

**CHIEF EXECUTIVE'S DEPARTMENT
BUDGET REVIEW
MEDIUM TERM FINANCIAL PLAN 2010/11 TO 2013/14**

Purpose of Report

1. To review the medium term financial plan for the Chief Executives department.

Service Outline

2. The Chief Executives department is responsible for the provision of a wide range of services, a description of which and the estimates for 2010/11 are given below.

Budget Area	Proposed budget £000
Chief Executive Head of Service	237
Policy Unit Statutory requirement to publish national indicators. Co-ordination of planning and performance management arrangements within the organisation. LAA management and support to LSP on community planning. Management of CPA and CAA.	419
Communications Unit Coordination and production of information to the public, workforce and partner organisations. Corporate press office and information campaigns	115
Community Partnerships & Engagement Provides development and support to community and voluntary sector and promotes social inclusion and a closer working relationship between residents and the LSP.	544
Welfare Rights Unit This service provides independent advice to the community and promotes the uptake of benefits to residents to ensure they are receiving their full entitlement.	49
Darlington Partnership Darlington's local strategic partnership.	54
Public Health Contribution towards local public health leadership	10
Safer Communities Co-ordination Unit Coordinates and supports the Crime and Disorder Reduction Partnership	116
Assistant Chief Executive Regeneration & Admin Support Management and administration support for the regeneration division	316
Planning & Economic Strategy Planning Policy , economic and climate change strategy, corporate external funding team and management of the Housing & Planning Delivery grant	668

Budget Area	Proposed budget £000
Development Provision of development control, development and regeneration projects, design and conservation	280
Economic Regeneration Economic development services, business engagement, economic development projects, marketing, town centre management and town centre projects.	402
Transport Policy Staff engaged in the development, management and delivery of the local transport plan, transport policy, Council travel plan and sustainable travel promotion	204
Supported Transport Services Public transport services that are subsidised for social and economic reasons	323
Concessionary Fares The Council's concessionary scheme	2,305
Shop Mobility Grants to DAD to maintain the premises and to support their shop mobility service.	68
Residual Costs of the Transport Act Costs associated with previous employees who were part of Darlington Transport when it was privatised in 1986	44
Council Wide Savings Savings from efficiencies across the Council led by Chief Executives Department	(230)
TOTAL	5,924

Service Changes

3. A number of changes occurred within the Chief Executives department during 2009/10 with services transferring across to the management of Corporate Services department as follows:
 - (a) Leading Edge Programme
 - (b) Procurement Unit
 - (c) Procurement efficiency savings
 - (d) Complaints management

Service Planning

4. The Chief Executive's department is preparing its service priorities for 2010/14 focused on five high level outcomes and the four functions for the future council set out in the recently approved Future Business Model. Work will continue on refining and focusing priorities into the Departmental Plan. The current position is as follows:
 - (a) Everybody in Darlington is able to enjoy the borough's prosperity and quality of life -

- i. Tackle barriers to employability, financial inclusion and sharing in Darlington's quality of life
 - ii. Attract sustainable investment and high quality jobs
 - iii. Guide and deliver development and regeneration projects.
 - iv. Encourage and support business start-ups and growth
 - v. Provide a reliable and efficient transport network to support employment and economic activity
 - vi. Promote the town centre as a key driver of the local economy
- (b) Everybody in Darlington aspires and is able to achieve their full potential and maximise their life chances -
- i. Deliver skills training
 - ii. Encourage employers to train and up-skill their workforces
 - iii. Continue to shape Darlington and its facilities as a place that inspires and supports aspiration and attainment
- (c) People in Darlington live long, healthy, active and independent lives -
- i. Decrease hospital admission rates for alcohol-related harm
 - ii. Decrease under-18s conception rates
 - iii. Promote sustainable travel modes for their health benefits
 - iv. Narrow the gaps in life chances that lead to ill-health
 - v. Reduce mortality rates from cancer and from cardiovascular disease
 - vi. Increase number of smoking quitters
 - vii. Increase breastfeeding rates
 - viii. Tackle and prevent obesity
- (d) People in Darlington enjoy an attractive, clean, green and sustainable environment -
- i. Ensure Darlington develops as a distinctive, attractive and sustainable place
 - ii. Minimise negative impacts of transport
 - iii. Enhance access to jobs, education, training, health and services for all
 - iv. Implement Climate Change Action Plan
 - v. Implement the Local Authority Carbon Management Scheme
 - vi. Promote and support travel planning with employers and schools
 - vii. Deliver reductions in greenhouse gas emissions from transport
- (e) All people feel safe and live in a crime free environment –
- i. Improve public reassurance and confidence
 - ii. Enhance security and public reassurance through the location and design of development
 - iii. Reduce violent crime
 - iv. Reduce criminal reoffending rates
 - v. Reduce the domestic violence repeat victim rate
 - vi. Reduce anti social behaviour
- (f) Championing the interests of citizens and business –
- i. Empowering communities and ensuring citizen views are represented

- ii. Strengthening social inclusion and narrowing gaps in well-being
 - iii. Future business model: leading the development of a Corporate Knowledge service
- (g) Promoting the borough as an active player within local, sub-regional, regional and national governance frameworks –
- i. Participate in sub-regional and regional governance arrangements and secure good outcomes for Darlington
 - ii. Lead and manage external assessments of the Council and Darlington
- (h) Ensuring the provision of good quality public services –
- i. Secure external funding to support projects and service delivery
 - ii. Develop a refreshed corporate performance management framework linked to the future business model and lead/coordinate its operation
- (i) Promoting strong partnerships to ensure there is a vision and direction for the borough and for public services –
- i. Coordinate and support the development and implementation of the Future Business Model
 - ii. Continue the development of the SCS and LAA
 - iii. Economic Regeneration Strategy and policy
 - iv. Local Development Framework
 - v. Local Transport Plan 3
 - vi. Complete the refresh of the Joint Strategic Intelligence Assessment, Community Safety Plan and Domestic Abuse Strategy and Action Plan
 - vii. Promote and support a thriving third sector, and effective working relationships between the public and third sectors

Spend Comparisons

5. The following table illustrates the comparison of spend per head of population for services provided by the Department.
6. The figures included within the table are indicators, prompting questions that may lead to management action rather than definitive answers, commentaries are provided with particular reference to those showing significant variance from the unitary average. Figures included are extracted from the CIPFA 2009/10 RA forms (revenue budgets), entries are budget allocations at the commencement of the year. The comparisons are indicative only as each local authority has a unique structure, which is reflected in where costs are apportioned and therefore a margin of error exists with the figures based on how each authority allocates budget.

Service Area	English Unitary Average per head (£)	DBC Spend per head (£)	Variance between DBC & Unitary average (£)	Spend by DBC above/under unitary average (£)	Rank out of 55 Authorities
Transport Planning, Policy & Strategy	5.18	4.22	(0.96)	(96,000)	26
Public Transport - Concessionary Fares	18.24	35.68	17.44	1,744,000	51
Public Transport - Support to Operators	8.46	3.77	(4.69)	(469,000)	13
Public Transport - Co-ordination	1.26	1.75	0.49	49,000	29
Community Safety	9.13	8.91	(0.22)	(22,000)	33
Development Control	4.60	8.49	3.89	389,000	42
Planning Policy	5.41	4.17	(1.24)	(124,000)	15
Environmental Initiatives	1.41	0.98	(0.43)	(43,000)	16
Economic Development	11.74	12.67	0.93	93,000	39
Community Development	9.15	7.13	(2.02)	(202,000)	29

7. Public Transport - Concessionary Fares, the higher expenditure here reflects the better than minimum concessionary scheme that operates in the borough providing free all day every day travel for qualifying residents and additionally a taxi voucher scheme. Additional factors also affecting Darlington's spend include, a higher take up of concessionary passes, higher bus usage generally in Darlington and the quality of the bus network. In addition the indicator is based on spend per head rather than pass holders which may result in other areas appearing lower cost.
8. Public Transport - Support to Operators, again this indicator is based on population rather than local variables such as geography and social economic needs for services which means comparison is not always on a like for like basis. The lower than average cost in Darlington also reflects the tender process undertaken during the year.
9. Development Control - Higher costs result from ongoing investment within the service from Planning Delivery grant. Planning costs are more related to development rather than population, Darlington have a higher number of applications per head than other Tees Valley Authorities. Comparisons with other Tees Valley authorities have also indicated that some costs included locally are included within other disciplines in neighbouring authorities. Further work is ongoing to ensure that correct classification of expenditure is made in future comparators. This may suggest the reason for lower local spend on Planning Policy work. Costs are expected to fall within this indicator in 10/11 in line with efficiencies included within this plan.

Pressures

10. The following pressures have been included in the budget figures in paragraph 2 as unavoidable growth. The major pressure areas are described below, with the following table summarising all the pressures.
11. The Transport Policy function within the department has for a number of years been funded through a number of external income sources. Cycle England and European Intereg (ERDF) funding are due to come to an end during 2011 and in addition the level of fees charged to the LTP built into the current MTFP are unrealistic in line with future work included with the plan that attracts fees. These funding streams have been used to continue the work of staff in the team that were previously funded through Local Motion grant and as a number of the posts are employed in statutory requirements, the transport policy function will become unsustainable without alternative funding of these posts. Those posts that are critical to the delivery of the transport policy function have been identified as a pressure in the budget setting proposals.
12. The table below summaries the pressures included.

Budget Area	2010/11 £'000's	2011/12 £'000's	2012/13 £'000's	2013/14 £'000's
Climate Change projects/Promotion	15	15	15	15
Loss of Cycle England Funding	0	40	41	42
Reduction in Local Transport Plan Fees	0	56	58	60
Transport Policy Posts previously funded by specific grant	0	89	90	90
TOTAL	15	200	204	207

Efficiency Savings, Service Changes and Additional Income Proposals

13. The net budgets included within paragraph 2 (of this Appendix) are those proposed to balance to the allocated resource for 2010/11. Proposed efficiency savings are detailed in **Appendix 8**. Changes to services and proposed increased income are detailed in **Appendix 9**.
14. The savings summarised below are in addition to those built into the 2009/10 MTFP, a number of savings agreed in that plan are still to be delivered from 2010 onwards. A list of those savings still to be delivered is shown in **Appendix 10**.

	Financial effect 2010/11 £'000s	Financial effect 2011/12 £'000s	Financial effect 2012/13 £'000s	Financial effect 2013/14 £'000s
Actions to Contribute to Corporate Resources				
Efficiency savings	121	104	107	110
Service Changes	0	0	0	0
Additional Income	0	0	0	0
Total Corporate Savings	121	104	107	110
Action to balance departmental budget				
Non Committed Inflation	27	27	27	27
Provision for staff turnover	37	37	37	37
Total Departmental Savings	64	64	64	64
Total Savings	185	168	171	174

Risk Management

15. 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 aim of minimising losses and maximising opportunities. Currently the following areas present an acceptable risk to the department's budget over the life of this plan.
- Delivery of departmental savings included within the budget.
 - The continuing economic climate affecting demand for services and investment in the borough
 - The department is responsible for delivery of corporate savings across the Council, including a saving requirement of £200,000 from the Policy, Performance and Partnership review. Although plans are well advanced to deliver this saving at the time of writing, as the review is not yet complete a potential risk remains.
16. 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.
17. Departmental risks that have been assessed as requiring action plans are:
- Additional resources have again been built into the Concessionary Fares budget in 2010/11 as a result of increase patronage and higher expected bus inflation. Uncertainties continue to exist regarding further growth in demand and continuing higher inflation levels within the bus industry, which could create additional pressures on all year's budget provision.
 - Supported Bus service contracts were tendered during 2009/10 with contracts in place. Provision has been made in the 2010/11 budget to cover expected higher inflation levels in the bus industry, however uncertainties continue in future years over bus

inflation which again could create pressures in future year's budgets.

- (c) 4.7 full time equivalent posts within the Development and Strategic Planning teams are currently funded by Planning Delivery grant to deliver mainstream elements of the planning function. Provision has been made within the current plan to fund these posts through accumulated grant until March 2013. Uncertainty exists over the future of this grant stream, therefore, a pressure may be created from April 2013, at which point alternative funding will need to be found or an exit/succession strategy put in place.

Departmental Medium Term Financial Plan

18. Detailed estimates have been prepared for the next four years for services of the Chief Executive's Department, in line with corporate guidelines.
19. Detailed estimates include:
- (a) Provision for the annual pay award at 0.5% and specific price inflation where appropriate (1.0% salary inflation 11/12, 1.5% in future years)
 - (b) Unavoidable pressures
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income
 - (d) Service Planning Implications
20. The proposed Medium Term Financial Plan for the Chief Executives Department is summarised in the table below

	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s
Resources				
Resource Allocation for year	6,030	6,113	6,211	6,317
Unavoidable growth (Pressures)	15	200	204	207
Corporate budget savings	(121)	(104)	(107)	(110)
Total resources available	5,924	6,209	6,308	6,414
Budgets				
Detailed Estimates	6,109	6,377	6,479	6,588
Less Corporate Savings	(121)	(104)	(107)	(110)
Less Departmental Savings	(64)	(64)	(64)	(64)
Proposed budget	5,924	6,209	6,308	6,414

Management Action to Achieve Balanced Budget

21. The table within paragraph 14 above shows proposed efficiency savings tabled to balance the 2010/11 Council budget to resource.
22. The table at paragraph 14 also shows efficiencies achieved to balance the departmental budget to resource. In the departmental budget setting process the following management actions have been undertaken to achieve a balanced budget

- (a) Continued use of Housing & Planning Delivery Grant (HPDG) accumulated surpluses to continue to fund planning posts
- (b) Continued use of grant funding to offset existing commitments
- (c) Budget allowance for staff turnover
- (d) Removal of non committed inflation

23. The following additional actions have been taken to produce a balanced budget for years 2011/12 to 2013/14 as follows:

- (a) Removal of ex Local Motion funded posts working upon non core transport functions

Proposed Charges

24. The proposed charges for 2010/11 are listed in **Annex 1**.

Recommendation

25. It is recommended that Members approve:

- (a) The detailed estimates for the Chief Executives Department for 2010/11
- (b) The proposed charges for 2010/11

Chris Sivers
Assistant Chief Executive

Richard Alty
Assistant Chief Executive (Regeneration)

Description	Existing Charge	New Charge	Financial Effect
	£	£	£
<u>PLANNING – SUPPLEMENTARY ITEMS</u>			
* Items inclusive of VAT			
Weekly list - yearly *	N/A	No Change	
Decision*/Approval Notice* -Building Control	0.10	No Change	
Letter confirming exemption*	25.00	No Change	
Letter confirming completion*	25.00	No Change	
Letter confirming enforcement action will not be taken *	25.00	No Change	
Site inspection to determine info. *	25.00	No Change	
A4 Photocopy (ex plans) – first page *	0.10**	No Change	
Subsequent pages *	0.10	No Change	
A3 Photocopy (ex plans) – first page *	0.20**	No Change	
Subsequent pages *	0.20	No Change	
A2 Photocopy (ex plans) – first page *	1.50	No Change	
A1 Photocopy (ex plans) *	2.00	No Change	
A0 Photocopy (ex plans) *	3.00	No Change	
O.S. Sheets – up to 6 copies	15.00	No Change	
Local plan	18.00	No Change	
Local plan – postage	4.00	No Change	
Local plan – alterations	2.00	No Change	
Invoicing	9.00	No Change	<u>NIL</u>
** Excluding postage			