generation. The proposed charges for 2007/08 are listed in **Annex 1**. In relation to the Libraries Service some additional services have been created, however a conscious decision was made not to increase the majority of the existing charges. It is hoped that this should result in increased patronage of the libraries service.

Recommendations

42. Members are requested to approve:

- (a) The detailed estimates for Children's Services department for 2007/08.
- (b) Additional resources of £100k in 2007/08 to meet service planning initiatives.
- (c) Additional resources of £100k in 2007/08 and future years to meet unavoidable growth.
- (d) The proposed schedule of charges for Children's Services department for 2007/08 at Annex 1.

Margaret Asquith
Director of Children's Services

CHILDREN'S SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2007/08

Description	Existing Charge £	New Charge £	Financial Effect £
LIBRARIES			
<u>Fines On Overdue Materials</u>			
Adults – per day	0.12	0.12	
Maximum charge per book	5.76	5.76	
Senior Citizens – per day	0.06	0.06	
Maximum charge per book	2.88	2.88	
Children – per day	No charge	No charge	
Maximum charge per book	No charge	No charge	
<u>Reservation Fees for books and Audio Materials</u>			
Adults	0.70	0.70	
Senior Citizens	0.35	0.35	
Children/Unemployed	No charge	No charge	
<u>Reservation Fees for Books Obtained from Outside the Authority</u>			
Adults (<i>single charge for all books obtained from other libraries</i>)	4.00	4.00	
Senior Citizens	2.00	2.00	
Children/Unemployed	2.00	2.00	
<u>Repeat Fee for Renewal of Books from Outside the Authority</u>			
Adults (<i>for all books obtained from other libraries</i>)	2.00	2.00	
Senior Citizens	1.00	1.00	
Children/Unemployed	1.00	1.00	
<u>Replacement Tickets</u>			
Adults	1.00	1.00	
Senior Citizens	0.50	0.50	
Children/Unemployed	No charge	No charge	
<u>Loan Charges for CD's (1 week)</u>			
1 item	0.85	0.85	
Any 3 items	2.25	2.25	
<u>Loan Charges for DVD's (per 1 week (or part thereof)</u>			
1 item	N/A	2.00	
	Existing Charge £	New Charge £	Financial Effect £
<u>Spoken Word and Language Courses</u>			
Adults (<i>who are not exempt</i>) each	1.20	1.20	
Children each	No charge	No charge	

Language Courses per element (<i>subscription for whole course to be paid in advance</i>)	1.20	1.20
<u>Spoken Word and Language Courses</u>		
<u>Local History Research</u>		
Standard charge	2.00	2.00
Specialist Research – per hour	20.00	20.00
<u>Photocopies</u>		
A4 B&W	0.10	0.10
A3 B&W	0.20	0.20
A4 colour	0.30	0.30
A3 colour	0.60	0.60
<u>Printing</u>		
Text Printouts		
A4 B&W	0.10	0.10
A3 B&W	0.20	0.20
A4 colour	0.30	0.30
A3 colour	0.60	0.60
Image Printouts		
A4 B&W	0.50	0.50
A3 B&W	1.00	1.00
A4 colour	1.00	1.00
<u>Reproduction of Images from Stock</u>		
Photographic copies for Private/Study purposes	Cost + VAT + 12%	Cost + VAT + 12%
Photographic copies for commercial use	Cost + VAT + 12% (+ £20 per photo + copy of publication)	Cost + VAT + 12% (+ £20 per photo + copy of publication)
Digital copies for Private/Study purposes - per photo	5.00	5.00
Digital copies for commercial use – per photo	15.00	15.00
<u>Hire of Locker</u>	0.20	0.20
<u>Internet Use</u>		
First half hour free within one day – per hour	2.00	2.00
<u>Computer Consumables</u>		
Floppy disk	0.30	0.30
CD	0.50	0.50
CD-RW (New Service)	N/A	1.00
<u>Lost & Damaged Items</u>	Full current Replacement Cost (non- refundable)	Full current Replacement Cost (non- refundable)

Description	Existing Charge £	New Charge £	Financial Effect £
<u>Fax</u>			
Outgoing Transmission			
United Kingdom – per sheet	1.30	1.30	
Europe – per sheet	2.10	2.10	
USA/Canada – per sheet	2.60	2.60	
Rest of the World – per sheet	3.60	3.60	
Incoming Transmission – per sheet	0.35	0.35	
<u>Fax by Satellite</u>			
Atlantic Ocean/Indian Ocean/Pacific Ocean – per sheet	11.50	11.50	
General (<i>Any postage costs to be recovered in full</i>)			
Total financial effect for Libraries			Nil

N.B. There has been no increase in library charges as Darlington currently charges at the top of the range within Tees Valley Authorities

Description	Existing Charge £	New Charge £	Financial Effect £
WORKPLACE NURSERY			
Full-time place – All Users, charges per week			
Children aged under 2	145.00	159.60	17,000
Children aged 2-4	132.50	145.60	45,000
Full-time place – extended users, charge per week			
Provision of mid-day meal (i.e. morning sessions)	1.25	1.40	700
Provision of mid-day meal for staff	1.35	1.35	
Provision of mid-day dessert for staff	0.35	0.35	
Total financial effect for Workplace Nursery			62,700
ADULT COMMUNITY LEARNING			
Adult community Learning			
Adult per hour	2.00	2.00	
OAP per hour	1.00	1.00	
Reduced Rates for the following applies			
Those in receipt of means tested benefits	On Application	On application	
Hire of Community Room – per hour	10.00	10.00	
Total financial effect for Adult Community Learning			Nil

NB There has been no increase for adult learning courses as all courses are delivered within deprived wards with a specific objective of assisting adults into further learning and employment.

**COMMUNITY SERVICES DEPARTMENT
MEDIUM TERM FINANCIAL PLAN REVIEW**

Purpose of Report

1. To review the Medium Term Financial Plan (MTFP) for the Community Services Department.

Background

2. The department, like all others, operates in a MTFP environment. This enables Medium Term Planning as budgets and indicative resource allocations are pre-signalled three to five years in advance. This report will concentrate on 2007/08, but will also have regard to the following years.

Service Outline

3. Set out below for Members information is a review of the Department's budget heads with the estimates for 2007/08.

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £000
Property and Premises Support	Property and Premises support for client departments including guidance for building repairs and maintenance, electrical checks, quality standards etc.	75
Art Centre and Civic Theatre	The Arts Centre is a comprehensive facility with a 230-seat theatre/film studio, ballroom, dance studio, bars and a variety of room available for hire. The Civic Theatre has a capacity of 900 and a turnover of around £1.5 million. The budget also includes a significant amount of work in the Community. This budget also includes the Arts Collection	1,333
Dolphin Centre	The Dolphin Centre provides a full range of wet and dry sports facilities for the town as well as accommodation for meetings and events.	1,852

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £
Outdoor Events	Net cost of providing outdoor events, the main events being the Summer Festival, Fireworks Display and the Rhythm and Blues Festival.	144
Sports Development	Development of sports provision through out the borough, mainly funded by grants.	15
Grants / Voluntary Sector Payments.	Grant funding for Voluntary and Community Sector.	87
Stressholme	The Council's Golf Course and Driving Range.	12
Street Scene	For the collection of household, clinical and bulky household waste, the cleaning of roads, pavements and precincts, along with gully cleaning, maintenance and cleaning of litter bins and weed killing. The maintenance of all the Council's parks and open spaces, including grounds maintenance, playground equipment, and the upkeep of cemeteries and crematoriums.	5,137
Eastbourne Complex	Sports complex providing all-weather track, pitch and gym facilities.	166
Public Conveniences	Maintenance and cleaning of the town's public conveniences.	171
Works Property & Other Expenses	Early retirement pension payments for past employees.	91

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £
Christmas Lights	Provision and erection of Christmas decorations in the town centre.	29
Community Partnerships and Performance Development	Development and support to the Community Partnerships, Voluntary and Community Sector, consultation and Community Legal Service. Also the management and co-ordination of departmental performance, strategy development and service planning for Community Services.	401
Welfare Rights Unit	The section provides independent and specialist advice to the community and promotes the uptake of benefits to ensure residents are receiving their full entitlement.	64
Community Voluntary Service	Grant paid to the CVS	38
Community Safety	Youth Offending Service and Early Interventions Team, Anti Social Behaviour Co-ordinator.	474
Community Safety Wardens	The Wardens are actively engaged with other Partnership Agencies in providing support for the local community, including issuing fines and formal warnings for anti-social behaviour, i.e. littering, dog fouling, youth annoyance	472
Youth Service	The Youth Service works with young people aged 11-25, prioritising 13-19 year olds. A wide programme of personal development activities is provided. Specific work includes youth democracy, peer education, youth centres and detached youth workers.	1,040

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £
Rent Rebates (Local Schemes)	Payment to war pensioners and war widows - Local Agreement.	30
Improvement Grants Administration	To pay the Home Improvement Agency for the Administration of Renovation Grants and Disabled Facilities Grants to the private sector. DFG's are statutory and renovation grants discretionary but play a key role in meeting BVPI targets in relation to Unfitness and empty homes.	24
Housing Renewal Team	To undertake the Council's regulatory role in relation to the condition of private sector housing.	111
Land Rental/Leasing Income	Income received from the leasing of housing land.	(18)
Housing Benefits Administration/Verification Framework	Administration of Rent Rebates, Rent Allowances and Council Tax Benefit.	270
Community Housing Service	This includes grounds maintenance work to open spaces on Council housing estates and a proportion of the expenditure incurred by Neighbourhood Housing Offices dealing with general queries not related to Council housing i.e. street lighting, repairs, anti social behaviour.	280
Homelessness	The net cost of placements in bed and breakfast accommodation whilst assessing applications under homeless persons legislation.	100
Welfare Services	The net cost of the care/welfare element of the Housing Warden Service that falls outside the scope of the HRA definition.	168

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £
Northumbria Water Commission	Commission received for collecting water rates on behalf of NWA.	(128)
Service Strategy and Regulation	Providing advice and guidance on strategy and regulation to the private sector.	21
Voluntary Sector Payments	Grant funding to the Citizens Advice Bureau.	90
DLO profits	Total profits generated by the contracting divisions of Community Services.	(208)
Adults and Older People Management.	The Adult Services senior management team and general office.	548
Purchase of External Care	Independent Sector provision of residential, domiciliary and day care services. Also included is the cost of direct payments covering payments made to individuals to purchase their own packages of home and personal care.	13,631
Older People	Commissioning, contracting and reviewing of services for older people with mental health difficulties along with the net cost of providing frozen meals.	1,349
Learning Disability	Learning Disability Commissioning Team and the costs associated with the staffing, management and maintenance of learning disability day centres, community houses and supported tenancies.	2,198
Mental Health	Covers the commissioning of mental health services.	334

SERVICE OR ACTIVITY	DESCRIPTION	2007/08 £
Disability & Intermediate Care Services	Intermediate Care, Occupational Therapy, Physical & Sensory Impairment and the provision of the in-house Home Care Service.	2,885
Support Services	Support services to the Adult Social Services provision, including management information, finance, IT, workforce development and transport.	1,443

Service Planning

4. Planning of the Department's services for 2007-08 and onwards commences prior to the completion of the detailed budget estimates and is used to inform the allocation of resources through the budget setting process. In addition to the Departmental Service Plan there are 7 individual service plans covering the following:-
- (a) Adult Services
 - (b) Environmental Services
 - (c) Building
 - (d) Leisure and Arts
 - (e) Housing
 - (f) Housing Benefits
 - (g) Community Partnerships

Community Services has set 9 high level priorities for 2007/08 and they are shown overleaf with key service actions to be taken under each high level priority.

- **Provide housing choices and promote independence**

Deliver provisions of HMO Housing Act 2004
Provide suitable good quality housing for people with learning disabilities
Develop more affordable homes and maximise funding opportunities for increasing investment in housing renewal areas
Complete extra care dementia scheme at Rosemary court
Complete new build sheltered housing scheme at Linden Court

- **Improve Health and well being**

Implement Darlington's Sport and Physical activity strategy.
Develop actions to improve public health.
Further utilise the use of assistive technology.
Healthy school meals agenda.
Promote health and well-being and independence by delivering an integrated health and social care system.

- **Ensure a cleaner, greener, safer environment for residents of Darlington**

Develop safe communities through the respect agenda.
Ensure housing services meet the Respect Standards for Housing Management.
Develop Pride in Your Street/Street Champions LAA initiative.
Implement Young Care Takers LAA Initiative.
Deliver a programme of Capital based environmental improvements involving the community.
Take forward the Parks for All initiative.

- **Develop opportunities for young people to enjoy and achieve and engage in positive activities**

Implement Youth Participation Strategy.
Deliver Youth Service National Standards
Increase uptake of sport and recreation amongst young people (LAA product)
Implement the Sustainable Westside Project (LAA product)
Take forward Play Strategy (LAA product)

- **Support employees to maximise their full potential**

Maintain a skilled workforce
Embrace opportunities for mobile working

- **Ensure customer focused services**

Further develop opportunities for Residents to shape service delivery.
Implement tenant recognition and rewards scheme.
Increase tenant involvement in shaping service delivery.
Maximise the benefits of corporate contact centre.
Implement customer care training for front line staff.
Ensure effective opportunities for consultation and participation to improve customer satisfaction
Develop mechanisms and models for engagement and involvement of young people in decision making (LAA initiative)

- **Provide high quality value for money services maximising income generation**

Deliver value for money repairs and maintenance service.
Implement partnering arrangements for repairs and maintenance.
Maximise business opportunities.
Implement Dolphin Centre and Arts Centre business plans.
Finalise and implement Supporting People Procurement Strategy.
Deliver recovery plans for Catering, Adults, Repairs and Maintenance.

Tackle deprivation and promote social inclusion

Deliver 3rd year of Neighbourhood Renewal Strategy.
Deliver first year actions within the Third Sector Strategy report.
Deliver LAA theme on promoting volunteering.

Effectively market and promote the work of the department

Develop a departmental Communication Strategy

5. These key priorities have been taken into account when setting the MTFP and action plans have been developed to meet these objectives. Many of the priorities can be met within existing resources, especially as a number are linked the Local Area Agreement for which funding has been identified. For instance the increased uptake in sport and physical activity for young people.
6. As part of developing the Departmental Plan a number of risks were identified, however it is not envisaged that these will impact on resource planning.

Departmental Efficiency Gains

7. The department is constantly looking to make efficiency gains and this has been mainstreamed into all operations. Efficiency gains both cashable and non-cashable will be monitored on a monthly basis and added to the efficiencies already identified in the MTFP report.
8. Efficiencies already identified and included within the detailed budgets are as follows: -

(a) Arts Review - £90,000 for 2007/08

Significant capital investment in the Arts Centre is being made during the current financial year with major refurbishment work due to be complete in March 2007. The investment will increase footfall and therefore turnover within this financial year.

(b) Repairs and Maintenance Review - £90,000

Following a comprehensive review of the Repairs and Maintenance Service, a number of efficiency gains have been identified including the use of a computerised appointment and work management system, eliminating paper systems and utilising hand held devices for operational staff, reducing the need for returns to the depot to receive work instructions.

(c) Dolphin Centre Refurbishment. - £194,000

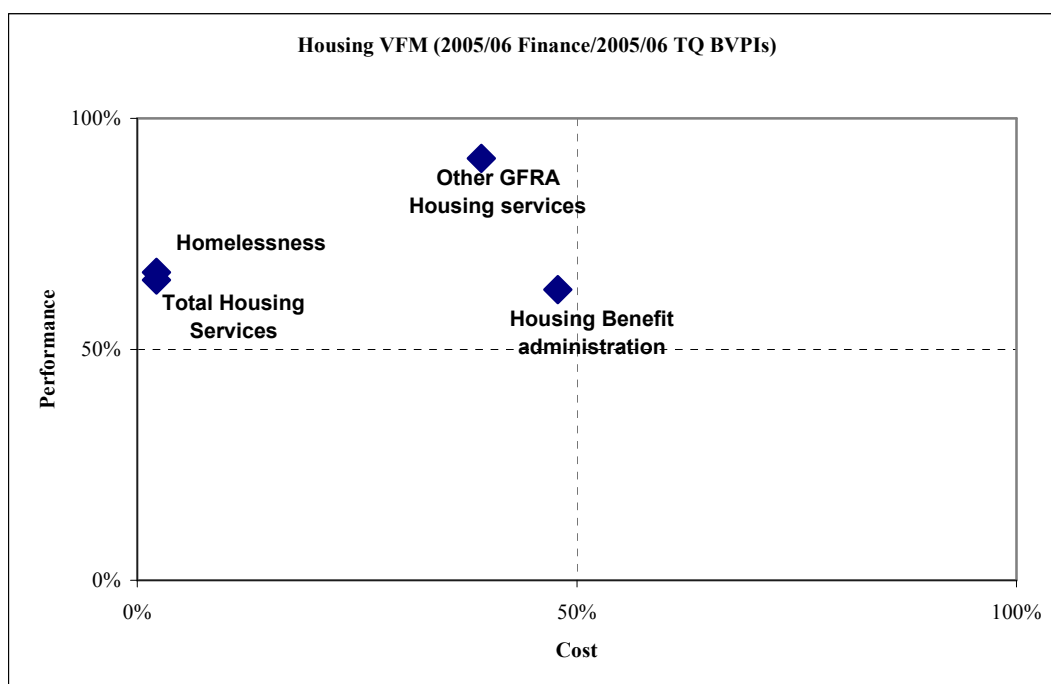
The refurbishment of the Dolphin Centre was completed in December 2007 and the business plan has indicated there is significant capacity to generate additional income through increased footfall in a number of areas, including children's play area, bar and catering facilities. This amount is in addition to the amount set aside for repaying the borrowing costs, which has funded the capital investment required for the refurbishment.

(d) Housing Benefit Overpayments - £100,000

Recovery of overpayments made to clients who receive Housing Benefits.

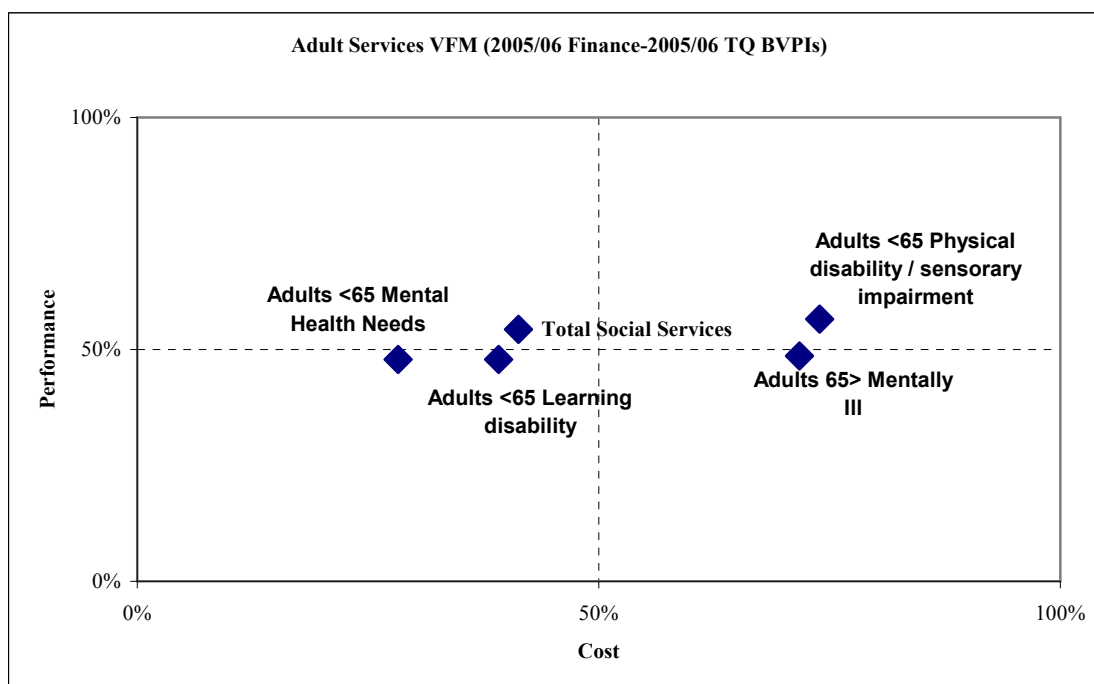
Value for Money (VFM)

9. Providing value for money is a core value of the department. Data published by the Audit Commission comparing cost and performance has been used to provide indications of VFM across the Council's services, primarily with regard to front line services that are delivered direct to the public. The methodology for the model takes the cost per head of population percentile and places these costs against the relevant national indicators. For each of these performance indicators the percentile is worked out and compared to all unitary authorities. The cost data is the 2006/07 budget estimates and the performance data relates to 2005/06, being the latest available at this point in time.
10. It must be stressed this process is in its infancy and a starting point on which to evolve. As the performance data is 2 years old and the cost data estimates not actuals, the graphs may not be 100% accurate and the narrative alongside the graphs will explain areas where events during the year would change the position shown.
11. Each of the Department's service areas are graphically shown below with commentary on the existing value for money and the progress being made.
12. **Housing General Fund Services**



13. The Housing graph shows all areas of the service to be high performing and low cost in comparison to other authorities. The Section has performed well during the year and it is anticipated performance will improve again next year.

14. Adult Social Services

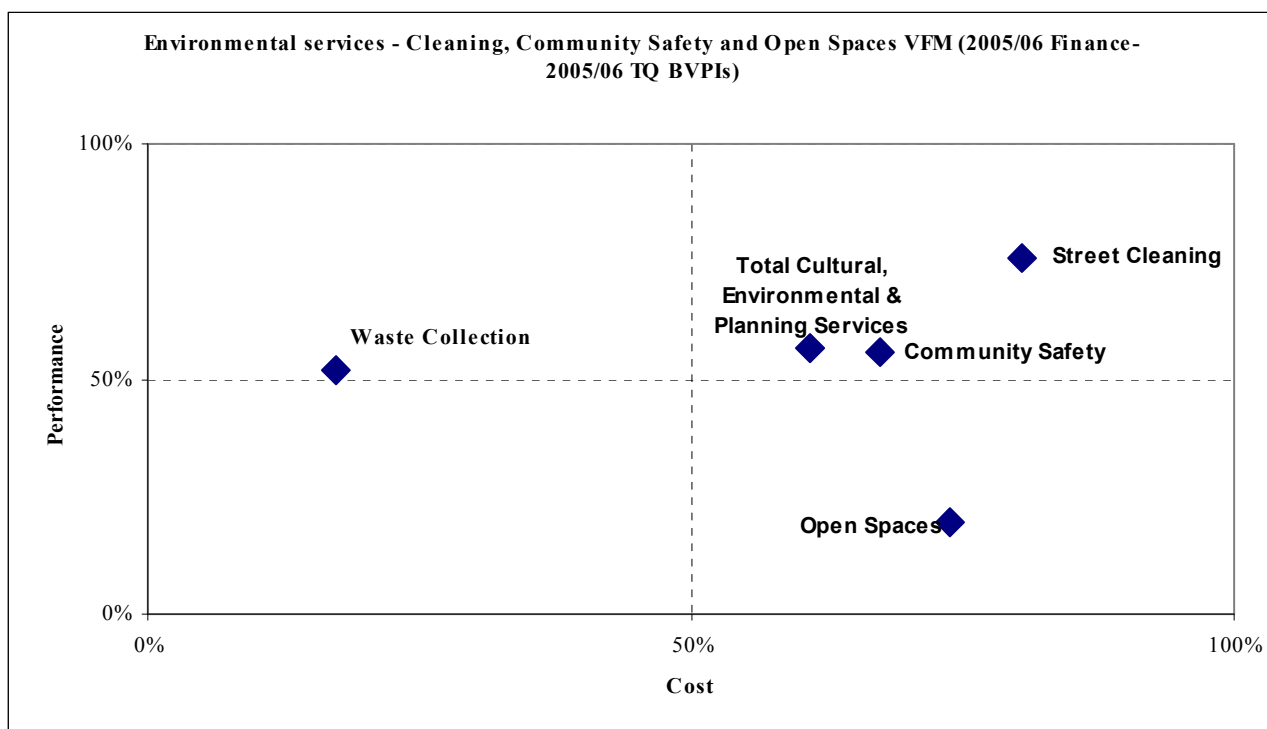


15. The Adult Services graph in particular needs to evolve and the performance data used needs to be extended, as it does not reflect the national performance measurement of adult social services performance indicators in some areas. This graph shows a lower performance position than reality due to the 2004/05 performance data being used. Members will be aware there have been improvements in performance during the last 12 months, which will change the graph in future years.
16. Although the graph shows varying cost percentiles from high to low cost the performance is in the lower percentile. This is not representative of the adult social care service as it is at present, which has just been awarded three stars in the recent CSCI inspection.
17. The Record of Performance Assessment used by CSCI to determine the Council's performance in Adult Social Care was published in October 2006 and the following summary identifies significant improvements have been made:
- Developments introduced over the past three years are now providing improved outcomes for people, and increased joint working between social care, health and housing staff has resulted in new strategies for the main service user groups and reduced duplication and delay in service provision. For example referrals and assessments are handled more speedily and most services are provided promptly.
 - The development of flexible intermediate care services has been a key factor in enabling more people to be supported in their own homes, either through preventive services commissioned from the voluntary sector or through intensive home care.
 - For the decreasing number of older people who move into residential care the Council's management of the market has ensured there is adequate capacity and a choice between homes, and the fee structure is linked to quality standards.
 - A new contract has been placed for advocacy services for all service user groups,

and there is a high level of service user and carer involvement in development activity.

- More people used direct payments this year and a marketing strategy was put in place to publicise their availability.
- The Council approaches diversity issues seriously and has achieved level three of the equality standard.
- Budgetary and performance management systems are good. Although a number of senior managers were lost at the time of organisational restructuring, services were not disrupted, and the benefits of working with other disciplines in the new department are already emerging.
- A project plan is in place to integrate adult social care far more closely with the PCT, and following a review of transport arrangements there are plans to ensure that transport arrangements become an integral part of care services.

18. Environmental Services and Community Safety

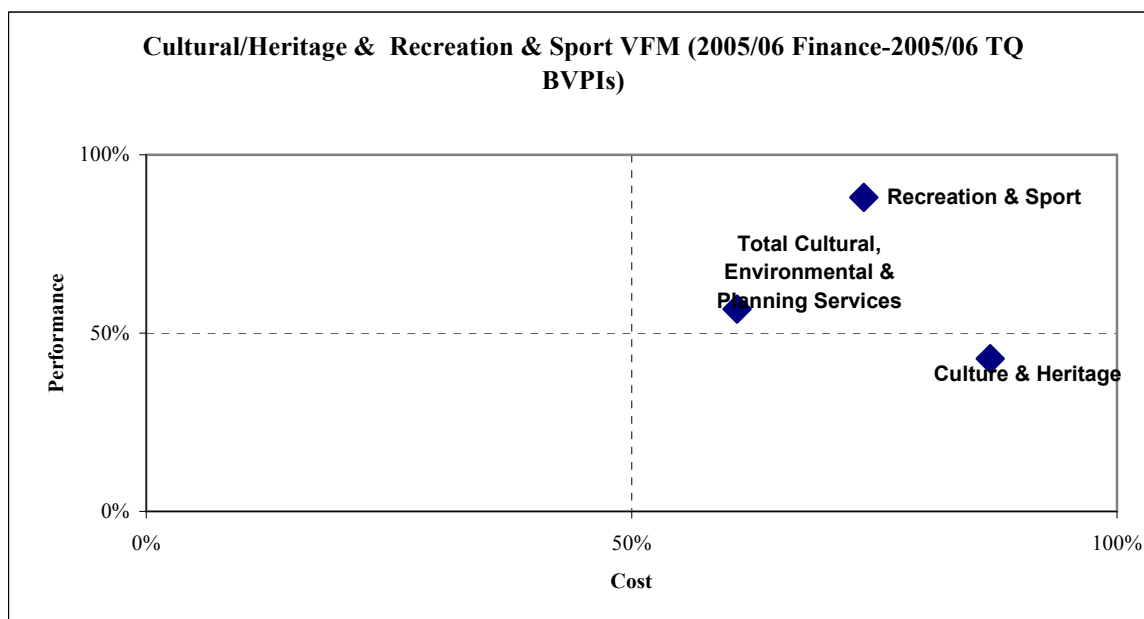


19. This VFM graph identifies Open Spaces is in the higher cost percentile and low performing. It has already been recognised that we have a high number of parks and open spaces, which in turn leads to higher than average costs. Street Cleaning although in the same cost percentile as last year has improved its performance position significantly from the lower performance quartile to the top, Community Safety is also in this quartile and this recognises the Council's investment in Community Safety across the borough.

20. All environmental services, comprising Open Spaces, Street Cleaning and Waste Collection were reviewed in 2006/07 by the Leading Edge project Street Scene. This has improved working methods to promote both efficiencies and also public satisfaction.

21. The £3.9 million lottery funded refurbishment of South Park was completed during 2006/07 and has been received well by the public. It is anticipated satisfaction with Parks will increase following the official opening.

Leisure and Sport



22. Recreation and Sport although in the high cost percentile scores very highly in performance. This category is high cost because of the range of facilities in Darlington. The level of provision is significant for a town the size of Darlington. For instance the Civic Theatre, Railway Museum and Arts Centre are of sub regional importance and contribute to both economic development and tourism. The Dolphin Centre and Arts Centre have had significant capital investment during 2006/07 to improve and update the facilities, which will improve the customer experience and subsequently satisfaction.

Departmental MTFP 2007/08 – 2010/11

23. The department's detailed estimates were prepared on the basis of existing levels of service taking into account known pressures and savings. Having done this the position for the next four years is set out in Table 1 below:-

Table 1

Departmental MTFP 2007/08 - 2010/11	07/08	08/09	09/10	10/11
	£000	£000	£000	£000
Resources				
Planned Resources b/fwd from previous yr	64	0	0	0
Resource allocation for the year	32,785	33,607	34,179	35,230
Service initiatives and pressures	2,545	2,545	2,600	2,650
Savings Identified	(660)	(870)	(870)	(870)
Resources carried forward to following year	0	0	0	0
Total Resources Available	34,734	35,282	35,909	37,010
Budgets				
Draft detailed estimates	32,849	33,607	34,179	35,230
Service initiatives and pressures	2,545	2,545	2,600	2,650
Savings identified	(660)	(870)	(870)	(870)
Total Planned Use of Resources	34,734	35,282	35,909	37,010

Note. the resources and draft estimates for the year include the efficiency savings identified previously and summarised in Table 2:

Table 2

Efficiency Savings	07/08	08/09	09/10	10/11
	£000	£000	£000	£000
Arts Review	90	93	95	97
Repairs and Maintenance	90	93	95	97
Dolphin Centre Refurbishment	194	200	206	212
Housing Benefits overpayment claw back	100	100	100	100
Total	474	486	496	506

Service Planning Initiatives, Budget Pressures and Savings

24. Two issues need to be highlighted as requiring funding in 2006/07. Firstly an increase of £45k for voluntary and community sector strategic funding. This pressure has been highlighted in the main MTFP report for future years but also requires funding in 2006/07. The Voluntary Sector undertake essential work in supporting vulnerable groups and assisting in capacity building with groups. Grants are awarded to a number of organisations

including the Citizens Advice Bureau, Community Voluntary Services, Community Associations and the Play Bus.

25. The second pressure relates to staff who are paid on a weekly basis. In the financial year 2006/07 there are 53 weeks and funding of £60k for this additional week is required. This is the last time this funding will be required as all staff will be paid monthly from April 2007. Both of these pressures are included in the Department's projected outturn for 2006-07.
26. Despite the department undertaking a vigorous analysis of the detailed estimates to ensure there is no inefficiency there is significant pressure on resources in 2007/08 and the following years. The overwhelming pressure is from Adult Social Services where the demographic change in the numbers of older people and the life expectancy of those with learning disabilities has increased significantly over the last few years, resulting in a greater volume of service being provided. This pressure was highlighted in the 2006/07 accounts and despite a rigorous action plan to reduce expenditure the gross financial pressure for 2007/08 still remains at £1.560m.
27. A detailed action plan has been developed to mitigate the increased cost of providing this greater volume of service and work has commenced putting this into place. The action plan includes reviewing processes and systems, strengthening panel arrangements and renegotiating contracts. It is anticipated these changes will save £660k in 2007/08 which will help offset the overspend leaving a net increase of £900k.
28. Residential care fees will increase when the current contract with residential home providers finishes in 2006/07. Inflation, the true cost of care and quality standards have all been factors in the increased cost for 2007/08 and future years.
29. Rosemary Court is an extra care scheme designed to allow elderly people with dementia to be as independent as possible with the comfort of knowing help is on hand when required. The increase in cost for this improved service is in respect of the requirement for 24 hour care staff.
30. To ensure high levels of cleanliness within the newly developed town centre a specialised machine is required which will scrub and wash the new paving areas where problems with oil and staining have occurred.
31. Along with Adult Services, the other large pressure is a reduction in Building Maintenance and Construction profits. Entering into a partnering contract on Housing works has reduced the turnover of the in-house Building Section and subsequently reduced the profits. The main aim of the new arrangement is to improve services to tenants but there will also be financial benefits to the Housing Revenue Account. Savings of £90,000 per annum have also previously been identified in the revenue MTFP.
32. The table below details the budget pressures on the MTFP.

Table 3 – Service Planning Initiatives and Budget pressures in the Department's MTFP

Description	£000
Adult Social services current service provision	900
Adults Services - Residential care fees	350
Adult Services - Rosemary Court extra care scheme	250
Reduced Building Maintenance profits	250
Pedestrian Heart Scheme	50
Voluntary Sector Grants	45
Horticultural and Cleaning costs on Council housing Estates.	30
Community Safety Warden funding reduced.	10
Total	1,885

Charges

33. Proposals for the 2007/08 charges are shown in **Annex 1**. With Regard to Adult Social Services the charges from 1st April 2007 are based on the 2006/07 amounts with an inflationary uplift of 3% however the current charging policy is being reviewed and changes are likely to be made during the year.

Decisions Required

34. The following need to be considered:-

- (a) The detailed estimates for Community Services Department.
- (b) The additional funding for 2006/07 for Strategic grants and week 53 costs.
- (c) The proposed schedule of charges for Community Services.
- (d) The budget proposals detailed within the report.

Cliff Brown
Director of Community Services

EJD : Extension 4447
BS

COMMUNITY SERVICES - SCHEDULE OF CHARGES 2007/08

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
DOLPHIN CENTRE			
Swimming			
Adult Swim	2.70	2.80	
Concession	2.05	2.10	
Junior Swim	1.90	2.00	
Concession	1.45	1.50	
Family Swim (up to 4 children accompanying 1 adult)	1.45	1.50	
Fitness Areas			
Pulse Suite	3.40	3.50	
Concession	2.55	2.65	
Junior Pulse Suite	2.65	2.75	
Concession	2.00	2.05	
Health & Fitness Classes			
Health & Fitness Classes	3.00	3.10	
Concession	2.25	2.30	
Multi Activity Sessions			
Badminton Daytime Session	2.90	3.00	
Concession	2.20	2.25	
Half Main Hall			
Adult	36.00	37.00	
Junior (1 hour courts only)	24.00	25.00	
Weekday lunchtime	30.00	31.00	
Badminton/ Short - Tennis Court			
Adult	6.10	6.30	
Concession	4.60	4.75	
Junior (1 hour courts only)	3.10	3.20	
Concession (1 hour courts only)	2.35	2.40	

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
DOLPHIN CENTRE, continued			
Squash Courts			
Adult	5.45	5.60	
Concession	4.10	4.20	
Junior (up to 5.00pm on weekdays only)	2.90	3.00	
Concession (up to 5.00pm on weekdays only)	2.20	2.25	
Equipment Hire			
Footballs	FREE	FREE	
Footballs - Deposit	5.00	5.00	
Badminton	1.80	1.90	
Badminton - Deposit	3.00	5.00	
Squash Racquets	1.80	1.90	
Squash Racquets - Deposit	3.00	5.00	
Table Tennis Bats	1.20	1.30	
Table Tennis Bats - Deposit	3.00	5.00	
Pram Lock	FREE	FREE	
Pram Lock - Deposit	5.00	5.00	
Children's Activities			
Crèche	1.70	2.00	
Soft play admissions Monday to Friday	n/a	2.75	
Soft play admissions Weekends	n/a	3.00	
Sensory Room Monday to Friday	n/a	2.75	
Sensory Room Weekends	n/a	3.00	
Parent/toddler (Soft play)	n/a	2.75	
Other Activities			
Admission Charge	0.75	No longer exists	
Climbing Wall	3.60	3.70	
Concession	2.70	2.75	
Junior Climbing Wall	2.80	2.90	
Concession	2.10	2.15	
Showers	1.00	1.05	

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
DOLPHIN CENTRE, continued			
Fit 4 Life Packages			
Platinum Package	25.50	32.50	
Swimming Pools			
Main Pool - per hour	36.00	37.00	
Diving Pool - per hour	36.00	37.00	
Teaching Pool - per hour	36.00	37.00	
Gala - per hour			
Swimming Galas - whole complex			
Normal opening hours - per hour	205.00	211.50	
Outside normal opening hours - per hour	107.00	110.50	
Swimming Galas - Schools, Junior Clubs and Organisations			
Main Pool - Peak	148.00	152.50	
Main Pool - Off Peak	100.00	103.00	
Main Pool and Teaching Pool - Peak	206.00	212.50	
Main Pool and Teaching Pool - Off Peak	128.00	132.00	
Electronic Timing	50.00	55.00	
Dry Sports Hall			
Main Sports Hall - per hour	70.00	72.50	
Special Events - per hour Monday to Friday	210.00	216.50	
Special Events - per hour Weekends	210.00	230.00	
Preparation - per hour Monday to Friday	110.00	113.50	
Preparation - per hour Weekends	110.00	120.00	
Special Events - Schools - per hour off peak	32.50	33.50	
Practice Hall - per hour	18.00	No longer exists	
Small Meeting Rooms - per hour	8.70	n/a	
Meeting Room		15.00	
Seminar Room/Stephenson Suite		22.50	

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
DOLPHIN CENTRE, continued			
Central Hall			
All Events (except commercial, exhibitions and local societies)	66.00	70.00	
Exhibitions - commercial - per hour	85.00	90.00	
Local Societies event - per hour	48.00	50.00	
			42,102
PARKS			
Bowls Season Ticket	21.00	22.00	
Concession	15.75	16.50	
Football - Hire of Hundens Park Pitch			
Seniors' Match	31.00	32.00	
Juniors Match	16.00	17.00	
			318
EASTBOURNE SPORTS COMPLEX			
Adult Track	2.80	2.90	
Concession	2.10	2.15	
Junior Track	1.70	1.75	
Concession	1.30	1.35	
Adult Artificial Pitch 1/3 (45 mins)	35.00	36.00	
Junior Artificial Pitch 1/3 (45 mins)	20.00	21.00	
Adult Full Artificial Pitch	62.00	64.00	
Junior Full Artificial Pitch	35.00	36.00	
Full Pitch Lights	8.30	9.00	
1/3 Pitch Lights	3.10	3.50	
Pulse 3	3.40	3.50	
Concession	2.55	2.65	
Junior Pulse Suite	2.65	2.75	
Concession	2.00	2.05	
Function Room/Community Pavilion - per hour	8.70	8.95	
			3,631

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
STRESSHOLME GOLF CENTRE			
Green Fees			
Monday - Friday	14.00	14.50	
Concession	10.50	10.90	
Junior (up to 18 years)	10.50	10.90	
Concession	8.00	8.25	
Twilight	7.70	8.00	
Concession	5.90	6.10	
Twilight Junior	7.70	8.00	
Concession	5.90	6.10	
Weekends & Bank Holidays			
Adult	16.00	16.50	
Concession	12.00	12.40	
Junior	12.00	12.40	
Concession	9.00	9.30	
Twilight	8.50	8.80	
Concession	6.40	6.60	
Twilight Junior	8.50	8.80	
Concession	6.40	6.60	
Day Tickets			
Monday - Friday	22.00	22.70	
Concession	16.50	17.00	
Junior	16.50	17.00	
Concession	12.50	12.90	
Weekends and Bank Holidays	27.25	28.10	
Concession	20.50	21.10	
Junior	20.50	21.10	
Concession	15.50	16.00	
Driving Range			
Large Basket (75 balls)	3.50	3.60	
Medium Basket (50 balls)	2.80	2.90	
Small Basket (25 balls)	1.60	1.65	

SERVICES	EXISTING CHARGE £	NEW CHARGE £	FINANCIAL EFFECT £
STRESSHOLME GOLF CENTRE, continued			
Annual Season Tickets			
7 Days	410.00	410.00	
7 Days Youths (18-21 years)	180.00	180.00	
7 Days Juniors (under 18 years)	95.00	95.00	
5 Days (Monday- Friday)	287.00	287.00	
Couples	765.00	765.00	
Social subject to approval by Durham	27.00	28.00	
Stressholme Board Room – per hour	n/a	8.95	
			9,471

A £5.00 administration fee will be charged in addition to the Green Fees for non-payment.

REFUSE COLLECTION AND DISPOSAL

Refuse sacks (per 25) (Exclusive of VAT)	49.40	54.00	160
Garden waste sacks (Non Vatable)	6.50	6.70	190

Service	Existing Charge £	New Charge £	Financial Effect £
Refreshments at Day Care Facilities			
Day Centres and Residential Establishments			
Lunch, morning and afternoon refreshment	3.32	3.42	}
Lunch	1.66	1.71	} Minimal
Morning and afternoon refreshment	1.66	1.71	}
Morning or afternoon refreshment	0.83	0.85	}
Additional Services - at Residential Establishments			
Breakfast	1.14	1.17	} Minimal
High Tea	1.14	1.17	}
Home Care Service			
Standard hourly charge	9.08	9.08	Minimal as actual charge is means tested
Frozen Meals	1.75	1.80	
Transport Services			
Hourly Charge			
Weekdays, before 5pm	7.20	7.42	}
Evenings/Saturday, before 8pm	11.75	12.10	}
Evenings/Saturday, after 8pm	13.03	13.42	}
			}
Sundays/Bank Holidays, before 8pm	14.98	15.43	} Minimal
Sundays/Bank Holidays, after 8pm	16.12	16.60	}
			}
Mileage Charge			
22 Seater Vehicle	0.45	0.47	}
15 Seater Vehicle	0.31	0.32	}

**DEVELOPMENT AND ENVIRONMENT DEPARTMENT
MEDIUM TERM FINANCIAL PLAN REVIEW**

Purpose of the Report

1. To review the Medium Term Financial Plan for Development and Environment Department.

Service Outline

2. This department is responsible for the provision of a wide range of services. To assist Members, a brief description of each service is provided below :-

Service or Activity	Description	Proposed budget 2007-08 £000
Director of Development and Environment	Departmental Management Team plus Service Development support.	617
Support Services	Administrative, Financial and IT support.	739
Engineering	Highway design, highway and traffic management, flood prevention and other engineering activity.	526
School Patrol Crossing	42 patrol persons	133
Highway Maintenance	For the maintenance of approximately 500km of roads within the Borough	1,647
Other Highways	Traffic management and road safety.	67
Road Lighting Maintenance	For the maintenance of some 11,500 streetlights and other traffic signals and signs.	1,059
Winter Maintenance	For spreading salt and ploughing on icy and snow covered roads.	284
Building and Design Services	Design and management of building projects for the Council.	(15)
Property Management	The Council has a wide range of property and undertakes key aspects of its portfolio. The service also acquires land and property (voluntarily or by Compulsory Purchase) for Council projects, such as new or improved highways.	218
Land and Property	Covers the maintenance and operation of the Council's land and property portfolio.	293
Planning Services	Provision of a Development Control Service, planning policy, development plans, design and conservation.	496
Building Control	Service dealing with building control, dangerous structures, access (disability) issues, etc.	22
Economic Regeneration and Tourism	Economic development services, grants to businesses, regeneration projects, marketing, tourism development, corporate external funding team.	652
Town Centre	Dedicated town centre management aims to promote and	93

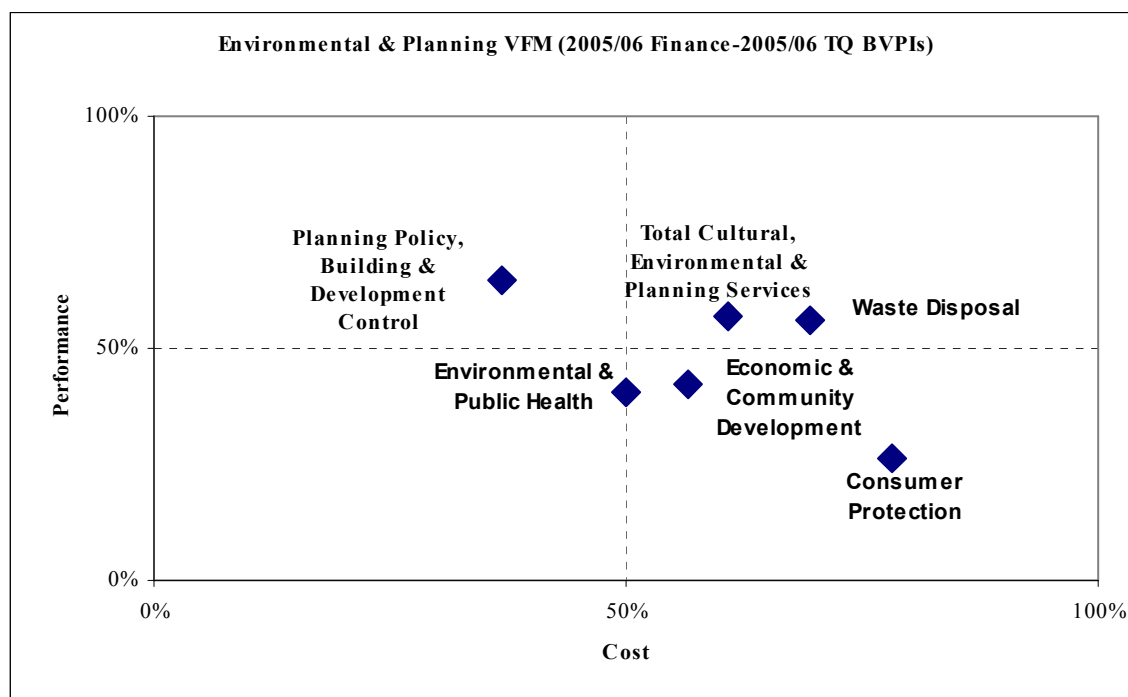
	maintain the town as a shopping venue and to aid the local businesses and support the economy. Part funded by the private sector.	
Tourist Information Centre	No town the size and type of Darlington is without a TIC. The standards and logo are a national brand. Provides information and a booking service for local people and visitors (about 100,000 people per year use the service, measured not estimated).	90
Contributions	Funding to other bodies such as ONE	76
Archives	Contracted to DCC to provide special repository for documents relating to local area	70
Railway Museum	Covers the operation of the Railway Centre and Museum.	364
Shopmobility	Covers grants to DAD to maintain the premises and to support their Shopmobility service.	63
Residual Costs of Transport Act	Costs associated with previous employees who were part of Darlington Transport when it was privatised in 1986.	45
Transport Policy and Countryside	Includes staff engaged in development and delivery of Local Transport Plan (LTP), costs of administering and maintaining countryside and countryside access.	631
Allotments	Maintenance of the Council's 14 allotment sites	17
Supported Public Transport Services	Public transport services that are subsidised for social and economic reasons	608
Concessionary Fares	Covers the Council's Concessionary Fare Scheme.	1,795
Markets	Covers the Town's Covered Market, Open Market and Cattle Market and street trading.	(177)
Parking	The operation and day to day management of the Borough's 18 Pay and Display Car Parks, on-street parking and 5 Resident's Parking Zones.	(1,611)
Cemeteries	Service to provide for burials at 3 cemeteries.	(105)
Crematorium	Operation of the Crematorium and associated service.	(501)
Contaminated Land	Monitoring closed landfill sites.	26
Control of Stray Dogs	Catching of stray dogs, education, dog fouling enforcement and placing micro-chips.	57
Environmental Health	Staff engaged in pollution control, food hygiene inspections and Health and Safety Enforcement.	547
Prevention of Damage by Pests	Pest control and pest eradication.	59
Emergency Plan	From the Civil Contingencies Act, new responsibilities on Local Authorities regarding Emergency Planning.	114
Hackney Carriages	Licensing and control of standards of taxis and private hire vehicles.	9
Licensing	Administering the granting and renewal of all licences (excluding taxis)	5
Trading Standards	Weights and measures service, enforcement of product and service standards and consumer advice.	354
Waste Disposal	The Management of the disposal of all household and some other municipal waste, including the Waste Disposal contract.	2,720
Recycling	Operation of recycling schemes.	55
Total		12,138

Service Planning

3. A draft department plan has been drawn up, setting out the department's improvement priorities to be addressed during 2007/08. These priorities reflect both the change management required across the department, with a particular focus on enhancing value for money and securing efficiencies, and the key service delivery outcomes required to support progress on the Community Strategy.
4. These departmental priorities are complemented and underpinned by a wide range of detailed service level improvements that have been identified for inclusion in service plans for each of the department's four divisions.
5. Some of our departmental priorities roll forward from the current year as we seek to maintain improvement and delivery of long-term strategic outcomes. Others have emerged or strengthened during the year.
6. Our key priorities include:
 - (a) Continuing to develop and strengthen project management to ensure the delivery of key outcomes of the Council's ambitious capital investment programme and to contribute to the Leading Edge organisational improvement programme.
 - (b) Re-tendering of the Waste Management Contract in 2008/09. This is an eleven year contract with a value of approximately £40 million, making it the largest single procurement that the Council will have undertaken.
 - (c) Ensuring an attractive and vibrant town centre for the future with a strong retail and business economy, including completion of the Pedestrian Heart project, progress towards viable proposals for the Feethams area and sustainable covered and outdoor markets.
 - (d) Progressing major development and investment projects that contribute to strengthening the local and sub-regional economy and transport infrastructure.
 - (e) Renewing the vision and strategy for Darlington's future development and role within the Tees Valley.
 - (f) Implementing the second year's programme of the new Local Transport Plan and continuing to roll out the Town on the Move and Cycle Town programmes.
 - (g) Completing delivery of the £2.5M 'Lets Get Cracking' road and pavements improvement programme.
 - (h) Investigating service areas that appear to be high cost in the Audit Commission's published value for money profiles and, where appropriate, taking action to reduce costs.
 - (i) Delivering the department's targets for efficiency savings over the next three years.
 - (j) Improving access to D&E services through implementation of the department's Equalities Action Plan.

Value for Money (VFM)

7. Data published by the Audit Commission comparing cost and performance has been used to provide indications of VFM across the Council's services, primarily with regard to 'front-line' services that are delivered direct to the public. With regard to D&E, these cover services classified by the Audit Commission as Environmental, Cultural & Planning and Transport services. A model has been developed within the Council that presents the published data graphically. Comparison is made with all unitary councils and Darlington's position relative to others is expressed as a percentile.
8. The charts below should be regarded as indicators, prompting questions that may lead to management action, rather than providing definitive answers. In some cases the measures of performance that are available do not provide a rounded balanced view and need further development over time. The latest performance data available for all authorities, to enable comparisons, is 2005-06 out-turn. The cost data is 2005-06 budgets. The top left-hand corner of the chart is the optimum position indicating high performance at low cost. Commentaries on services provided by D&E are given, with particular reference to those services that are further towards the bottom right of the charts.
9. **Environmental and Planning** services data for services provided by D&E are shown in the chart below.



Environmental and Public Health Services

10. This service consists of Environmental Health, Licensing, Public Conveniences and Private Sector Housing, the latter two of which are managed by Community Services Department. This service shows as average cost in comparison with other unitary authorities. Performance is measured on BV166a "Environmental Health Checklist" and BV217 %age of pollution control improvements completed on time.

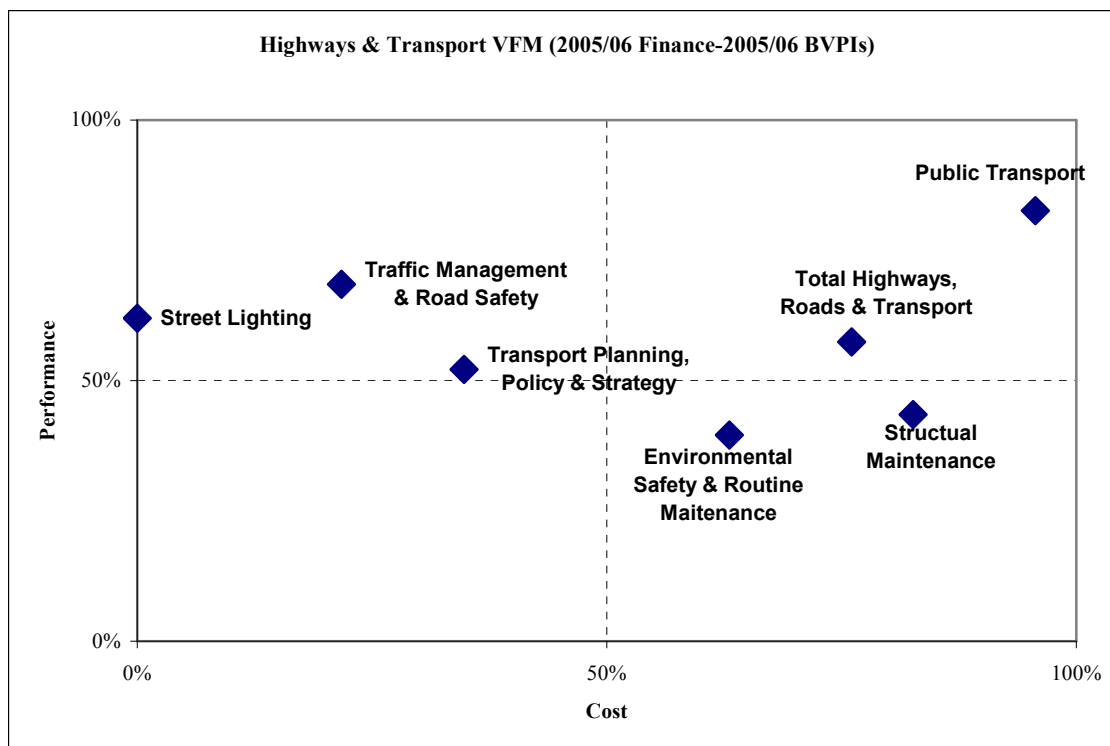
Consumer Protection

11. This service shows as high cost and low performing. Performance comparison is based on only one indicator, BV166b "Trading Standards Checklist". This single indicator can be misleading. The DTI compiles data on eight indicators within four performance areas for all UK Trading Standards authorities. The data for 2005/06 shows Darlington performing above average compared with other English Unitaries for six of these. However the Department will continue to focus on improving performance (as measured by VFM) and on seeking opportunities to reduce costs.

Waste Disposal

12. This includes waste disposal, recycling, trade waste (Community Services) and Heighington transfer station and the civic amenity site. The suite of BVPI's for this service includes recycling (BV82a), composting (BV82b), cost (BV87), satisfaction (BV90 and CS138).
13. To a large extent performance and cost in this service area is tied to the waste disposal contract, which we inherited from Durham in 1997. There are limits to what we can do within that contract, but BVPI performance on recycling, composting and satisfaction have all improved since 2004/05. Unfortunately cost has also increased because of increased increasing landfill costs.
14. ***Planning Policy, Building and Development Control*** services are indicated as being above average performance and below average cost. The performance reflects good outcomes on all planning PIs. Building Control PIs are not included in the graph, but also perform well. Changes to planning systems have been made since these figures were collected which are improving the times taken for determining planning applications - BV109 (two of the BV109 indicators have previously been less good than other planning indicators). In terms of cost, the substantially increased volumes of work in planning and development control (due to the level of development taking place in the Borough) resulted in higher fee income, and has helped the services to remain cost effective

15. **Highways and Transport Services** managed by D&E are shown in the chart below. The overall VFM indicator for Highways and Transport is also shown in the chart below.



16. Traffic Management & Road Safety, Street Lighting and Transport Planning, Policy and Strategy are all indicated to be relatively high performing with relatively low costs. Public Transport is high performing but with high cost, reflecting the level of support to public transport and the Council's better than minimum concessionary fares scheme. The other two elements of Highways and Transport are indicated to be performing just below median level but with relatively high expenditure. This reflects the decisions in 2004-05 and 2005-06 to increase spending on highways maintenance. The Value for Money assessment does not reflect the Council's outstanding performance in delivering the Local Transport Plan (LTP), as judged by Government Office North East. The delivery of the first five year LTP was assessed as 'Excellent', the only such assessment in the north east and one of 19 nationally. The second LTP, covering the period 2006 to 2011, was judged 'Good', the highest rating in the region.

Risk Management

17. As part of the department plan process, a number of potential risks to service delivery are monitored and assessed. Our approach is to intervene where necessary to reduce risks to acceptable levels. Risk management action plans relating to eight areas of risk that were considered unacceptable were incorporated in the 2006/07 Department Plan. Action is being taken during the current year to implement these plans.
18. The status of all risks is kept under review, and further action plans will be developed as required. Key financial risks, including reduced income from car-parking, increased costs of waste management and general budget constraints are routinely monitored and managed by the Department Management Team to ensure that all available actions are taken to minimise risks of potential budget shortfalls, and to maximise opportunities to reinforce budgets.

Departmental Medium Term Financial Plan

19. Detailed estimates have been prepared for the next four years, based on current service levels and in accordance with corporate guidelines. Detailed estimates include: -
 - (a) Provision for annual pay awards of 3% and general price inflation 2%.
 - (b) Unavoidable pressures (e.g. reductions in income from demand-led services).
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income.
 - (d) Service planning implications, specifically additional resources that have the support of CMT.
 - (e) Additional income generated by proposed increases in charges (these require Member approval).
20. The Department faces significant unavoidable pressures in the following areas: -
 - (a) There has been no increase in off-street short-stay car parking charges for four years. Over that time, the departmental budget has absorbed the resulting financial pressure, largely as a result of growth in parking volume. During 2005-06 use of Council Car Parks increased while the Cornmill Car Park was closed for redevelopment. There has been a 6.5% increase in use of Council car parks in the period from April to November 2006 compared with the same period in 2004-05. There has, however, been a reduction in parking income during 2006-07, projected to be approximately £0.2m below budget. Some improvement in the volume of parking income is expected in 2007-08 but the underlying pressure is assumed to continue into 2007-08 and beyond.
 - (b) Reduction in markets income of £0.040m per annum.
 - (c) Reduction in cemeteries and crematorium income of £0.025m per annum.
21. As a result of these pressures, additional resources of £0.180M p.a. are requested to produce a balanced departmental MTFP that reflects the expected levels of income from 2007-08 onwards. Resources are also requested to meet these unavoidable pressures during 2006-07.
22. To deliver departmental initiatives that support corporate and Community Strategy priorities it is proposed to apply additional resources in the following areas: -
 - (a) Pedestrian Heart transport – to further improve the shopping offer following completion of the Pedestrian Heart it is proposed to introduce a town centre transport facility similar to those operated in some other town and city centres. This will offer easy movement within the pedestrianised area. It is estimated to cost £100,000 per annum.
 - (b) Parking initiatives – in October 2006, Cabinet approved a series of parking initiatives to support the town centre economy, including the free third-hour in short-stay car parks. The continuing cost into 2007-08 is estimated at £80,000.

- (c) Capital project management – the Council has an ambitious capital programme supported by successful bidding for external funding. Cabinet has previously recognised and supported the need to strengthen the Council’s arrangements by the establishment of an additional Assistant Director post in the Department. Additional resources of £80,000 per annum are included in the draft estimates for 2007-08 and future years. Some restructuring, changes to management and reporting responsibilities and further strengthening of arrangements will also be implemented, without increasing net revenue expenditure.
 - (d) Supported public transport continues to make an important contribution to developing an effective transport system. Negotiations with bus operators are on-going but at this point it is assumed that additional funding of £150,000 per annum will be required to deliver the desired outcomes.
 - (e) A clear message received during the public consultation about the Tesco proposal was the importance locally of the town’s market history and the strong public wish for the markets to continue to make a significant contribution to the vibrancy of the town centre. It is, however, also clear that some change is necessary to enable the markets offer to meet changed public and retail expectations. It is proposed to allocate additional resources of £30,000 in 2007-08 to help to develop initiatives that support these aims.
 - (f) Expiry of the lease for Hopetown House early in 2007-08 necessitates relocation of the Engineering and Transport Policy teams to office accommodation at the Beehive at Lingfield. There is an increase in revenue costs of £70,000 per annum. Some increase would have been unavoidable even if a new lease for Hopetown House had been available.
23. In addition to the above service planning and budget pressures for which additional resources are requested, the Department has managed to absorb some significant service initiatives and cost pressures within existing resources. The most significant of these are: -
- (a) Reduced income from statutory undertakers and developers under sections 38 and 74 of the Highways Act - £40,000
 - (b) Transport Policy, revenue cost implications of capital initiatives under the Local Transport Plan - £35,000
 - (c) Establishment of a Finance Manager post to support effective management of the Department’s revenue budget and the very substantial capital programme that the Department has responsibility for - £45,000.

Efficiency Gains and Savings

24. Mindful of corporate service and financial pressures, the Departmental budget has been reviewed with the aim of freeing resources to be made available for corporate priorities. The following changes are proposed: -
- (a) Increase off-street long-stay parking charges from £3.00 to £3.50 per day and Park Lane long-stay car park charge from £4.00 to £5.00 per day. The proposed increases are consistent with the parking initiatives introduced during 2006-07 which continue into 2007-08. The proposed charge for Park Lane is extremely competitive, particularly

when compared with GNER's charge of £9.00 per day in neighbouring car parks. It is estimated that this will generate an additional £50,000 per annum

- (b) Review of Economic Regeneration non-committed budgets to make more effective use of the resources is expected to yield a saving of £40,000 per annum without detrimental impact on the service.
25. To improve efficiency, deliver a budget within the proposed resource allocation, offset pressures and enable reallocation of resources to areas of increased demand within the Department, the following reductions in budgeted net expenditure have been made: -
- (a) Waste Disposal costs have been reduced to £86,000 below previously estimated levels by successful recycling initiatives and judicious purchasing of permits under the Landfill Allowance Trading Scheme (LATS). Efficient use of LATS has also achieved greater certainty of cost for 2008-09, thus reducing the Council's risk exposure.
 - (b) Negotiation of increased rental income from external occupiers of Council-owned office accommodation - £20,000
 - (c) Changes to departmental management and staffing structures as a result of systematic review whenever vacancies arise has achieved savings of £70,000.
26. The above savings are summarised in the following table: -

Action	Financial effect £000
Proposed savings contributing to corporate resources: -	
Increase Long Stay parking charges	50
Improve effectiveness of Economic Regeneration budget*	40
Management actions to achieve balanced Departmental MTFP: -	
Waste Disposal	86
Rental income*	20
Management / staffing structures*	70
Vacant post / turnover management	80
Delete non-committed inflation	80
Total	426
<i>* Meet 'Gershon' definition of Efficiency Gains; total £130,000</i>	

27. The proposed resource allocation and Departmental MTFP is detailed in the following table:
-

	2007-08	2008-09	2009-10	2010-11
	£000	£000	£000	£000
<u>Resources</u>				
Planned resources brought forward from previous year surplus / (deficit)	-	-	10	6
Resource allocation for year	11,518	12,048	12,358	12,733
Service Planning & reduced income	710	580	580	580
Less savings returned to corporate resources	- 90	- 90	- 90	- 90
Less Planned resources carried forward to following year	-	10	6	
Total Resources Available	12,138	12,548	12,844	13,217
<u>Budgets</u>				
Draft detailed estimates	12,228	12,638	12,934	13,307
Less savings returned to corporate resources	- 90	- 90	- 90	- 90
Proposed budget	12,138	12,548	12,844	13,217

Note - resource allocations and estimates are net of savings and efficiency gains of £426,000 p.a.

28. Waste Management is one of the Council's 'Leading Edge' projects and is a major issue for waste disposal authorities across the country. Waste disposal costs are predicted to rise very significantly over the next few years as European and Government waste disposal directives are implemented. Provision was made in the Council's 2006-07 to 2009-10 MTFP for an increase in costs of £1m per annum from April 2008. The proposed start date for the new Waste Management contract has since been postponed to April 2009. Consequently, the step-change in cost is delayed by one year but an increase of similar size to previous provision is expected from April 2009.

Proposed Charges

29. The schedule of charges for services provided by the Department has been reviewed, taking account of strategic objectives, efficiency, the cost of services and income generation. The proposed charges for 2007-08 are listed in **Annex 1**.

Recommendations

30. Members are requested to approve: -
- The detailed estimates for Development and Environment Department for 2007/08.
 - The proposed schedule of charges for Development and Environment Department for 2007/08.
 - Additional resources of £293,000 in 2006-07 to meet unavoidable pressures resulting from reduced income.
 - Additional resources of £710,000 in 2007/08 and £580,000 for future years to meet service planning initiatives.

John Buxton,
Director of Development and Environment

DEVELOPMENT & ENVIRONMENT – SCHEDULE OF CHARGES 2007/08

Service		Existing Charge £	New Charge £	Financial Effect £
<u>Licensing</u>				
General Licensing				
	Pavement Café Licence	100.00	125.00	125.00
	Pavement Display Licence	100.00	125.00	75.00
	Pet Shops	100.00	No change	
	Animal Boarding	100.00	No change	
	Dog Breeding	100.00	No change	
	Riding Establishments	200.00	No change	
	Sex Shop Grant	2500.00	3000.00	
	Sex Shop Renewal	500.00	750.00	750.00
	Sex Shop Transfer	500.00	750.00	
	Skin Piercing Grant	255.00	No change	
	Skin Piercing Variation	55.00	No change	
	Motor Salvage Operators	70.00(HO Guidance)	No change	
Street Trading				
Nov/Dec	Full cal month	750.00	800.00)	
	Week	200.00	250.00)	
	Day (min 4)	45.00	50.00)	
Jan – Oct	Full cal month	450.00	500.00)	
	Week	150.00	200.00)	
	Day (min 4)	30.00	40.00)	
				650.00
	Annual Consents (food – fixed pos)	5500.00	6000.00	770.00
	If the above paid monthly then (£500 + £35 admin fee per month)			
	Mobile Vehicles (moving of layby)	100.00	200.00	1100.00
	New vendor permits	20.00	25.00	
	Duplicate licences	15.00	No change	
	Admin. Charge	£35/hr or part thereof	No change	

Service	Existing Charge £	Financial Effect £
STATUTORY FEES		
Small lotteries (annual)		
Grant	35.00	
Renewal	17.50	
Gaming Act 1968 (3 yearly)		
Section 34(5)(e)	250.00	
Section 34	32.00	
Track Betting		
Initial Application	46.00	
Annual Licence	464.00	
Transfer	46.00	

NB – In 2007 the charges for lotteries, gaming permits and track betting will be replaced by fees set in accordance with the Gambling Act 2005. At the time of preparing this report no information was available in relation to such fees. The fees will however be statutory with the likelihood that they will be grouped into fee bands and some small discretion for local authorities to determine where in the band the fee will be set.

Petroleum Stores	
< 2500 litres	37.00
2500 – 50,000 litres	52.00
> 50,000 litres	105.00
Transfer/Variation	8.00

LICENSING ACT 2003	INITIAL FEE	ANNUAL FEE
Band A (RV £0 - £4,300)	100.00	70.00
Band B (RV £4,300 – £33,000)	190.00	180.00
Band C (RV £33,001 - £87,000)	315.00	295.00
Band D (RV £87,001 - £125,000)	450.00	320.00
Band E (RV > £125,001)	635.00	350.00
Alcohol multiplier		
Band D Premises	900.00	640.00
Band E Premises	1905.00	1050.00
Additional Capacity Fee		
5,000 – 9,999	1,000.00	500.00
10,000 – 14,999	2,000.00	1,000.00
15,000 – 19,999	4,000.00	2,000.00
20,000 – 29,999	8,000.00	4,000.00
30,000 – 39,999	16,000.00	8,000.00
40,000 – 49,999	24,000.00	12,000.00

Service	INITIAL FEE	ANNUAL FEE
	£	£
70,000 – 79,999	48,000.00	24,000.00
80,000 – 89,999	56,000.00	28,000.00
>90,000	64,000.00	32,000.00
Personal Licence (10yrs)	37.00	
Provisional Statement	315.00	
TEN	21.00	
Theft/Loss of Licence/Notice	10.50	
Variation of DPS	23.00	
Transfer of Premises Licence	23.00	
Interim Authority	23.00	
Change of name/address	10.50	
Freeholder/Leaseholder register of interest	21.00	
Admin Charge	£35/hr or	
	part thereof	

INFORMATION

The charges related to the Licensing Act 2003 were set at the time of the First Approved Day. The LGA and LACORS have since sought to have a review of the charges, as they are unlikely to cover Local Authority costs. The charges are statutory at present , therefore these charges are the basis of the 2007/08 budget.

NB – All the statutory charges listed above that are increased (i.e. from Central Government) will be subject to change as soon as they are known.

Service	EXISTING CHARGE		Financial Effect £
	£	£	
<u>Hackney Carriages</u>			
Taxi Licensing			
Driver licence (single)	70.00	No change)
Driver licence (combined)	110.00	No change)
Hackney Carriage vehicle licence	355.00	365.00)
	(excl plate fee)	(excl plate fee)	
Private Hire vehicle licence	325.00	335.00)
	(+£30 operator levy excl. plate fee)	(+£30 operator levy excl. plate fee)	
Private Hire Operator licence	£200	£225 (operating levy to go with vehicle licence fee))
	(operating levy to go with vehicle licence fee)		
Additional charges			
Knowledge/Regs Test	£20 - re-sits only	No change)
Taxi Meter Test	20.00	No change)
Plate (rear)	15.00	No change)
Plate (front)	10.00	No change)
Door discs (each)	5.00	No change)
Tariff card	2.00	No change)
Duplicate Driver Badge	10.00	No change)
Admin Charge	£35.00 per hour or part (all applicants)	No change)
Total financial effect for Hackney Carriages			<u>2,850</u>

Service	Existing Charge	New Charge	Financial Effect
<u>Cemeteries</u>			
Burial fees without exclusive right of burial (these fees will be tripled where the deceased is a non resident of Darlington at time of death).			
Individual foetal remains	No Charge	No Charge)
Stillborn or child not exceeding 12 months	No Charge	No Charge)
Person over 12 mths up to 18 years	82.50	100.00)
Person over 18 years	392.00	395.00)
)
Burial fees with exclusive right of burial (these fees will be doubled where the deceased is a non resident of Darlington at time of death).			
Individual foetal remains	No Charge	No Charge)
Child not exceeding 12 months	No Charge	No Charge)
Person over 12 mths up to 18 years	82.50	100.00)
Person over 18 years	392.00	395.00)
Cremated remains	67.00	70.00)
)
Exclusive rights of burial (these fees will be doubled if the purchaser is a non resident of Darlington if not purchased at time of first interment).			
Exclusive burial rights (50 years)	425.00	445.00)
Exclusive burial rights for a bricked grave	840.00	900.00)
)
Other charges			
Scattering of cremated remains	40.00	No change)
Indemnity form (to produce duplicate grant)	30.00	35.00)
Use of Cemetery Chapel	40.00	60.00)
After post mortem remains	67.00	70.00)
Evergreens (including grass mats)	55.00	60.00)
Exhumation of a body (excl. re-interment)	650.00	700.00)
Exhumation of cremated remains (excl. re-interment)	110.00	150.00)
)
Grave Maintenance (inclusive of VAT)			
Initial payment	38.00-50.00	No change)
Annual Maintenance	25.75	26.00)
)
)
Memorials (fees will be doubled where the deceased to whom the memorial/inscription refers was non resident of Darlington at time of death)			

Service	Existing Charge	New Charge	Financial Effect
Memorial rights including first inscription (30 years)	120.00	160.00)
Provision of kerbs – traditional sites only)	50.00	No change)
Vases not exceeding 300mm	35.00	60.00)
Additional inscription	35.00	60.00)
Total financial effect for Cemeteries			<u>7,135.00</u>

Crematorium

Crematorium fees (inclusive of certificate of cremation, medical referee fees, use of organ and scattering of remains in Gardens of Remembrance at an unreserved time)

Individual foetal remains	No charge	No charge)
Hospital arrangement – foetal remains	62.00	70.00)
Stillborn or child not exceeding 12 months	No charge	No charge)
Person over 12 mths up to 18 years	82.00	100.00)
Person over 18 years	374.00	395.00)
After post mortem remains	65.00	70.00)
)
Other charges)
)
Urns and containers	At cost	N/A)
Postal Carton		10.00)
Metal Urn		25.00)
Wooden Casket		40.00)
Baby Urn		10.00)
Crematorium Chapel	40.00	60.00)
Scattering of remains at reserved time	40.00	No change)
Medical Referee Fee	At agreed rate	10.00)

Book of Remembrance (inclusive of VAT)

Single Entry (2 lines)	50.00	No change)
Double Entry (3 or 4 lines)	75.00	85.00)
Additional lines	20.00	No change)
Crest or floral emblem	105.00	95.00)

Service	Existing Charge	New Charge	Financial Effect
Memorial Cards (all exclusive VAT)			
Single entry card (2 lines)	14.00	15.00)
Double entry card (3 or 4 lines)	20.00	22.00)
Additional lines	4.00	5.00)
Crest of floral emblem	35.00	No change)
Personal photographs – set up	20.00	No change)
Additional photographs – after set up	8.00	10.00)
Memorial Books (inclusive of VAT)			
Single entry book (2 lines)	40.00	No change)
Double entry card (3 or 4 lines)	46.00	No change)
Additional lines	4.00	5.00)
Crest of floral emblem	35.00	No change)
Personal photographs – set up	20.00	No change)
Additional photographs – after set up	8.00	10.00)
Other memorial schemes			
Replacement kerb vase plaque	130.00	160.00)
Replacement flower holder	5.00	No change)
Wall plaques	From 175.00	From 180.00)
Planter plaques	From 260.00	From 270.00)
Total financial effect for Crematorium			<u>38,304</u>

Service	Existing Charge £	New Charge £	Financial Effect £
Environment Health			
Pest Treatment Charges (exclusive of VAT)			
Insects - per treatment	50.20	52.71)	
Rodents in industrial premises per treatment	58.18	61.09)	
			<u>140.00</u>
Rodents in private premises	No charge	No Change	
Home Safety			
Microwave Testing (exclusive of VAT)			
Domestic	8.04	8.44	MINIMAL
Commercial	16.53	17.36	MINIMAL
 <u>Markets</u>			
Covered Market			
Butchers stalls (	Five year	No change)	
Fruiterers and perishable food (stalls	Lease	No change)	
Other Stalls (	In	No change	
Cellars (	operation	No change)	
Shops	Three - Five year leases	No change)	NIL
Trade Refuse Removal (per week including VAT)	9.00	10.00	70.00
Charitable per day (or part day) (charge per market) - subject to a maximum of 30 stalls - deposit of £10 returnable upon compliance with regulations	35.00	40.00	50.00
Non Charitable (held in Council premises)			
1 - 10 stalls (minimum charge)	60.00	No change	NIL
11 - 30 stalls (per stall) - subject to a maximum of 30 stalls	5.00	6.00	Minimal
Charity Stall Insurance Cover	3.50	4.00	10.00
Daily insurance cover (emergency)	5.00	No change	NIL

Service	Existing Charge £	New Charge £	Financial Effect £
Cattle Market			
Tolls			
Cattle	13.30	Index linked	
Sheep, pigs, calves	4.35	and auto- matically	
Levies			
Cattle	10.64	variable	
Sheep, pigs, calves	3.48	under	
		of the lease	
Rent - to be reviewed	4,000	No change	NIL
Open Market			
West Row – Per Gazebo + Lighting per day	25.00	Subject to)
Tubwell Row – Per Gazebo + Lighting per day	25.00	change)
Horsemarket - Per Gazebo + Lighting per day	20.00	depending)
		On the)
Market Square Own Stall Saturday	15.00	commercial)
		conditions)
Monday	10.00	In the town)
Per additional linear foot, Mon & Sat	1.00	centre)
Craft Market – Per Gazebo + Lighting per day	25.00)
Farmers Market – Per Gazebo + Lighting per day	25.00)

Service	Existing Charge £	New Charge £	Financial Effect £
<u>TRADING STANDARDS</u>			
Measures			
Linear measures not exceeding 3m or 10 ft for each scale	8.40	9.00)
Weighing Instruments (instruments calibrated to weigh only in imperial or metric units) Not exceeding 15 kg or 34 lbs	24.50	25.50)
Exceeding 15 kg but not exceeding 100 kg Exceeding 34 lb but not exceeding 224 lb	35.00	37.00)
Exceeding 100 kg but not exceeding 250 kg Exceeding 224 lb but not exceeding 560 lb	51.50	54.00)
Exceeding 250 kg but not exceeding 1 tonne Exceeding 560 lb but not exceeding 2,240 lb	88.00	92.50)
Exceeding 1 tonne but not exceeding 10 tonne Exceeding 2,240 lb but not exceeding 22,400 lb	142.00	149.00)
Exceeding 10 tonne but not exceeding 30 tonne Exceeding 22,400 lb but not exceeding 67,200 lb	297.00	312.00)
Exceeding 30 tonne but not exceeding 60 tonne Exceeding 67,200 lb but not exceeding 134,400 lb	442.50	464.50)
Charge to cover any additional costs involved in testing instruments calibrated to weigh in both metric and imperial units or incorporating remote display or printing facilities - basic fee plus additional cost per person per hour on site (minimum charge ½ hour)	67.00	70.50)
NOTE: Additional charge may be made where officers are requested to work outside normal office hours			
Measuring Instruments for Intoxicating Liquor			
Not exceeding 5 fl oz or 150 ml	14.00	14.50)
Other	16.00	17.00)
Measuring Instruments for Liquid Fuel & Lubricants			

Service	Existing Charge £	New Charge £	Financial Effect £
Container type (unsubdivided)			
Multigrade (with price computing device)	61.00	64.00)
- single outlets			
- solely price adjustment	84.50	88.50)
- otherwise	153.50	161.00)
Other types - single outlets			
- solely price adjustment	67.00	70.50)
- otherwise	91.50	96.00)
Other types – multi-outlets			
- 1 meter tested	97.50	102.50)
- 2 meters tested	160.50	168.50)
- 3 meters tested	219.50	230.50)
- 4 meters tested	279.50	293.50)
- 5 meters tested	338.00	355.00)
- 6 meters tested	397.00	417.00)
- 7 meters tested	448.50	471.00)
- 8 meters tested	518.50	544.50)
Charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors, will be based on the basic fee plus additional cost per person per hour on site (minimum charge ½ hour)	67.00	70.50)
Special Weighing and Measuring Equipment			
For all specialist work undertaken by the Department which is not included in lines 99 to 123 a charge per man per hour on site (minimum charge ½ hour) plus cost of provision of testing equipment	67.00	70.50)
Certification and Calibration (Section 74 Weights and Measures Act 1985)			
In situ tests - cost of provision of testing equipment, plus a charge per man hour on site (minimum charge ½ hour) plus VAT	67.00	70.50)
NOTE - additional charge may be made where officers are requested to work outside normal office hours			
Poisons Act			
Initial Registration	31.00	32.50)
Re-registration	16.00	17.00)
Change in details of registration	9.00	9.50)
Explosives Act (statutory fees – subject to possible revision by Regulation)			
Registration of premises	30.00)

Service	Existing Charge	New Charge	Financial Effect £
Licensing of explosives stores	£ 60.00	£)
Sale of fireworks - licensing	500.00)
Prosecution Costs			
Hourly rate for preparation of case reports	29.50	31.00	) <u>110.00</u>

Discounts

Fees from Measures to Certification Calibration will be discounted as follows:

- a where more than a single item is submitted on one occasion the second and subsequent fees will be reduced by 25%
- b where tests are undertaken using appropriately certified weights and equipment not supplied by the Borough Council the fees will be reduced by 25%
- c special rates can be negotiated for multiple submissions or where assistance with equipment or labour is provided

NOTE - where different fees are involved the highest fee will be charged in full and any discounts calculated from the remaining, lesser, fees.

VAT - fees from Measures to Certification and Calibration are not subject to VAT as the work is statutory monopoly of the local authority and qualifies as a 'non business' activity

Service	Existing Charge £	New Charge £	Financial Effect £	
<u>PARKING</u>				
Chesnut Street Lorry Park				
Per Day	£3.50 Per hour	No change		
Feethams Compound - parking (per month including VAT)	£38.00	No change		
<u>CAR PARKS</u>				
Premium Rate Abbotts Yard Car Park				
Up to One Hour	£1.00 Per hour			
Each additional hour	£1.50 “	No change		
Short Stay Car Parks (Per Hour)				
Archer Street (Saturday Only)	£0.80 “	No change		
Barnard Street / Winston Street	£0.80 “	No change		
Beaumont Street	£0.80 “	No change		
Commercial Street	£0.80 “	No change		
Garden Street (Saturday Only)	£0.80 “	No change		
Kendrew Street East (Saturday Only)	£0.80 “	No change		
Town Hall	£0.80 “	No change		
Covered Market (30 Minutes Only)	£0.50 “	No change		
Long Stay Car Parks				
	1 Hour	All Day	Weekly	
			All Day/Weekly	
Park Place East/West	£0.80	£3.00	£12.00	£3.50/£14.00)
Hird Street	£0.80	£3.00	£12.00	£3.50/£14.00)
St Hildas	£0.80	£3.00	£12.00	£3.50/£14.00)
Archer Street (Monday to Friday)	N/A	£3.00	£12.00	£3.50/£14.00)
Central House (Sat & Bank Hol Monday)	N/A	£3.00	N/A	£3.50/N/A)
Garden Street (Monday to Friday)	N/A	£3.00	£12.00	£3.50/£14.00)
Kendrew Street East (Monday to Friday)	N/A	£3.00	£12.00	£3.50/£14.00)
Kendrew Street West	N/A	£3.00	£12.00	£3.50/£14.00)
				<u>£33,000</u>
Daily Charge Park Lane Car Park				
Per Day		£4.00	£5.00	<u>£17,000</u>
Contract Car Parking				
Per Calendar Month	£38.00		No change	
Staff & Members Passes (Per Year)				
Central House	£144.00		No change	
Houndgate	£144.00		No change	
Town Hall	£144.00		No change	

Service	Existing Charge £	New Charge £	Financial Effect £
Darlington Railway Centre and Museum			
Admission Charges			
Adult	2.50	No change)
Children	1.50	No change)
	(
Concessions/Leisuresaver	1.50	No change)
(i) pre-booked school trips - free.			
(ii) pre-booked child groups based in the Borough of Darlington and accompanying adult leaders during normal working hours - free.			
‘Leisuresaver’ rate also applies to members of the Friends of Darlington Railway Museum and the Darlington Railway Preservation Society; and free admission to their committee members.			
Room Hire			
Use by educational groups visiting the Museum; the Friends of Darlington Railway Museum and Darlington Railway Preservation Society for meetings outside normal opening hours (providing nominated persons are responsible for securing premises when vacated) and the North Eastern Railway Association for meetings during normal opening hours.	NO CHARGE		No change
Use by non-commercial organisations			
during normal opening hours - per hour	6.00	No Change	
outside normal opening hours - per hour	15.00	No Change	
Use by non-commercial organisations specifically connected with railways or local heritage			
during normal opening hours - per hour	5.00	No Change	
outside normal opening hours - per hour	10.00	No Change	
Use by commercial organizations	Negotiable		No Change
<u>Ken Hoole Study Centre</u>			
Study centre users , in person by appointment	No charge		No Change
Requests for information received either by letter, telephone or e mail – Up to half an hour research time	No charge		No Change
- Over half an hour research time	6.00/half hr		No Change

Service	Existing Charge £	New Charge £	Financial Effect £
<u>PLANNING / BUILDING CONTROL – SUPPLEMENTARY ITEMS</u>			
* Items inclusive of VAT			
Weekly list - yearly *	175.00	N/A	
Weekly list – 6 monthly *	93.00	N/A	
Decision*/Approval Notice* - Planning	18.00	18.00	Note 1
Letter confirming exemption*	18.00	18.00	Note 1
Letter confirming enforcement action will not be taken *	18.00	18.00	Note 1
Decision*/Approval Notice* -Building Control	18.00	18.00	Note 1
Letter confirming exemption*	18.00	18.00	Note 1
Letter confirming completion*	18.00	18.00	Note 1
Letter confirming enforcement action will not be taken *	18.00	18.00	Note 1
Site inspection to determine info. *	18.00	18.00	Note 1
A4 Photocopy (ex plans) – first page *	1.00)
Subsequent pages *	0.30)
A3 Photocopy (ex plans) – first page *	2.00)
Subsequent pages *	0.50)
A2 Photocopy (ex plans) – first page *	7.50)
A1 Photocopy (ex plans) *	8.50)
A0 Photocopy (ex plans) *	9.50)
O.S. Sheets – up to 6 copies	23.00)
Local plan	53.00)
Local plan – postage	4.00)
Local plan – alterations	2.00)
Invoicing	9.00		) <u>£100.00</u>

Note 1. These charges may be subject to compliance with a high court ruling advising authorities to only charge to recover actual copying costs. This could result in charges ranging from £0.10 to £2.00, producing a negative financial effect of up to £10,000.

ALLOTMENTS

Rent per year	38.99	40.96)	
Rent per year for Leisuresavers	19.50	20.48)	
			<u>400.00</u>

BUILDING REGULATION FEES - SCHEDULE OF CHARGES 2007/08

Service	Existing Charge				New Charge				Net Financial Effect
	£		£		£		£		
<u>Schedule 1 - Small Domestic Buildings & Connected Work</u>	<-----Plan Fee----->		<---Inspection Fee--->		<-----Plan Fee----->		<---Inspection Fee--->		
	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	
Number of Dwellings									
1	150.00	-	377.00	-	No change	-	-	No change	-
2-5									
2	205.00	-	522.00	-	No change	-	-	No change	-
3	270.00	-	663.00	-	No change	-	-	No change	-
4	335.00	-	766.00	-	No change	-	-	No change	-
5	405.00	-	848.00	-	No change	-	-	No change	-
6-10									
6	475.00	-	953.00	-	No change	-	-	No change	-
7	495.00	-	1,018.00	-	No change	-	-	No change	-
8	515.00	-	1,187.00	-	No change	-	-	No change	-
9	535.00	-	1,356.00	-	No change	-	-	No change	-
10	540.00	-	1,541.00	-	No change	-	-	No change	-
11-20									
11	545.00	-	1,688.00	-	No change	-	-	No change	-
12	550.00	-	1,834.00	-	No change	-	-	No change	-
13	555.00	-	1,982.00	-	No change	-	-	No change	-
14	560.00	-	2,103.00	-	No change	-	-	No change	-
15	565.00	-	2,249.00	-	No change	-	-	No change	-

16	570.00	-	2,395.00	-	No change	-	-	No change	-
17	575.00	-	2,541.00	-	No change	-	-	No change	-
18	580.00	-	2,687.00	-	No change	-	-	No change	-
19	585.00	-	2,800.00	-	No change	-	-	No change	-
20	590.00	-	2,944.00	-	No change	-	-	No change	-
Over 20									
21 and over	600.00	10.00	3,011.00	102.00	No change	-	-	No change	No change
31 and over	700.00	5.00	3,990.00	75.00	No change	-	-	No change	No change

Service	Existing Charge				New Charge				Net Financial E	
	£				£					£
<u>Schedule 2 - Small Buildings, Extensions, Alterations</u>										
Type of Work	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)		
A Erection-Detached Garage/Carport less than 40m2	135.00	0.00	135.00	162.00	140.00	0.00	140.00	168.00)	
B Erection-Detached Garage/Carport between 40m2-60m2	135.00	135.00	270.00	324.00	140.00	140.00	280.00	336.00)	
C Extension less than 10m2	135.00	135.00	270.00	324.00	140.00	140.00	280.00	336.00)	
D Extension between 10m2 - 40m2	135.00	270.00	405.00	486.00	140.00	280.00	420.00	504.00)	
E Extension between 40m2 - 60m2	135.00	405.00	540.00	648.00	140.00	420.00	560.00	672.00	) | 6,400.00
<u>Schedule 3 - Other Work</u>										
Minor Works	New or replacement windows, boilers and cylinders to dwellings. Changes to thermal elements			66.00	79.20	New or replacement windows, boilers and cylinders to dwellings. Changes to thermal elements.			70.00	84.00
2,000 or less	132.00	-	132.00	158.00	140.00	0.00	140.00	168.00)	
2,001-5,000	218.00	-	218.00	262.00	230.00	0.00	230.00	276.00)	
5,001-20,000	54.00	164.00	218.00	262.00	57.00	173.00	230.00	276.00)	
+ every £1,000 or part over £5,000	2.23	6.64	8.87	10.65	2.29	7.00	9.29	11.15)	
20,001-100,000	88.13	264.38	352.50	423.00	93.00	282.00	375.00	450.00)	
+ every £1,000 or part over £20,000	2.35	7.05	9.40	11.28	2.47	7.05	9.52	11.42)	
100,001-1,000,000	235.00	705.00	940.00	1,325.00	293.75	857.75	1,151.50	1,382.00)	
+ every £1,000 or part over £100,000	0.87	2.63	3.50	4.48	1.08	3.28	4.36	5.23)	
1,000,000-10,000,000	1,022.50	3,067.50	4,090.00	5,767.00	1,272.53	3,830.50	5,103.03	6,124.00)	

+ every £1,000 or part over £1,000,000	0.69	2.06	2.75	3.88	0.86	2.56	3.42	4.10)	
Over 10,000,000	7,210.00	21,630.00	28,840.00	40,664.00	9,257.24	27,772.00	37,029.24	44,435.00)	
+ every £1,000 or part over £10,000,000	0.50	1.50	2.00	2.65	0.59	1.76	2.35	2.65	)	8,800.00

Reduction to Domestic Multiple Works

When building work is carried out on a dwelling at the same time in Schedule 2 - Category C,D & E and Schedule 3 - £2,000 and £2,001 - £5,000, a reduction of the fee is applicable. The fee applicable will be the costs incurred in Schedule 2 together with 50%

The fees shown on Schedules 2 and 3 only covers the costs incurred for carrying out building work when an electrical certificate is issued by a competent electrician or is registered with an approved body. If the electrical work is to be inspected and certificated by the Local Authority you will incur an additional charge which will be made available on request.

CORPORATE SERVICES DEPARTMENT
MEDIUM TERM FINANCIAL PLAN REVIEW

Purpose of the report

1. To review the Medium Term Financial Plan for Corporate Services department.

Service Outline

2. Corporate Services department is responsible for the management of support services (finance, human resource management, information and communications technology, print and design, legal and democratic support) and central services to the public (local taxation, CCTV, Registrars, land charges (property searches) and the register of electors). The budget for this department also includes costs that relate to the function of the Council as a democratically elected, multi-purpose organisation with community-leadership responsibilities. These costs are not charged to individual services but are separately identified as Corporate and Democratic Core costs.

	Proposed budget £000
Director and Secretarial Support	
The Director, all secretarial support for the department and some departmental budgets which are held centrally.	199
Accounting and Financial Services	
The central accounting functions which deal with all the Authority's Accounts, budgeting, Capital Programme, Treasury Management, VAT, financial planning etc. The budget includes the cost of the Corporate Financial Systems.	775
Internal Audit	
This service ensures the Council's Section 151 Statutory Financial Officer fulfils his duties. The service conducts audits and provides consultancy support to departments. This service also deals with Risk Management and Insurance and Freedom of Information	413
Payroll	
This service processes the pay for the Council's 4,500 employees.	406
Information Technology	
The central IT Section which supports all of the Council's systems and the budget includes running costs for corporate systems such as e-mail, internet access and the Council's network and telephones.	1,482

Council Tax and National Non Domestic Rates Collection	
The cost of collecting £55M of Council Tax and NNDR in Darlington.	307
Borough Solicitor & Legal Services	
The budget includes the Monitoring Officer role, all legal advice, conveyancing, contracts and searches.	343
CCTV	
The annual running costs associated with the Council's CCTV service.	412
Registrars of Births, Deaths and Marriages	
The cost to the Council of providing the registration service.	17
Print & Design	
Printing and graphic design costs are recharged to service users	(60)
Town Hall	
The total cost of operating the Town Hall buildings and telephones.	726
Human Resources	
The cost of the centralised HR service including Health and Safety, the Occupational Health service and the Corporate Training Budget.	796
Performance and Development	
Performance and Development management for Corporate Services department.	67
Democratic	
Administrative support to the Council's democratic decision making processes and the costs of Register of Electors.	527
Corporate Management	
All elected Members' costs and subscriptions to national and regional associations. Also certain defined expenditure required to be excluded from front-line services, principally external audit and inspection fees and bank charges.	1,954
Community Grants	
Grants to Parish Councils; Financial Assistance and Discretionary Rate Relief to individuals and organisations.	79
Customer Contact Centre	
Provides the Council's principle first contact for an increasing range of services	655

Service Planning

3. Planning of the Department's services for 2007-08 onwards commences prior to the compilation of detailed estimates and informs the allocation of resources through the budget setting process. In addition to the departmental plan, there are four service plans covering the Department's major service groupings: -

- (a) Finance

- (b) Legal and Administration
- (c) Human Resource Management
- (d) Information and Communication Technology

4. The following key priorities have been identified for 2007-08 onwards: -

- (a) Implement new HR Strategy including Phase 2 of Single Status and minimise the effect of Equal Pay claims.
- (b) Consolidate Phase 2 Customer Services Centre and Contact Centre implementation.
- (c) Records Management.
- (d) Implement the Darlington/Stockton Partnership.
- (e) Sickness absence management – improve attendance across the Council.
- (f) Implement Departmental Efficiency Programme.
- (g) Delivering the “Leading Edge” Organisational Development Strategy.
- (h) Administration review – Deliver restructuring of HR and Legal Services.
- (i) Investors in People – deliver re-accreditation.

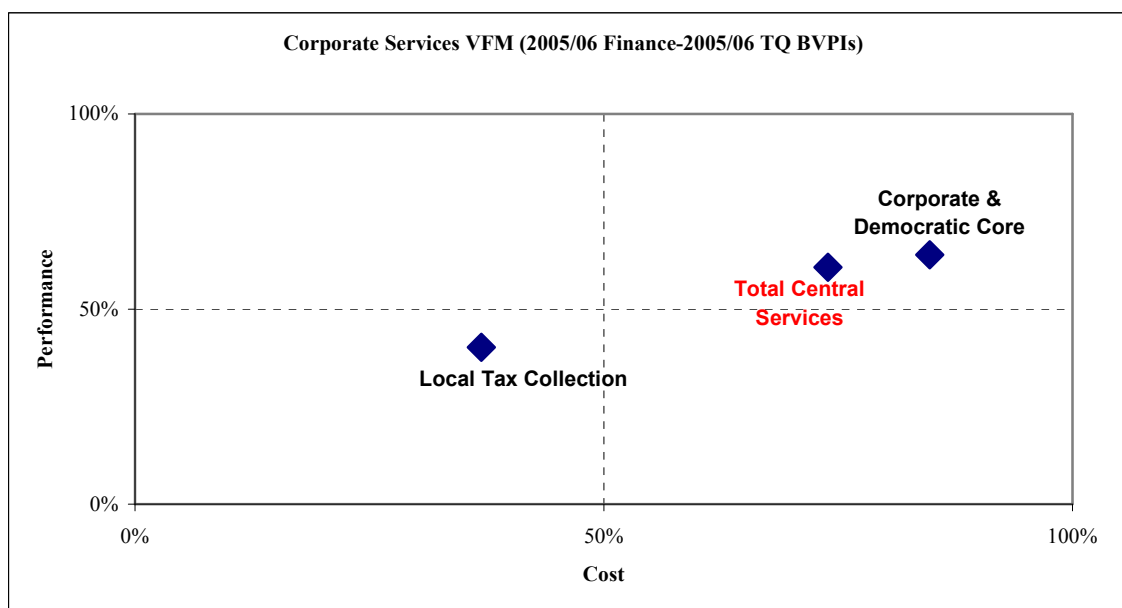
5. CMT have considered service planning corporately and support proposals for the allocation of additional resources for: -

	£000
Customer Services – The newly established Customer Services division within the Council has been well received and well used. The additional funding will enable the service to further improve its response times and levels of service offered to the public of Darlington.	120
Total	120

Value for Money (VFM)

6. The Audit Commission data comparing cost and performance that is used to indicate VFM across the Council’s services is primarily concerned with ‘front-line’ services that are delivered direct to the public. This provides limited data for a department that is largely responsible for providing support to other services. Benchmarking is used to provide more information about comparative cost and performance for these support services, using data gathered by professional institutes. Indications of VFM, actions taken to achieve improvements and future plans are detailed below, together with the sources of benchmarking data where this has been used.

Audit Commission VFM data:



8. **Local Taxation** - performance is indicated by a combination of Council Tax and Non Domestic Rates (NDR) in-year collection. Taking Council Tax and Business Rates together, Local Taxation dropped just below median performance for unitary authorities in 2005-06. The service continues to operate at low cost.
9. Collection of Council Tax as measured by BV9 improved from 96.4% in 2004-05 to 96.9% in 2005-06. In comparison with unitary authorities, our performance remained second quartile. Management is continuing implement initiatives to sustain and build on the improved performance achieved in 2005-06. The PI used measures in year collection however, ultimate collection is in excess of 99%.
10. Performance on business rates collection as measured by BV10 declined from 98.2% in 2004-05 to 97.6% in 2005-06. Business rate collection performance is more volatile than Council Tax as there are fewer but larger individual value accounts. The service's management believes there is no underlying trend or issues that need to be addressed beyond the ongoing processes and seeking continuous improvement.
9. **Corporate and Democratic Core (CDC)** – The costs of CDC include all Member-related expenditure, the Policy Unit and corporate activity such as preparation and approval of the revenue budget and capital programme. As these costs tend to vary according to type of authority (Unitary, County, district etc) rather than size of authority, the relatively high per-capita cost of CDC is to be expected of a small unitary authority. A range of corporate PI's measures performance. Overall performance is indicated to be at the unitary authorities average. Above average performance is indicated on sickness absence, early retirements, ill-health retirements, accessible buildings and invoices paid on time. Action to address the below average performances of disabled employed and promoting race equality is progressing, although the latter is above average when compared with the All England measure.

Benchmarking: - Finance

10. Costs and performance are compared using the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking service. Financial management is indicated by a range of measures to be high performing but is also relatively high cost in comparison with other single-tier councils. Statistical analysis indicates that this is explained by the relatively small size of this Council. The challenge is, therefore, to achieve economies of scale, which is being sought via the prospective partnership arrangement with Stockton Borough Council. Some cost reduction may be achievable and improved capacity, to meet rising demand without increasing cost, is being sought via this arrangement.

Human Resource Management

11. Costs and performance of the HR service are compared using the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking service. Within this tool the service is compared both to a full range of Authorities of differing sizes and types and with a smaller group of Authorities similar to Darlington in size and HR service delivery model. When compared with both these groups HR performs well against a number of indicators, most notably the cost of HR per employee and the number of days lost per full time equivalent. Further reduction in sickness absence is a corporate priority in 2007-08.
12. The extensive agenda facing the division, including Phase 2 of the Single Status Agreement and the development of a HR Strategy to support Leading Edge, makes cost reductions difficult within a people intensive service. However, the Division is currently looking to improve the quality of the service delivered, and an interim structure is currently in place to help support the large change agenda facing the Council.

Information and Communications Technology

13. Performance of the ICT Service is measured using a range of indicators developed by the Society of Information Technology Managers (Socitm). These seek to demonstrate value for money as well as assess overall performance of the service and its customer satisfaction. We have recently submitted full surveys to Socitm both in 2003 and 2005. A headline from the 2003 survey was that Darlington BC spent less on its ICT Services than any of the other 22 English Unitaries in the group. The 2005 survey only produced summarised data that measured ICT spend per user. Again though, this proved that Darlington was investing considerably less (between median and lower quartile) than other peer Unitary authorities. However, this in conjunction with very high scores in other measured indicators such as customer satisfaction rating and service desk call resolution targets, indicates that the service is low cost and high performing. The 2005 survey indicated that we achieved the highest customer satisfaction score for any Unitary.
13. If the prospective shared service partnership with Stockton BC goes ahead, it is expected that further savings will be made over a longer term. However, NCC (National Computing Centre) who have been helping to build the partnership business case, have indicated that significant investment will be required in ICT in the short to medium term at both Councils in order to make the partnership viable and sustainable.
14. The ICT service is carrying out a review of its first line helpdesk, Operational and administration support functions. This is expected to generate staffing efficiency savings equivalent to 0.5 fte. It has been agreed that the cash savings from this can be reinvested to assist with revenue budgetary requirements for ICT technology projects.

Legal and Administration Support Services

15. There is a lack of comparative information about other authorities' costs and performance for legal and administration services. The priority for 2007-08 in these areas is, therefore, to develop comparative information. By definition, the establishment of such information is heavily dependent on other authorities and agencies such as the Audit Commission and professional associations.

Efficiency Gains

16. To improve efficiency, deliver a budget within the proposed resource allocation, offset pressures and enable reallocation of resources to areas of increased demand within the Department, the following reductions in budgeted net expenditure have been made.

Action	Financial effect £000
Improved Treasury Management – reduced charges and improved income.	600
Payroll Manager post held vacant	40
Insurance Tender savings	40
Additional Insurance Saving	90
Health & Safety admin support – post deletion	10
Legal Services Income from Teesdale District Council	20
Delete non-committed inflation and other management savings	104
Total	904

Risk Management

17. Through the service-planning process, risks are identified and assessed in terms of probability and potential consequence. Arrangements are made to manage risks within acceptable levels with the aims of minimising losses and maximising opportunities.

18. Where risks are assessed as being above acceptable levels, action plans are put in place to reduce exposure by either reducing the likelihood of an event occurring or lessening the impact. Each action plan is assigned to and managed by a senior officer of the Department.

19. Departmental risks that have been assessed as requiring action plans are: -

- a. Demand-led expenditure exceeding available resources.
- b. Records Management.
- c. Darlington/Stockton Partnership – implementation.
- d. Darlington/Stockton Partnership – staffing motivation element, threat to reputation; capacity to deliver and affect on day job.
- e. Sickness Absence.
- f. Investors in People Impact on CPA.

Departmental Medium Term Financial Plan

	2007-08	2008-09	2009-10	2010-11
	£000	£000	£000	£000
Resources				
Planned resources brought forward from previous year	227	8	(86)	(62)
Resource allocation for year	8,403	8,824	9,084	9,364
Service planning initiatives	120	120	120	120
Planned resources carried forward to/(from) following year	(8)	86	62	0
Total resources available	8,742	9,038	9,180	9,422
Budgets				
Draft detailed estimates	8,742	9,038	9,180	9,422
Proposed budget	8,742	9,038	9,180	9,422
Note – resource allocations and detailed estimates are net of savings and efficiency gains of: -	£214,000	£205,000	£240,000	£241,000

Management Action to Achieve Balanced Budget

20. All areas of the departmental budget have been reviewed to identify opportunities for efficiency gains, income generation and cost reductions. Estimates have consequently been reduced by a further £104,000 by deleting non-committed inflation, various management savings and savings detailed in the table in paragraph 16.
21. Approval is sought to carry forward resources of £227,000 from 2006/07 to enable Corporate Services to have a balanced Medium Term Financial Plan.
22. The improved Treasury Management saving of £600,000 is included in Corporate Services Efficiency gains but is shown against Financing Costs within the MTFP.

Proposed Charges

23. **Annex 1** details the proposed charges for 2007/08 for services provided by Corporate Services for which charges are made. It is proposed to not increase Land Charges fees to keep these at competitive levels. Similarly, no increases in non-statutory registrations fees are proposed to keep these comparable with other authorities. The financial effects of the proposed charges are included in detailed estimates.

Recommendations

24. Members are asked to approve: -
 - a) The detailed estimates for Corporate Services Department for 2007/08.
 - b) The carry-forward of £227,000 from 2006/07 to 2007/08 to help meet expenditure in 2007/08.

- c) The proposed schedule of charges for Corporate Services for 2007/08.
- d) Service Planning additional resources of £120,000 in 2007/08 and the same amounts in future years.

Paul Wildsmith
Director of Corporate Services

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2007/08

	Existing Charge £	New Charge £	Financial Effect £
Land Charges			
Search Fees			
one parcel of land	123.00	No change	<u>Nil</u>
several parcels of land			
- first parcel	123.00	No change	} Nil
- each addition	30.00	No change	
expedited search (one working day)	275.00	No change	
search fees (statutory charge last changed)	6.00	No change	
search fees – electronic (statutory)	4.00	No change	
Optional Enquiries			
each printed enquiry	18.00	No change	} Nil
each additional enquiry	20.00	No change	
personal search (statutory)	11.00	No change	
Admin Fee	10.00	No change	
Photocopying (per copy)	0.10	No change	
Register of Electors - Sale			
Register- printed form	10.00	No change	} Nil
Per 1,000 names - printed	5.00	No change	
Register – data form	20.00	No change	
Per 1,000 names – data	1.50	No change	
Cost of Revenue Collection			
<u>Council Tax</u>			
Issue of Summons for Liability Order	33.00	33.00	} 10,000
Issue of Liability Order	31.00	34.00	
Issue of Summons for Committal Hearing	80.00	80.00	
Issue of Statutory Demand	157.50	157.50	
<u>Business Rates (NNDR)</u>			
Issue of Summons for Liability Order	33.00	37.00	} 500
Issue of Liability Order	31.00	40.00	
Issue of Summons for Committal Hearing	80.00	80.00	
Issue of Statutory Demand	157.50	157.50	

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2007/08

	Existing Charge £	New Charge £	Financial Effect £
Town Hall			
Hire of Committee Rooms per session			
public and statutory authorities	70.00	72.00	} Minimal
voluntary organisations	10.00	10.50	
Registration of Births, Deaths, Marriages & Civil Partnerships			
Statutory charges			
Marriages			
Entering a notice of Marriage or Civil Partnership	30.00	No change	Nil
For a Registrar to attend a marriage at the register office	40.00	No change	Nil
Civil Partnership Registration	40.00	No change	Nil
Incumbents for every entry contained in quarterly certified copies of entries of marriage	2.00	No change	Nil
For a Registrar to attend a marriage at a registered building or at the residence of a housebound or detained person.	47.00	No change	Nil
For a Superintendent Registrar to attend outside his office to attend a marriage or civil partnership at the residence of a housebound or detained person	47.00	No change	Nil
Certification for Worship and registration for marriages			
Place of meeting for Religious Worship	28.00	No change	Nil
Registration of buildings for solemnisation of marriage	120.00	No change	Nil
Certificates issued from Local Offices			
Standard Certificate (SR)	7.00	No change	} Nil
Standard Certificate (RBD)	3.50	No change	
Short Certificate of Birth (SR)	5.50	No change	
Short Certificate of Birth (RBD)	3.50	No change	
Certificates of Civil Partnership (at time of ceremony)	3.50	No change	
Certificates of Civil Partnership (at later date)	7.00	No change	

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2007/08

	Existing Charge £	New Charge £	Financial Effect £
General Search Fee	18.00	No change	} Nil
Each Verification	<i>No charge</i>	<i>No charge</i>	
Citizenship Ceremonies	68.00	68.00 under review	
Personal Citizenship Ceremonies			
Register Office - Monday to Friday	100.00	No change	} Nil
Register Office - Saturday	125.00	No change	
Approved Premises - Monday to Friday	125.00	No change	
Approved Premises - Saturday	150.00	No change	
Approved Premises - Sunday and Bank Holidays	175.00	No change	
Civil Funerals	135.00	No change	Minimal
Naming Ceremonies			
Register Office - Monday to Friday	80.00	No change	} Nil
Register Office - Saturday	120.00	No change	
Approved Premises - Monday to Friday	125.00	No change	
Approved Premises - Saturday	150.00	No change	
Approved Premises - Sunday and Bank Holidays	200.00	No change	
Non-Statutory Fees for Outside Weddings/Civil Partnerships at Approved Premises			
Non-returnable fee for application (3 years)	1,400.00	No change	Nil
Fee for attendance			} Minimal
Weekday	200.00	No change	
Friday	220.00	No change	
Saturday	280.00	No change	
Sunday	400.00	No change	
Bank Holiday	400.00	No change	
Non-Statutory Fees for Ceremony Rooms at BACKHOUSE HALL for Weddings and Civil Partnerships			
Fee for attendance			} 2,000
Monday to Friday	-	55.00	
Saturday (up to 1.00pm)	-	80.00	
Saturday (after 1.00pm)	-	150.00	

CHIEF EXECUTIVE'S OFFICE
MEDIUM TERM FINANCIAL PLAN 2007/08 TO 2010/11

Purpose of Report

- To review the Medium Term Financial Plan for the Chief Executive's Office.

Service Outline

- The Chief Executive's Office principally supports the corporate management of the organisation. Most of its work is discretionary, however, statutory requirements have increased in recent years through the statutory duties of Best Value and Gershon. The Council would not meet its statutory requirements without the discretionary areas of work e.g. corporate planning and performance management. Estimated net expenditure for each division of the Department's services is shown below. The White Paper brings new demands for the office including an increased focus on Local Area Agreements, commissioning (improving procurement arrangements), community engagement and equalities. External scrutiny of community safety is also increasing.

	Proposed budget £000
Chief Executive and P.A	
Head of paid service and secretarial support	261
Policy Unit	
Statutory requirement to produce the BVPP. Co-ordination of planning and performance management arrangements within the organization. Equalities, consultation, community engagement and complaints. Management of CPA.	429
Darlington Partnership	
Councils are required to have Local Strategic Partnerships. The proposed arrangements for CPA are expected to assess the contributions made by LSPs to improving quality of life in the borough.	45
Safer Communities Unit	
Co-ordination of Crime and Disorder Reduction Partnerships, development and implementation of Crime, Disorder and Substance Misuse Strategy.	110
Procurement Unit	
Development and implementation of the procurement strategy to improve value for money on the procurement of all goods and services.	101
Leading Edge Programme Office	
Identification of efficiency gains/service improvement opportunities and provision of business change support to release Gershon savings.	120

Communications Unit	
Co-ordination and production of information to the public, workforce and partner organizations, including the Town Crier and Flyer. Corporate press office and information campaigns, e.g. school attendance.	211

Service Planning

3. The Chief Executive's Office has a single service plan covering the whole office. It focuses on the main objectives supporting corporate management:
 - (a) Vision and Strategy;
 - (b) Public engagement;
 - (c) Organisational development;
 - (d) Planning and review;
 - (e) External recognition.

4. The main priorities for improvement established through the service planning process are:-
 - (a) To prepare the organisation for the CPA corporate assessment to maintain the Council's Corporate Performance Assessment (CPA) rating of 4 stars **including improved corporate planning, better community engagement and partnership working**
 - (b) To ensure that the organisation realises the efficiency savings identified through Leading Edge business change and better procurement
 - (c) To identify and help drive the changes that are required in order to be recognised as a leading edge authority for service quality.

Value for Money (VFM)

5. The Audit Commission data comparing cost and performance that is used to indicate VFM across the Council's services is primarily concerned with 'front-line' services that are delivered direct to the public. This provides limited data for a department that is largely responsible for providing support to other services. Benchmarking is used to provide more information about comparative cost and performance for these support services, using data gathered by professional institutes. Indications of VFM, actions taken to achieve improvements and future plans are detailed below, together with the sources of benchmarking data where this has been used.

6. A key part of successive corporate assessments to date has been to respond to external challenge as to whether the small size of the chief executive's office units can meet the demands expected of a unitary authority undergoing modernisation. In terms of performance, the authority's corporate capacity is ranked as 4 out of 4. High level value for money analysis conducted for the Use of Resources self assessment demonstrated that the authority was providing good value for money in this area.

Efficiency Gains

7. One of the office's main objectives is to help drive efficiency improvements across the organisation. It follows that the primary focus during the last year has been on projects such as street scene and administration within the Leading Edge programme. These are projected to make significant contributions to the MTFP. This focus will continue over the next few

years to ensure that identified savings are actually delivered. Procurement savings in the current year exceeded the annual target by approximately 20% delivering £122k. In addition, through the negotiation of a successful LAA, approximately half of the £8.3 million expenditure during the lifetime of the LAA will be new, externally generated money.

Risk Management

8. Through the service-planning process, risks are identified and assessed in terms of probability and potential consequence. Arrangements are made to manage risks within acceptable levels with the aims of minimising losses and maximising opportunities.
9. Where risks are assessed as being above acceptable levels, action plans are put in place to reduce exposure by either reducing the likelihood of an event occurring or lessening the impact. Each action plan is assigned to and managed by a senior officer of the Department.
10. Through the service planning process, the major risk identified is the failure to realise efficiency and procurement savings.

Departmental Medium Term Financial Plan

11. Detailed estimates have been prepared for the next four years based on current service levels and in accordance with corporate guidelines. Detailed estimates include:-
 - (a) Provision for annual pay awards of 3% and general price inflation of 2%,
 - (b) Unavoidable pressures,
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income,
 - (d) Service planning implications, specifically additional resources that have the support of CMT.
12. The proposed Medium Term Financial Plan for the Chief Executive's Office is summarised in the table below: -

	2007-08	2008-09	2009-10	2010-11
	£000	£000	£000	£000
<u>Resources</u>				
Planned resources brought forward from previous year	0	(6)	(10)	(10)
Resource allocation for year	1,271	1,326	1,367	1,425
Planned resources carried forward to following year	6	10	10	10
Total Resources Available	1,277	1,330	1,367	1,425
<u>Budgets</u>				
Draft detailed estimates	1,277	1,330	1,367	1,425
Proposed budget	1,277	1,330	1,367	1,425

Management Action to Achieve Balanced Budget

13. The main management actions to achieve a balanced budget are:-
- (a) Ensuring that 'Leading Edge' delivers so that efficiency targets are met and continued funding for the 'Leading Edge' team is therefore cost effective.
 - (b) Continued liaison with Darlington Partnership on the LSP's financial management.

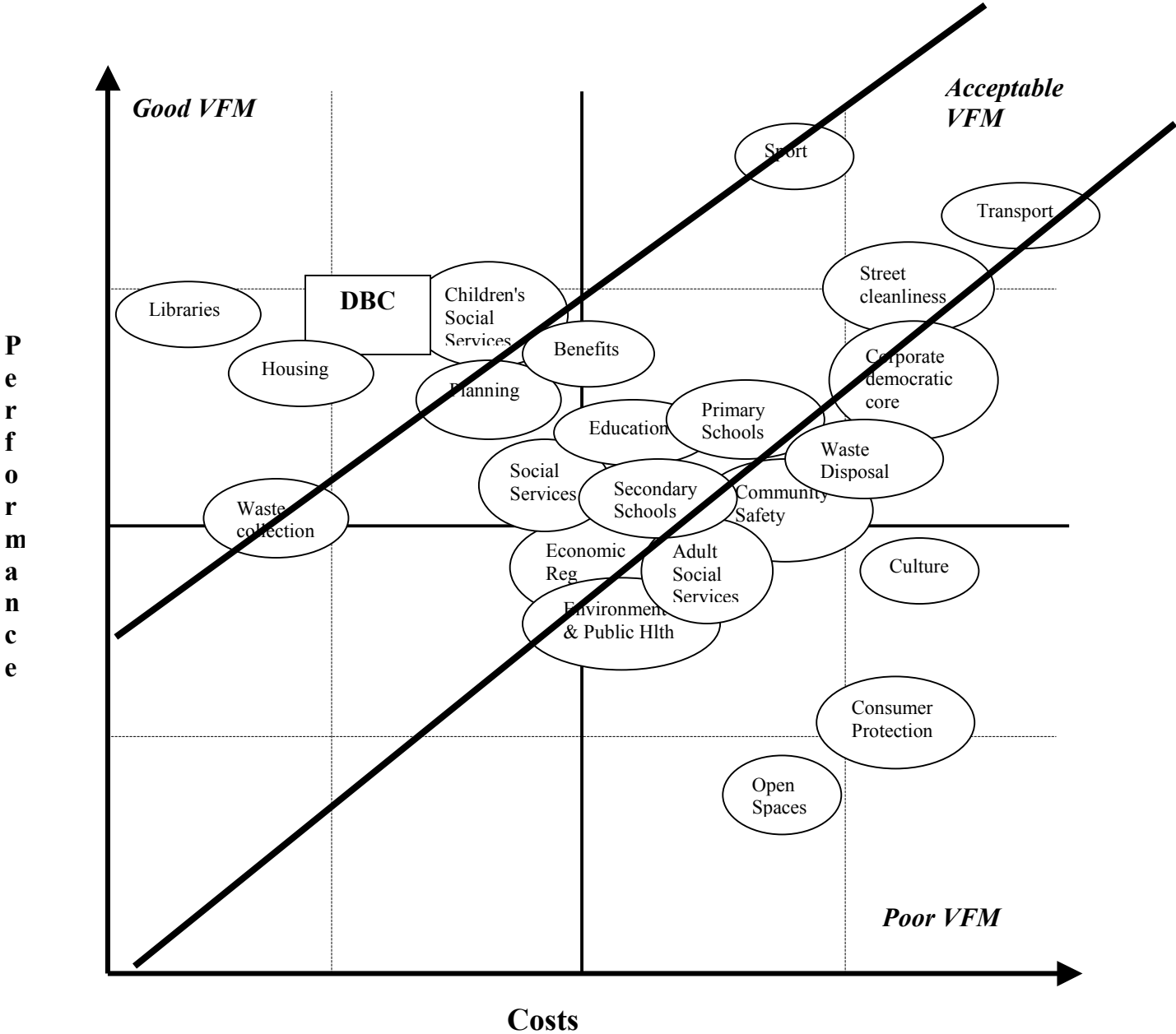
Recommendations

14. Members are requested to approve the detailed estimates for the Chief Executive's Office for 2007/08.

Lorraine O'Donnell
Assistant Chief Executive

VALUE FOR MONEY SERVICE ASSESSMENTS

A rough equation of the quadrant of the graph and the prioritisation categories is as follows:



REVENUE ESTIMATES 2007/08

CHILDREN'S SERVICES

	2006/07	2007/08
	£000	£000
Individual Schools Budget (net of devolved specific grant income)	49,190	51,985
Local Area Agreement	541	785
Pupil Support Services	2,618	2,800
SEN Inclusion Services	1,647	1,730
Early Years	2,079	1,873
Children's Centres	1,453	1,472
School Improvement & Development	1,958	1,883
Safeguarding & Specialist Support	6,447	6,932
Performance, Planning & Resources	4,890	5,150
Libraries & Community Learning	1,838	2,029
Specific Grant Income (excluding specific grant income devolved to schools)	(6,834)	(7,393)
Total Children's Services	65,827	69,246

REVENUE ESTIMATES 2007/08

COMMUNITY SERVICES

	2006/07	2007/08
	£000	£000
Community Services General		
Property and Premises support	70	75
Art Centre and Civic Theatre	1,238	1,333
Dolphin Centre	1,891	1,852
Outdoor Events	119	144
Sports Development	15	15
Grants	41	87
Stressholme Golf Course and Club House	2	12
Street scene	5,211	5,137
Eastbourne Sports Complex	129	166
Public Conveniences	161	171
Works Property and Other Expenses	90	91
Christmas Lights	29	29
Community Partnership & performance development	366	401
Welfare Rights Unit (90838)	58	64
Community Voluntary Service (90837)	38	38
Community Safety Partnership	449	474
Community Safety Wardens	459	472
Youth Service	965	1,040
Total Community Services - General	11,331	11,602
Community Services Housing		
Rent Rebates (Local Schemes)	33	30
Improvement Grants Admin.	16	24
Housing Renewal Team	120	111
Land Rental/Leasing Income & Housing Act advances	(18)	(18)
Housing Benefits Administration	381	270
Community Housing Services	241	280
Homelessness	14	100
Welfare Services	147	168
Northumbrian Water Commission	(130)	(128)
Service Strategy & Regulation	20	21
Voluntary Sector Payments	90	90
Asylum Seekers	0	0

Supporting People	0	3
Total Community Services Housing	914	953
DLO profits	(1,251)	(208)
Community Services Adult Services		
Assistant Director - Adults & Older People	408	548
Purchase of External Care	10,658	13,631
Older People	1,351	1,349
Learning Disability	2,373	2,198
Mental Health	550	334
Disability and Intermediate Care Services	2,759	2,885
Support Services	468	1,443
Total Community Services Adults Services	18,567	22,388
Planned b/fwd from previous year	(187)	(64)
Planned c/fwd to following year	90	0
Total Community Services	29,464	34,670

REVENUE ESTIMATES 2007/08

DEVELOPMENT & ENVIRONMENT DEPARTMENT

	2006/07	2007/08
	£000	£000
Departmental Management & Support	1,278	1,356
Highways	3,507	3,716
Building & Design Services	(15)	(15)
Land & Property	382	511
Planning & Building Control	511	518
Economic Regeneration & Tourism	1,303	1,346
Transport Policy & Countryside	644	757
Supported Public Transport	458	608
Concessionary Fares	1,795	1,795
Markets	(230)	(177)
Parking	(1,905)	(1,611)
Cemeteries & Crematorium	(601)	(606)
Environmental Health	790	798
Licensing	(5)	13
Trading Standards	341	354
Waste Management	2,828	2,775
Total Development & Environment Department	11,081	12,138

REVENUE ESTIMATES 2007/08

CORPORATE SERVICES

	2006/07 £000	2007/08 £000
Finance		
Local Taxation	277	306
Community Grants	77	79
Accounting Services	560	601
Darlington & Stockton Partnership	192	0
Audit	221	244
Risk Management & Insurance	55	63
Financial Services	117	201
Director + Secretarial Support	242	268
Performance & Development	68	67
Finance Miscellaneous	(151)	(281)
Legal		
CCTV	354	397
Registrars	26	17
Land Charges	(252)	(232)
Municipal Elections	14	123
Register of Electors	35	35
Legal	555	574
Democratic Support	310	333
Town Hall	723	692
Human Resource Management		
Human Resource Management	606	574
Payroll	272	260
Health & Safety	176	191
Training Courses	28	28
Emergency Planning	2	0
ICT		
ICT	1,315	1,321
Information Management	82	84
Assistant Director ICT	127	132
Call Centre	497	774
Print & Design	(60)	(60)
Other Services		
Corporate & Democratic Core	1,956	1,951
<i>Total detailed estimates</i>	8,424	8,742
Less planned resources brought forward from previous year	(353)	(227)
Add planned resources carried forward to following year	134	8
Resource allocation (including additional resources)	8,205	8,523

REVENUE ESTIMATES 2007/08

CHIEF EXECUTIVE'S OFFICE

	2006/07 £000	2007/08 £000
Chief Executive	253	261
Policy Unit	425	429
Communications Unit	192	211
Darlington Partnership	43	45
Safer Communities Unit	107	110
Procurement Unit	93	101
Leading Edge Programme Offices	0	120
Planned C/Fwd to 2008/09	0	(6)
Total Chief Executive	1,113	1,271

JOINT BOARDS AND LEVIES

	2006/07 £000	2007/08 £000
Coroners	119	122
Environment Agency Levy	40	54
Tees Valley Development Company	97	72
Joint Strategy Unit	267	255
Tees Valley Urban Regeneration Company	58	100
Total Joint Bodies and Levies	581	603

FINANCIAL STRATEGY

INTRODUCTION

1. This Financial Strategy is primarily concerned with the Council's revenue budget but there are important linkages to the Capital Strategy.
2. Darlington Borough Council has successfully operated Medium Term Financial Plans (MTFP) for revenue and capital since 2000-2001. The revenue MTFP is reviewed annually, resulting in a rolling four-year plan, which projects available resources, the allocation of resources to services, indicative Council Tax levels and revenue balances.
3. The MTFP has always been influenced and informed by a range of drivers that collectively form a strategic framework. This Financial Strategy identifies those drivers in order to clearly set out the strategic framework, within which the Council's financial planning operates.

OBJECTIVES

4. The objectives of this Financial Strategy are: -
 - (a) Effective and efficient use of the resources available to the Council in accordance with needs and locally agreed priorities
 - (b) Low local taxation
 - (c) Robust, prudent and sustainable management of the Council's financial resources.

Strategic Objective Number 1 - Effective And Efficient Use Of The Resources Available To The Council In Accordance With Needs And Locally Agreed Priorities.

Community Strategy and Corporate Plan

5. As well as being a provider of public services, the Council has an important role in providing local leadership that helps to improve quality of life for local residents beyond those services that the Council has direct responsibility for. To achieve wider objectives the Council works with partner organisations in the public, private and community and voluntary sectors. The Local Strategic Partnership (LSP) – "Darlington Partnership" - brings those organisations together. The LSP has developed a Community Strategy, which identifies eight key themes. The LSP periodically reviews the Community Strategy including setting key priorities within the themes. The Council's Corporate Plan supports delivery of the Community Strategy.

The Council's medium term financial planning will continue to have due regard to the Community Strategy, particularly the highest priority themes as agreed by the LSP, and the Council's Corporate Plan.

Public Consultation

6. In addition to influencing the Community Strategy, public consultation is carried out annually via the Community Survey and the Citizens Panel. The Council also conducts public consultation on specific issues. That consultation provides important information regarding local priorities.

The Council's financial planning will continue to have due regard to the results of public consultation, which influences the allocation of resources to services and the level of Council Tax.

Service Planning

7. Departments of the Council compile plans that identify key service delivery objectives and targets and priorities for improvement. These plans are reviewed annually and have due regard to the Community Strategy, public consultation and the related plans of other services. They also take account of legislative and national priorities that influence the overall direction of the Council and specific services.

The Council's financial planning will continue to have due regard to service planning, which influences the Council's allocation of resources to services.

Efficiency and Value for Money

8. To help to achieve the competing aims of delivering the highest possible quality of services and maintaining low Council Tax levels, the Council continuously strives to increase efficiency and deliver best possible value-for-money. Together with low Council Tax, the Audit Commission's Comprehensive Performance Assessment of the Council as a four star authority indicates excellent value for money. It is, however, recognised that efficiency can continue to be improved. Consequently, this remains an ongoing commitment. Ambitious efficiency improvement targets are a feature of the Council's revenue MTFP.

The Council will continue to strive to increase efficiency and deliver best possible value-for-money to support the combined aims of high quality services and low local taxation.

Strategic Objective Number 2 - Low Local Taxation

Council Tax

9. The Council has a long established record of low local taxation relative to other authorities, both regionally and nationally. The Council is very conscious of its responsibility to balance the needs of service users with local tax levels, having particular regard to the relatively low-income levels of the local economy. The Council will aim to limit annual Council Tax increases to prevailing inflation rates where possible. Government grants, however, form a very significant part of the Council's annual funding. Consequently, changes in grant funding can limit the Council's capacity to set low annual increases.

Council Tax will be maintained at the lowest level that is consistent with the provision of high quality public services and sustaining a prudent and appropriate level of resources over the medium term.

Strategic Objective Number 3 - Robust, Prudent And Sustainable Management Of The Council's Financial Resources

Medium Term Financial Planning

10. The Council has successfully operated Medium Term Financial Plans (MTFP) for revenue and capital since 2000-2001. The revenue MTFP is reviewed annually, resulting in a rolling four-year plan, which projects available resources, the allocation of resources to services, indicative Council Tax levels and revenue balances. The MTFP framework has served the Council well, delivering robust plans that have helped the Council to avoid undesirable short-term reactions to changing circumstances such as fluctuations in external funding. The Council will continue to refine and improve its MTFP processes in light of its own experience and best practice elsewhere.

The Council will continue to use Medium Term Financial Planning to support delivery of robust financial management and will continue to refine its MTFP processes.

Budget Management

11. The Council operates a devolved budget management model, with resources allocated to Directors in line with their service-delivery responsibilities. Regular and frequent forward-looking budget management reports, focusing on large or volatile budgets and informed by risk assessments, are combined with service performance reporting. Continuous financial management responsibility is ensured by a system of resource carry-over between financial years. This budget management model is a vital tool in delivery of the Council's objectives and plans.

The Council will continue to use devolved budget management to support implementation of its financial and service objectives and plans.

Revenue Balances

12. Revenue balances (or reserves as they are sometimes called) are sums of money held by the Council to help meet future expenditure. It is important that the Council maintains sufficient balances to meet unforeseen expenditure and to help to smooth out any large changes in resources and/or spending levels between financial years. The Council agreed a Reserves Policy in March 2006, which is periodically reviewed.

The Council will maintain revenue balances in accordance with its Reserves Policy.

LINKS TO OTHER FINANCIAL STRATEGIES AND CODES OF PRACTICE

Capital

13. The Council agreed a Capital Strategy in November 2006, which will be reviewed annually. The objective of the Capital Strategy is to ensure that capital assets and resources are utilised as effectively as possible to address locally agreed priorities as set out in the Community Strategy. The Capital Strategy sets out the Council's key priorities and shows how the planning framework translates those priorities into detailed plans. It sets out medium and long-term capital spending priorities and the Council's approach to funding delivery of them. It also sets out how the Council uses partnership working to achieve

shared objectives. It also describes how the Council's capital programme is set, managed and monitored.

The Council will continue to manage its capital assets and resources to deliver objectives as set out in the Capital Strategy, including ensuring affordability of capital investment decisions.

Treasury Management

14. Treasury management refers to the management of the Council's cashflow, its banking, money market and capital market transactions, the effective management of risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Council adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management in March 2002. The Council also complies with CIPFA's Prudential Code for Capital Finance, which was introduced following additional flexibilities extended to local authorities by the Local Government Act 2003. Compliance with these Codes, including thrice-yearly reports to Council, is an important indicator that the Council's borrowing and investment activities are operating effectively.

The Council will continue to comply with the Code of Practice on Treasury Management and the Prudential Code for Capital Finance

SUMMARY

15. To meet the objectives set out in paragraph 4, the Council approves the following Financial Strategy: -

Strategic Objective Number 1 - Effective And Efficient Use Of The Resources Available To The Council In Accordance With Needs And Locally Agreed Priorities.

16. The Council's medium term financial planning will continue to have due regard to the Community Strategy, particularly the highest priority themes as agreed from time to time by the LSP.
17. The Council's financial planning will continue to have due regard to the results of public consultation, which influences the allocation of resources to services and the level of Council Tax.
18. The Council's financial planning will continue to have due regard to service planning, which influences the Council's allocation of resources to services.
19. The Council will continue to strive to increase efficiency and deliver best possible value-for-money to support the combined aims of high quality services and low local taxation.

Strategic Objective Number 2 - Low Local Taxation

20. Council Tax will be maintained at the lowest level that is consistent with the provision of high quality public services and sustaining a prudent and appropriate level of resources over the medium term.

Strategic Objective Number 3 - Robust, Prudent And Sustainable Management Of The Council's Financial Resources.

21. The Council will continue to use Medium Term Financial Planning to support delivery of robust financial management and will continue to refine its MTFP processes.
22. The Council will continue to use devolved budget management to support implementation of its financial and service objectives and plans.
23. The Council will maintain revenue balances in accordance with its Reserves Policy.

Complementary to those objectives: -

24. The Council will continue to manage its capital assets and resources to deliver objectives as set out in the Capital Strategy and Corporate Plan, including ensuring affordability of capital investment decisions
25. The Council will continue to comply with the Code of Practice on Treasury Management and the Prudential Code for Capital Finance.

MEDIUM TERM FINANCIAL PLAN 2007/08 TO 2010/11

	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Children's Services	69.246	71.622	74.608	77.788
Community Services	34.670	35.282	35.909	37.010
Development & Environment	12.138	12.538	12.848	13.223
Chief Executive	1.271	1.326	1.367	1.425
Corporate Services	8.523	8.944	9.204	9.484
Joint bodies and levies	0.603	0.622	0.641	0.660
Waste Disposal	0.000	0.000	1.030	1.060
Pensions Contribution Rate	0.000	0.150	0.300	0.450
Change Fund	0.300	0.000	0.000	0.000
Financing costs	3.343	3.688	3.766	3.897
Headroom	0.000	0.500	1.000	1.000
Leading Edge Efficiencies	(0.385)	(1.720)	(2.370)	(2.620)
Contribution to/(from) revenue balances	(2.153)	(1.545)	(1.702)	(0.999)
Total Expenditure	127.556	131.407	136.601	142.378
Total Resources	127.556	131.407	136.601	142.378
<u>Balances</u>				
Planned opening balance	12.701	10.548	9.003	7.301
Planned contribution to/(from) balances	(2.153)	(1.545)	(1.702)	(0.999)
Closing balance	10.548	9.003	7.301	6.302

Council Tax

Council Tax Increase %	3.9%	3.9%	3.9%	3.9%
Weekly Band A Increase	£0.51	£0.53	£0.55	£0.57