

## FINANCIAL STRATEGY

### PURPOSE

1. This Financial Strategy supports the council's core purposes. These were agreed by Cabinet in November 2009 as:
  - a. Championing the interests of Darlington's citizens and businesses
  - b. Supporting strong partnerships to set a vision and direction for the Borough and its services
  - c. Promoting the Borough to secure investment and support
  - d. Ensuring the provision of good quality services to the public

### OBJECTIVES

2. The objectives of this Financial Strategy are to support the Councils core purposes by:
  - a. Securing appropriate levels of resources
  - b. Using resources effectively
  - c. Ensuring value for Money
  - d. Maintaining low taxation

### TACTICS

3. The objectives will be met by:

#### **Securing Appropriate Levels of Resources**

- a. The Council gets its financial resources from external funding, in the form of Government and European Community grants, and locally from Council Tax and charges paid by service users. The Council will secure appropriate levels of resources by:
  - i. Actively lobbying, bidding and applying for grant funding that supports delivery of its core purposes and priorities
  - ii. Setting Council Tax and charges for services to achieve an appropriate balance between revenue-raising and wider corporate priorities
  - iii. Allocating resources in accordance with priorities set in the Corporate Plan
- b. Reducing spending to the levels of forecast resources. Resources, from grants and Council Tax, are expected to be reduced significantly in real terms, compared with those that have been available in recent years. The Council will reduce its spending by:
  - i. Using the Community Strategy "One Darlington, Perfectly Placed" to prioritise service delivery and investment,
  - ii. Ensuring effective use of resources – detailed below
  - iii. Ensuring value for money – detailed below

## Using Resources Effectively

- c. The Council will make effective use of resources by:
  - i. Engaging with residents, businesses, service users and visitors to inform decisions about priorities
  - ii. Using a mixed economy – providing leadership and services, through:
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    - 1. Council in-house service delivery
    - 2. Partnerships, with other councils and across sectors
    - 3. The third sector, services provided directly to the public by third sector organisations and services commissioned by the Council
    - 4. The private sector, through contracts awarded by the Council for delivery of services
  - iii. Continuing to manage its finances on a medium-term basis by:
    - 1. Forecasting resources that will be available from grants
    - 2. Setting Council Tax and charges to balance revenue-raising with corporate priorities
- d. Corporate management – elected Members’ and senior officers’ leadership to ensure that resources are used in accordance with agreed community and Council priorities
- e. Devolved management – consistent with the corporate management principle set out above, financial resources deployed for service delivery will continue to be managed by service managers, so that responsibility for managing physical and financial resources is clear and joined-up.
- f. Managing its assets and capital spending:
  - i. With clear focus on supporting its corporate priorities
  - ii. In accordance with its approved Project Management practice
- g. Managing its treasury activities of borrowing, investments and cash-flow in accordance with codes of practice, prioritising, in order:
  - i. Security – not putting public funds at undue risk
  - ii. Liquidity – having funds available to meet commitments
  - iii. Return – investment income and costs of borrowing are highly important but must not jeopardise security and liquidity

## **Ensuring Value for Money**

- h. The Council has a good record of providing value for money. It will strive to further improve efficiency through:
  - i. Procurement of services in accordance with the mixed economy model, using the most cost-effective sources of service provision
  - ii. Service delivery, where in-house provision is selected, ensuring that services are delivered with an appropriate balance of quality and cost
  - iii. Service reviews, to ensure that procurement decisions and cost / quality balances remain relevant and appropriate

## **Maintaining Low Taxation**

- i. Residents of Darlington currently pay the lowest Council Tax in the North East region whilst having access to Council services that have regularly been externally assessed as being of high quality. The Council will strive to sustain that successful balance through the tactics set out in this strategy.
- j. A focus on low local taxation will be maintained, to support:
  - i. The “One Darlington” priority:
    - 1. The Council is aware of the impact of Council Tax on all households and is particularly aware of the impact on low-income households
    - 2. Striking an appropriate balance between Council Tax and spending on public services is a key responsibility of local government and councils’ financial decision making
  - ii. The “Perfectly Placed” priority:
    - 1. Low Council Tax contributes to the attractiveness of Darlington as a prime location to live, work, invest and visit

## **LINKS**

- 4. This Financial Strategy links to:
  - a. Sustainable Community Strategy
  - b. Corporate Plan
  - c. Medium Term Financial Plan
  - d. Business Model
  - e. Asset Management and Capital Strategy
  - f. Project Management
  - g. Treasury Management Strategy