

ITEM NO. 4(B)

**DRAFT MEDIUM TERM
CORPORATE PLAN
(INCORPORATING THE MEDIUM
TERM FINANCIAL PLAN 2008-12)**

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**DRAFT MEDIUM TERM CORPORATE PLAN
(INCORPORATING THE MEDIUM TERM FINANCIAL PLAN 2008-12)**

Responsible Cabinet Member - Councillor John Williams, Leader

Responsible Directors - Corporate Management Team

Purpose of Report

1. This report presents, for consultation, the Council's first combined corporate and financial plan.

Summary

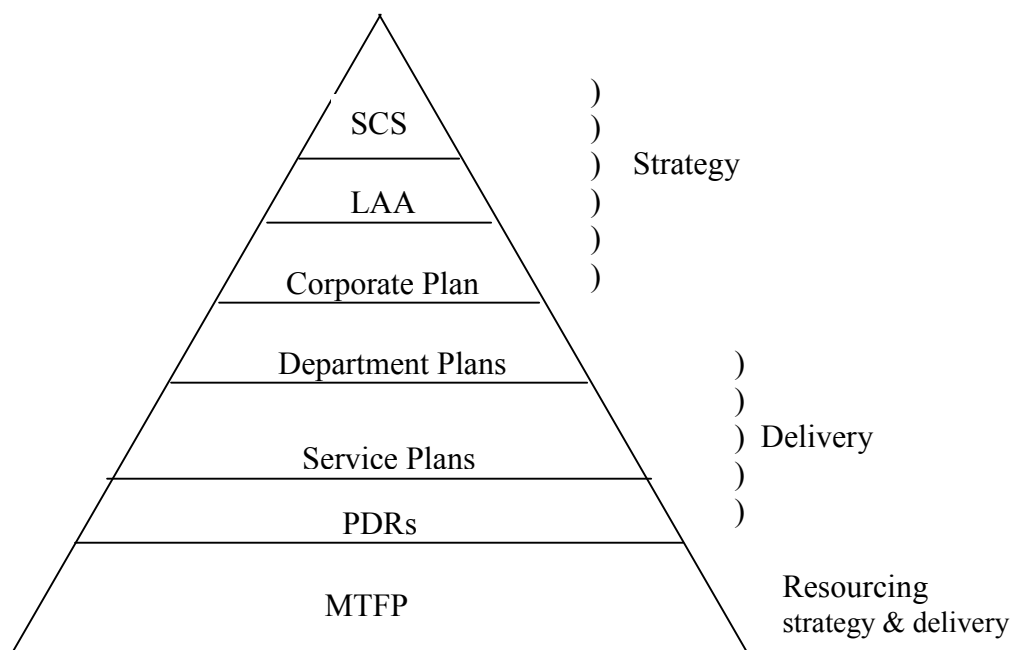
2. An innovative approach to combine the council's corporate plan and medium term financial plan (MFTP) has been taken for the first time.
3. This draft has been prepared in accordance with the emerging Sustainable Community Strategy (SCS) and local area agreement (LAA).
4. In line with the Council's increasing focus on community engagement, the level of consultation has been enhanced at every stage of the plan's preparation.
5. In an undoubtedly challenging year, including tightening financial positions, a draft has been prepared for consultation that seeks to balance ambitions for Darlington, significant efficiencies and investment to save, with identified stakeholder opinion. This draft is both the conclusion of a significant period of visioning carried out with the public and our partners and the beginning of further consultation on our outline proposals.

Background to our innovative approach

6. The quality of our medium term financial and corporate plans has been acknowledged by the Audit Commission for a number of years. This year, to build on these strong foundations and take advantage of the fact that, in partnership with the local strategic partnership (LSP), we are developing a new vision for Darlington, we are proposing three significant innovations in our planning processes and the format of our plans by:
 - (a) producing a combined corporate plan and MFTP;
 - (b) developing this in line with the emerging SCS and Local Area Agreement (LAA) avoiding the time lag typically associated with revising a community strategy and re-establishing the 'golden thread' linking the vision for the borough to the Council's plans and ultimately to the personal development reviews (PDRs) of the staff who will deliver on these plans; and

- (c) focusing on community engagement and consultation by building it to all stages of the planning process and deploying innovative techniques for the first time.
7. Though hugely challenging, progress is to time against the challenging project plan linking development of the SCS, new style corporate plan and MTFP and service plans. The latter are being produced much earlier in the planning cycle.
 8. **Figure 1** highlights the relationship between the high level vision for the borough and the council's strategic and delivery plans :-
 - (a) The SCS sets out the high level, long term vision for the borough for all partners, including the borough council;
 - (b) The LAA is the high level delivery plan for the SCS. It is a multi-agency 3 year plan that will require all agencies to align and pool resources in order to deliver stretching improvements to outcomes;
 - (c) The corporate plan is the council's overarching plan that translates the issues arising from community planning i.e. the SCS and LAA; and corporate planning, which is the process through which the authority identifies and addresses those things that help us deliver better services and get better as an organisation;
 - (d) Departmental plans translate the top-down direction of the SCS and LAA into a plan of action for each department. They also address those issues which departments need to deliver better services and balance budgets;
 - (e) Service plans in turn translate departmental plans into those relating to services or groups of services. This is a vital stage to ensure that there is widespread ownership of the high level direction;
 - (f) PDRs translate priorities and targets to each individual employee's objectives; and
 - (g) The MTFP is the means by which all of the above can be brought to reality since it resources the high level vision, the council's part of the LAA and all departmental, service and PDR plans.

Figure 1: Diagram showing the Planning Hierarchy of Darlington Borough Council



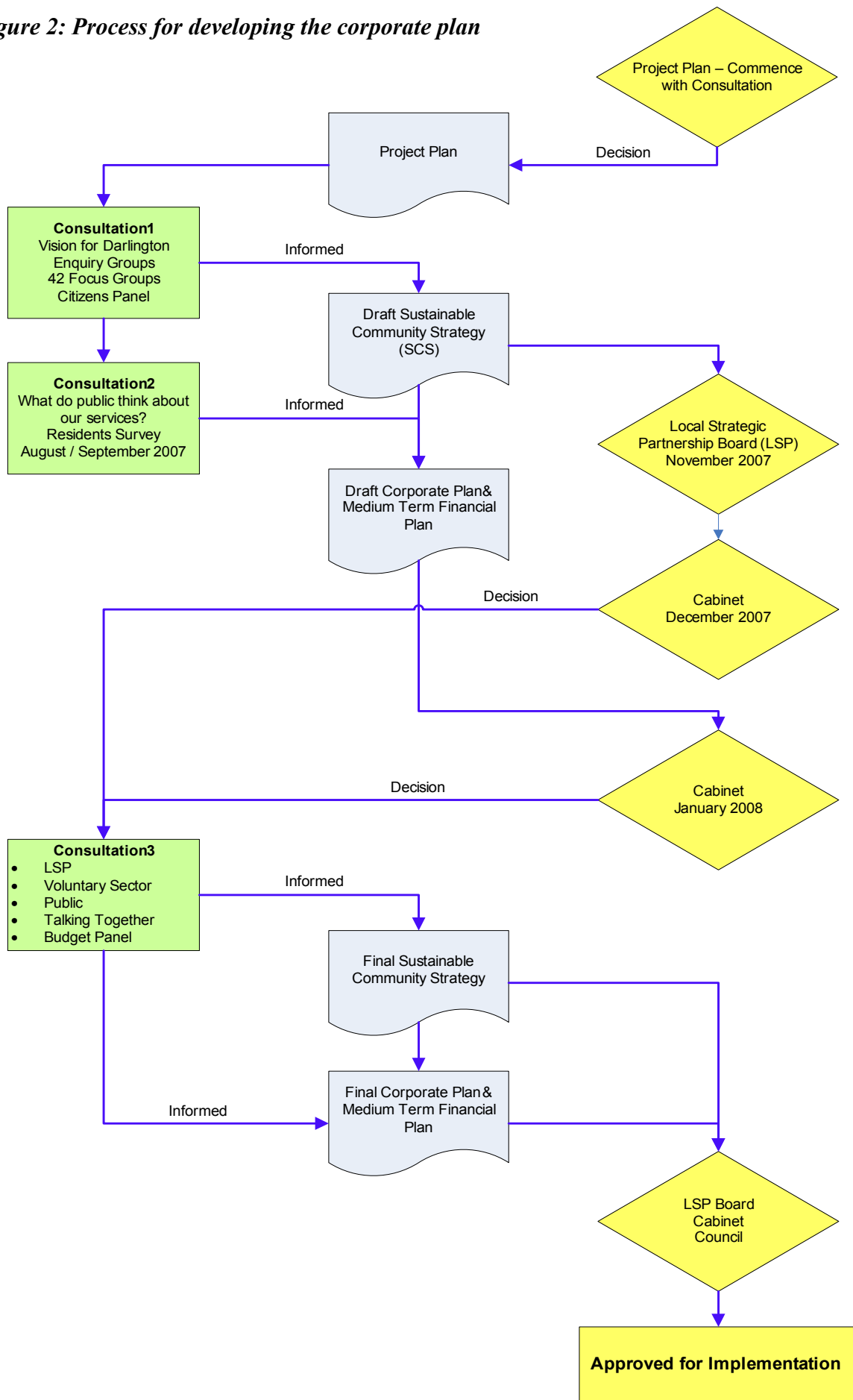
Building consultation in from the beginning

9. **Figure 2** shows the process to date and planned to finalise the SCS, LAA, combined corporate plan and MTFP and service plans.
10. It should be noted that the process was instigated on the basis of building enhanced consultation and engagement into the process from the start and at all key points. The diagram illustrates this by highlighting some key consultations, how these influenced the planning processes and then fed into decision making.
11. The starting point was to ask the public:-
 - (a) what they wanted for the future of Darlington. This is summarised in the technical annex to the SCS¹; and
 - (b) what they thought of our existing services. This is summarised in the technical briefing paper² that is produced to support corporate and departmental planning.

¹ Available upon request from the Policy Unit

² Corporate Planning Briefing Pack available from the Policy Unit

Figure 2: Process for developing the corporate plan



Community Planning

12. The starting point to shaping our revised corporate plan and MTFP was our work on community planning. Specifically this includes the production of the SCS and LAA.
13. The development of the SCS has been led by the LSP with full participation of partners and intensive engagement of the public. This has included 6 enquiry groups, all led by partners; 42 community consultation events as well as many other engagement opportunities e.g. for key statutory agencies. Full details are available in the Cabinet report on the draft SCS³. At the time of writing, the SCS is in draft form and is currently undergoing further consultation with partners and the public. Our draft corporate plan and MTFP has been based on this draft. This will also undergo consultation and when these processes are complete the final SCS, corporate, department, service plans and MTFP can be developed taking into the issues raised through consultation.
14. The draft SCS is produced as **Appendix 1**. It establishes two overarching priorities: ‘vision’ and ‘one Darlington’. The former is about continuing to develop Darlington so that it has the buzz of a city, whilst retaining its friendly atmosphere. More work has still to be completed on finalising the vision but there is clear consensus on the types of development that will help shape ‘place’ in Darlington. The latter priority is about making sure that all Darlington’s communities benefit from the vision so that we focus on narrowing the gap in outcomes that is all too apparent in the borough.
15. The two priorities established in the draft SCS have influenced spending decisions even at this early stage. This reflects the fact that they have emerged from a successful platform of effective planning over the past few years:
 - (a) Darlington vision has primarily influenced capital spending plans. Although the details of the LAA are not yet in place, specific work to obtain external funding and/or make provision for investment has been made and planned as follows:-
 - (i) As part of the active involvement in the development of the Multi Area Agreement (MAA), one of 13 nationally that seeks to take a sub-regional approach to economic development, planning, housing, transport etc. This is an effective way of maximising capacity across the Tees Valley and is likely to lead to the realisation of strategic infrastructure development such as Tees Valley Metro. It is vital that Darlington plays an integral role in the MAA. The organisational restructure and our medium-long term financial planning have been designed to facilitate this;
 - (ii) Darlington Gateway has resulted in an impressive level of funding to develop key business sites and the town centre which has been positively evaluated by independent researchers. However, there remain key strategic sites for which appropriate funding and design proposals are yet to be completed. These include Feethams, Central Park, the town centre fringe and the indoor market. These are all projects that are planned to be developed further over the lifetime of this plan;
 - (iii) University – Darlington’s aspirations include developing a substantial university presence over the lifetime of the SCS. Development plans for this need to feature in future resourcing decisions;
 - (iv) Key to the realisation of the vision for the borough in the retention and further development of cultural and leisure facilities for which there was strong support

³ Proposals for a draft vision for Darlington, Cabinet 11th December 2007.

throughout the SCS consultation process;

- (v) Continuing to invest in the town centre is also essential for the town's future prosperity; and
 - (vi) Later in this report, Members will see that significant capital resources will be available to fund such aspirations.
- (b) 'One Darlington' has primarily influenced the following:-
- (i) ensuring that the greater numbers of older people, including vulnerable older people are supported to live as independently as possible; primarily through investment in adult social care and concessionary travel;
 - (ii) ensuring that the Council's enhanced focus on community engagement is conducted in partnership. A multi-agency approach has been taken to the development of Talking Together so that all statutory partners can share the means of engaging with the public;
 - (iii) investing in schools to tackle the disparity in performance so that all schools genuinely become schools of choice;
 - (iv) mainstreaming our approach to neighbourhood renewal within the new SCS so that we automatically focus on communities of greatest need;
 - (v) investing in the delivery of a Third Sector Strategy so that we maximise the potential that the sector has to offer Darlington's residents; and
 - (vi) identifying the need to do more to bridge the skills gap and improve health.

16. Darlington's new LAA will be the delivery plan of the SCS. At the time of drafting the corporate plan, the LAA is not yet drafted. However it is clear that the new vision will require increased investment across all statutory agencies as well as the concerted effort of all partners. It is proposed that the council makes provision for this predicted investment by :-
- (a) Identifying 'headroom'; within the Revenue MTFP;
 - (b) Pursuing efficiencies and increased value for money (see below);
 - (c) Firming up on details through the consultation process; and
 - (d) Encouraging our partner statutory agencies to incorporate the emerging LAA in their planning and financial management processes.

Corporate Planning

17. The Council's corporate planning process seeks to bring together, prioritise and resource:-
- (a) those issues arising from delivering the SCS i.e. through the community planning process identified above;
 - (b) those issues arising from our role as a service deliverer i.e. addressing those issues arising from addressing customer requirements, improving performance and continuing to meet our changing statutory requirements; and
 - (c) those issues which arise from our position as a large employer seeking to become a Leading Edge organisation.
18. Our longstanding corporate planning process examines the key drivers for us as an organisation. The draft Corporate Plan is attached at **Appendix 2**. This is a draft for consultation, which will be finalised before the special Cabinet meeting on 19th February,

2008. It begins with a summary of the key issues affecting Darlington. These include:-

- (a) National priorities including many of the issues examined at length by the LSP enquiry groups e.g. climate change, obesity, anti-social behaviour, skills etc.;
- (b) Local drivers e.g. the fact that older people are projected to make up an ever greater proportion of our local population;
- (c) Performance issues i.e. those areas where our performance is below the national average and/or where our performance trends have not been positive;
- (d) Customer issues identified through the residents' survey. Each year we ask residents how satisfied they are with our services, whether they think that there are areas on which we are spending too much and their priorities for improvement;
- (e) Resources – the financial position of the authority. The current MTFP is over budget by £1.4 million. This is predominantly due to demographic growth in adult services clients and therefore the budget pressures in the current year are expected to continue into future years. A detailed update of projected spend against the MTFP is presented in **Appendix 3**;
- (f) Risk – in accordance with our risk management strategy, we identify each year those things that could prevent us achieving our objectives; and
- (g) Opportunities – in Darlington, we have a strong track record in delivering the following opportunities:-

- (i) Seeking external funding to deliver our objectives. Darlington has punched above its weight to secure external funding to deliver e.g. Darlington Gateway projects, the Pedestrian Heart, schools refurbishment and the Darlington Eastern Transport Corridor (DETC). Opportunities to pursue external funding in support of our refined priorities have been identified.
- (ii) Invest to save – a prime example is the transport review – The Council has approved a medium term invest to save approach to reviewing its transport provision. Provision has been made in the MTFP to fund consultants to review the service which in turn will deliver guaranteed savings in future years.
- (iii) Efficiencies and Business Process Re-engineering (BPR)– see the section on value for money below.
- (iv) Prudential borrowing – see the section on value for money below.

19. The main issues arising from community planning have already been described above. These are the ways in which the council is acting as place-shaper in conjunction with partners. These are not repeated in this action on corporate planning. The proportion of older people in Darlington will continue to grow during the lifetime of this plan. Our priority of 'One Darlington' means that instead of restricting services to those with the most significant or critical needs we will continue to provide services at current levels which includes lower level needs. In other words, in the development of this draft plan, Cabinet are minded to propose a clear policy choice of continuing to provide all levels of social care, rather than restricting these to cover only the most severe cases of need.

20. 'One Darlington' also means we must review our charging policy to ensure we are not perpetuating inequality. This involves treating all service users equally through the financial assessment process, which is already applied to most service users but not to those with learning disabilities. This also means reviewing changes in the light of the actual cost of delivery. Recent government guidance and additional investment will be used to help us review these services.

21. The main results of consultation are:-

- (a) Overall satisfaction with the Council has remained stable at 64.1% in 2007 compared to 63.6% in 2006.
- (b) Previous investment decisions have been accompanied by significant increases in public satisfaction e.g.:-
 - (i) Pedestrian Heart – satisfaction with the upkeep and appearance of the town centre has increased from 58.8% in 2006 to 81.6% in 2007.
 - (ii) Satisfaction with the Dolphin Centre has increased by 12.7% following refurbishment.
 - (iii) Satisfaction with children’s play areas has increased following LAA investment.
- (c) Although there has been improvement in areas such as youth facilities; road and pavement maintenance following investment through the LAA and Let’s Get Cracking, these are still areas of greatest dissatisfaction. For this reason Local Transport Plan funding and the council maintenance budget of approximately £4million will be used to tackle road and pavement maintenance. The Council continues to be successful in attracting external funding for youth service provision including approximately £200k for children’s play.
- (d) Our residents’ survey also tracks issues according to whether the public see them as being important and/or in need of improvement. The biggest trends from 2006 to 2007 were seen in the public’s perceptions of anti social behaviour and congestion:-
 - (i) Anti social behaviour: In 2007 66% of people thought that anti social behaviour was important (compared to 58% in 2006). However fewer people now think that we need to improve in this area which is a positive result for our performance on community safety.
 - (ii) Congestion: However 29% (up from 21% in 2006) see traffic congestion as important and more people think that this needs improving in 2007 than in 2006. The Local Motion initiative is producing substantial changes in Darlington’s people’s travel habits which are making a significant contribution to reducing congestion. Between 2004 and 2007 there was a 9% reduction in the proportion of trips made by car (saving 3.8 million car trips per year which would otherwise have been made). Whilst this has led to a decline in traffic in the inner part of the urban area, traffic has increased in the outer part of the urban area. Local Motion runs to 2009 and a partnership Enquiry Group is currently looking at whether and how to fund the work past 2009, and how to re-focus it. Capital spending is also being addressed at tackling congestion points.
- (e) Satisfaction with recycling facilities has also dropped. This and our overall performance on waste management is addressed below.
- (f) A Budget Panel of 30 residents was drawn from the Citizens Panel. A three hour facilitated session was undertaken including a presentation on how Local Government Finance works and the key issues for Darlington. The report from the panel is attached at **Appendix 4**. Members will see a diverse range of views on how money should be spent as is always the case when consulting on such a wide range of services with a variety of service users. Priority areas etc. reflect information gathered via the Citizens Survey however more detailed work was undertaken with the Panel surrounding the balance between providing services an the level of Council Tax. The majority of participants valued better services higher than low Council Tax but the Panel were keen to inform Members of the Council that in agreeing to “increased spending” is

NOT “an open cheque book”. The Panel were keen to see the Council to be efficient and provide Value for Money.

22. The main performance issues are:-

- (a) Planning – the organisational restructure aims to improve performance without increasing costs.
- (b) Community safety – recent changes to the structure and operation of the Crime and Disorder Reduction Partnership are resulting in strong performance improvements. Though vehicle crime remains high, this is being addressed through existing resources.
- (c) Waste – the council has recently commissioned a new waste disposal contract that aims to significantly improve recycling and other waste indicators. Robust financial projections made in previous MTFPs mean that costs will be contained within the current MTFP levels i.e. that performance can be addressed within existing resources.
- (d) Sickness absence – During 2006/07 sickness absence increased. 2006/07 was a challenging year for all employees with the implementation of Single Status and it is felt that this may well have impacted on levels of absence. Priority has been given to improving attendance in 2007/08 and we are on track to hit our performance target and continue our long term trend of reducing sickness absence.
- (e) School absenteeism and exclusions – work in progress in 2007/08 is leading to significant improvement. Although further performance improvement is required, it does not require additional expenditure.

23. The main risks identified are:-

- (a) Staff morale being adversely affected by the scale and pace of change. This is being addressed through our organisational development strategy.
- (b) Capital projects – securing sufficient funding and delivering schemes to cost and time. This is being addressed through the capital projects review.

24. Finally as an organisation that is seeking to be Leading Edge, the main requirements are:-

- (a) Human Resource Management – in 2007, external funding was sought and obtained to carry out management development. A further bid to continue this work will be pursued in 2008.
- (b) Information Communications Technology – the Council’s website is an area where improvement must be made if the authority is to maximise opportunities for the public to gain information and services on-line. £100k increase to budget will help achieve this.
- (c) Community Engagement - £200k has been invested to improve the Council’s ability to engage with the public and ensure that the Council deals professionally and promptly to resolve customer complaints.
- (d) Business Transformation – the Council continues to invest in business transformation on an invest to save basis.
- (e) Communications – the previous MTFP saw significant investment in communications, Efficiencies have been identified in this area.

Value for Money and Efficiency

25. Darlington Borough Council has recently been awarded a score of 4 out of 4 on value for money as a result of a sustained and successful systematic approach to improving value for money. This approach includes:-

- (a) Taking an early view (2005) of the service areas where according to cost and performance comparisons, our priority was to invest, maintain, reduce or withdraw from individual services.
- (b) Selecting a small number of areas for which a business transformation approach appeared most suitable, this included sharing back office services with Stockton Borough Council; Street Scene, where value for money needed to be improved; administration etc.
- (c) Following through on these areas despite the fact that all required difficult decisions to be made.
- (d) Exploiting the potential of prudential borrowing through using this scheme to refurbish the Dolphin Centre, transforming a successful, though tired facility to one with increased footfall and secondary income thus achieving the means of successfully financing the prudential borrowing.
- (e) Investing in a systematic approach that avoids excessive consultancy charges and ensures that we learn from projects as an organisation through the Leading Edge programme office. The office issues regular highlight reports and thorough business cases are made for all transformation project. Benefits realisation is also ensured via this means.
- (f) Set out below are the efficiency savings incorporated in the draft MTFP.

	2007/08	2008/09	2009/10	2010/11	2011/12
	£M's	£M's	£M's	£M's	£M's
Street Scene (note 1)		0.160	0.360	0.360	0.360
Depot relocation	0.010	0.075	0.075	0.075	0.075
Admin Review	0.030	0.300	0.500	0.500	0.500
Decriminalised Parking				0.025	0.050
Procurement (note 1)	0.100	0.200	0.200	0.200	0.200
D&S partnership	0.000	-0.140	0.054	0.158	0.255
Transport review	(0.097)	(0.031)	0.326	0.418	0.418
Energy review		0.100	0.100	0.100	0.100
Insurance renewal		0.225	0.300	0.300	0.300
Enhanced Leading Edge Programme		0.150	0.250	0.250	0.250
TOTALS	0.043	1.039	2.165	2.386	2.508

Note 1 – Street Scene and Procurement savings exclude £140,000 and £122,000 respectively, which have previously been achieved and taken from departmental resource allocations.

26. Street Scene, Depot Relocation, Admin Review, Decriminalised Parking and Procurement are continuations of savings built into the existing MTFP. Efficiency savings from the

Darlington and Stockton Partnership are also included in the existing MTFP and the revised profile of savings was reported to Cabinet and Council in November 2007.

27. Council approved the Transport Review in October 2007. After initial costs in the first two years, the review is projected to save £418,000 per annum. A review of energy usage is projected to realise efficiency savings of £100,000 per annum. Procurement of insurance jointly with Stockton Borough Council was approved by Cabinet in November 2007 and is projected to save £300,000 per annum. The continuing Leading Edge Programme of reviews is targeted to deliver further efficiency gains of £250,000 per annum.
28. In addition to the above efficiency savings, further reductions have also been achieved in the Council's financing costs through a combination of higher interest income on investments and reduced interest costs on borrowing.

Summary – Community and Corporate Planning

29. The processes of community and corporate planning described above have enabled us to propose a plan that is rooted in the needs and aspirations of the public and stakeholders. This has the following consequences :-
 - (a) An ambition for the Borough that requires significant capital funding in physical regeneration.
 - (b) A priority of 'One Darlington' which is leading to the identification of projects to address skills development, raise aspirations and put greater focus on neighbourhoods. The detail of this is yet to emerge through the LAA. At this stage, we know that revenue headroom is needed if we are to deliver our vision.
 - (c) The SCS has given us a raised framework against which to reconsider our services in order to ensure that ongoing service delivery will support the achievement of our strategic vision. This brings particular weight to the continuation of our leisure and cultural facilities and the town centre.
 - (d) Services that are not so strongly linked to the achievement of our priorities have also been identified and these have formed potential areas for where resources can be moved to support our priorities as outlined below.
 - (e) We will continue to improve our performance, develop as an organisation and address customers needs.

SUMMARY OF FINANCIAL IMPLICATIONS – REVENUE

Service and Cost Pressures

30. Reference has been made in the Corporate Planning section of this report to the increasing older population and the need to invest a further £1.5m per annum to sustain current service levels. The Council faces numerous other cost pressures in order to maintain and enhance services in line with statutory requirements.
31. A national concessionary travel scheme is to be introduced from April 2008, which will significantly enhance existing entitlements. The new scheme, together with pressures on the existing budget, is estimated to cost approximately £0.7m. New Government grant of £0.482m leaves a net pressure of £0.2m.
32. A variety of other cost pressures incurred in delivering existing service levels, the final costs of the single status agreement with the workforce, legislation changes and the potential increased costs associated with the employers superannuation contribution rates, total £2.2m
33. The existing MTFP includes planned savings of £1.2m in 2008-09 under the Leading Edge Programme. It has been necessary to revise the profile of these savings, as some are taking longer to realise. The existing MTFP also includes challenging General Savings Targets of £0.5m to £1.0m per annum. Savings need to be identified and achieved to deliver the MTFP.
34. A full list of cost pressures that have been included in the draft MTFP is attached at **Appendix 5**.

Review of 2007/08 Budget

35. The starting point for a revised MTFP is the projected financial results for 2007-08. In March 2007, Council approved a budget for 2007-08 of £127.556m. During the year, additional resources of £0.606m have been approved by Council and Cabinet.
36. The Combined service and financial performance report to Cabinet on 13th November 2007 highlighted significant financial pressures, most notably in adults' services. The summary of the latest projected outturn, included updated projections after the latest Cabinet report, is attached at Appendix 3. Appeals resulting from the job evaluation exercise under the Single Status agreement are nearing completion. The number and cost of successful appeals is greater than was expected when the 2007-08 budget was approved. The total increase in Single Status costs is £0.7m, which is less than 1% of payroll. Significant savings, over £0.9m, have been achieved on Treasury Management as a result of reduced financing costs and increased investment income.
37. The projected revenue reserves at 31st March 2008 are £9.226m, which is £1.374m less than planned in the existing MTFP.

External Funding

38. Approximately 80% of the Council's gross revenue expenditure is funded by central Government, through a combination of: -

Formula Grant – Revenue Support Grant (RSG) and Non-Domestic Rates (NDR) (commonly referred to as business rates), which part-funds all services
Specific Grants – for specified services.

39. The Local Government Finance Grant Settlement in December 2007 included three years grant information, enabling greater certainty in council's medium term financial planning.
40. As signalled in the Government's Comprehensive Spending Review (CSR07) in October 2007, future years' grant increases are less than those of recent years. In announcing the settlement, Local Government Minister John Healey said "*this is a tight settlement but it is fair and affordable*".
41. During the summer, Government consulted on potential changes to the existing RSG formula, which had been introduced in 2006. A very prominent feature of the 2006 formula was protection for authorities adversely affected by some significant changes made at that time, including minimum grant "floors". Darlington gained grant from the changes made in 2006, but the gain was limited by the protection arrangements, which "damped" annual gains. The floor and damping arrangements meant that Darlington got approximately £1.8m less grant in 2007-08 that it would have received if there had been no protection arrangements.
42. The Council's response to the consultation supported: -
- (a) Ending the social care specific damping.
 - (b) Reducing the overall grant damping.
 - (c) Other, relatively minor, changes that would benefit Darlington.
43. The December 2007 Grant Settlement ended the social care damping, reduced the overall grant damping and implemented some of the other changes that the Council supported. The combined effect of these changes delivers some £0.7m more grant for Darlington each year.
44. A number of specific grants, totalling some £1.9m, were also transferred into the general Formula Grant, providing increased local discretion in how external funding is used.
45. The overall change in Formula Grant, from the existing MTFP to the resources delivered by the December 2007 settlement is: -

Formula Grant	2008-09	2009-10	2010-11
	£M	£M	£M
Existing MTFP	34.098	35.121	36.175
December 2007 Grant Settlement	36.649	37.819	38.864
Increase in Formula Grant	2.551	2.698	2.689
Less Transfers from specific grants	1.864	1.920	1.978
Adjusted Increase in Formula Grant	0.687	0.778	0.711
%age increase from previous year	5.0%	3.2%	2.8%

46. The December 2007 Grant Settlement also introduced Area Based Grants, which are largely a transfer of previously service-specific grants into an un-ringfenced pot. This gives councils some increased freedom to use grants for locally determined priorities, though in practice this is limited by continuing commitments, including service demands and statutory service provision.
47. Most service-specific grants have now also been announced, though details of some are still awaited. Subject to the outstanding information, including details of conditions attached to specific grants, the Area Based Grants and specific grants are broadly in line with those anticipated in the existing MTFP. The draft MTFP has, therefore, been prepared on that basis. It is proposed that a report be brought to Cabinet to give any necessary consideration to the Area Based and specific grants once all of the information is available.

Initial Medium Term Financial Plan

48. The earlier sections of this report have highlighted the issues that have influenced the draft MTFP that has been prepared. Set out below is the initial financial summary of what the planning process has delivered. Detailed reports for each department are attached to this report at **Appendices 6-9**.

	2008/09	2009/10	2010/11	2011/12
	£M's	£M's	£M's	£M's
(a) Net Expenditure	136.503	140.669	145.214	149.679
(b) Less Efficiencies	(1.340)	(1.233)	(1.254)	(1.068)
(c) Headroom	0.500	1.000	1.000	1.000
(d) Available Resources	131.074	135.252	140.309	144.960
(e) Expenditure in Excess of Resources	4.589	5.184	4.651	4.651
(f) Less Planned Use of Balances	(1.445)	(1.602)	(0.899)	(0.899)
(g) Excess Projected spend above Resources	3.144	3.582	3.752	3.628

49. The above initial summary clearly illustrates that the Council's plans are not fundable given existing levels of resources and therefore a review is required which needs to consider how aspirations/plans and available resources can be aligned, given the size of the projected excess spend such a review has to cover links to capital expenditure and Council Tax levels as well as service prioritisation and these options are covered in the following section.
50. An unallocated contingent provision of headroom in future years has always been an important feature of the Council's medium term financial planning. Reference is made earlier in the report to the need to build headroom into our plans to help to deliver community aspirations. It is proposed that £0.5m of headroom be applied to help deliver our plans for 2008/09 and 2009/10 and that £1.0m continues to be set aside as headroom for

future years.

Links to Capital Expenditure

51. Capital and revenue expenditure have distinct definitions and regulations relating to how they are funded and accounted for. There are links between them, the most specific being the impact on the revenue accounts of prudential borrowing and the reverse being that capital receipts can be utilised to repay outstanding debt therefore reducing the cost of repaying debt within the revenue account.
52. The Council has made significant investment in its capital assets over a number of years, the proposed capital programme attached at **Appendix 10** identifies the Council plans to invest for £108m over the next 4 years. The majority of the investment is funded by grants and supported borrowing allocated by various government departments and bodies. The Council has been successful in bidding for such funding over a number of years thus the significant investment in Council assets. The total investment aspirations of the Council cannot be met by external funding alone as for some services external funding is not available and for those services where external funding is available it is not always sufficient to match the Council's total aspirations. To meet the shortfall in external capital resources, the Council has successfully raised capital receipts by selling surplus assets.
53. Revision to the Capital Programme highlights that over the life of the new plan, there will potentially be capital receipts available for investment in the region of £18m. The Council needs to decide on the priority use of such resources, either for further capital investment or to repay debt and thus reduce revenue expenditure.
54. The detailed capital expenditure considerations are discussed later in this report with further detail in **Appendices 11 to 13**. However, given the level of potential capital expenditure already planned and the need to deliver a resourced corporate plan it is recommended that £3.8m of capital receipts be utilised to repay debt therefore reducing revenue expenditure by some £0.5m per annum.

Delivering a Resourced Corporate Plan – Prioritisation of Service Expenditure

55. Earlier in the report, priorities have been discussed and existing service levels have been built into the initial MTFP. Given the gap between aspirations and resources, a review of priorities is needed to identify how expenditure can be reduced. In this way, CMT has sought to identify how to shift resources to match our priorities by asking the following questions :-
 - (a) Which services are not high priorities?
 - (b) Which services could be reduced or ceased?
 - (c) If a service is high priority, are there elements, which could be reduced?
 - (d) Could costs be reduced if the risk appetite is increased?
56. This review produced a list of options for Cabinet to consider. During informal sessions with Cabinet, they have identified those savings that they find acceptable given the Council's overall financial position. The total savings that Cabinet wish to include in their draft Corporate Plan and MTFP total £2.233m. Set out below are details of the proposed

savings which fall into three groups. It is proposed to set aside a contingency of £0.150 million in 2008/09 to fund potential costs of achieving these savings.

57. The first group of proposals fall into the category of efficiencies, that is more effective ways of delivering the same level of services, or options to reduce costs or increase income that have no significant impact on services to the public. These proposals do carry with them an element of risk – potentially on the pace at which the Council is able to deliver its contribution to the Community Strategy. Nevertheless these are risks that Managers believe can be absorbed and managed.
- (a) Move the Tourist Information service into the Dolphin Centre and integrate with centre staff to create a “one stop shop” for leisure, cultural and tourist services - £55,000.
 - (b) Increase the volume of building/construction works contracts delivered by Darlington Borough Council workforce in order to recycle profits - £325,000.
 - (c) Relocate the Darlington Partnership to share accommodation - £15,000.
 - (d) Reduce printing and advertising budgets within the Chief Executives department - £20,000.
 - (e) Reduce Communications staffing by one post - £35,000.
 - (f) Implement staffing reorganisation within Children’s Services to focus on key priorities - £403,000.
 - (i) Partnerships –£40k
 - (ii) School Improvement & Development –152k
 - (iii) Children & Families –£74k
 - (iv) Planning & Resources –£137k
 - (g) Reorganise staffing within economic development and external funding teams - £37,000.
 - (h) Remove one planning officer post - £44,000.
 - (i) Reduce the frequency of inspection of electrical equipment within Council office premises without compromising safety - £12,000.
 - (j) Reorganise staffing within the Councils legal services teams - £20,000.
 - (k) Change Council Tax instalment dates from 15th to 1st of each month, while continuing to offer a choice of instalment dates for those customers choosing to pay by direct debit - £40,000.
 - (l) Reorganise staffing within Audit Services to reduce the establishment by one post - £20,000.
 - (m) Charging a fee for the processing of Section 106 (planning obligation) agreements – £10,000.

- (n) Stop giving business support grants and direct part of the saving towards support for workforce skills development -£50,000.
Other action to support business growth, identified through Darlington Partnership's Enquiry Group is now of higher priority, fewer neighbouring areas still have financial incentives to businesses, and progress within the Darlington economy would indicate that such support is of limited added value.
 - (o) Economic Regeneration. Reduce marketing activities - £39,000.
Raising Darlington's profile as a location for office-based businesses is less important now that office development is more established. The return from advertising at the airport and through Tees Pride is difficult to establish.
 - (p) Reorganise staffing to reduce by one post the support for Community Partnerships - £30,000.
58. The second group of proposals are those where the impact is felt solely by the Council's workforce. The risks here are to the morale and motivation of the workforce :-
- (a) Increase car parking charges for staff and Councillors - £33,000.
 - (b) Reduce car allowances and mileage rates payable to the lowest band - £180,000. These proposals are also intended to support the Council's climate change agenda by encouraging the use of lower cc vehicles.
59. The third group are those with direct impact upon services to the public. While it is acknowledged that these proposals will have a detrimental impact upon some service users they represent a balanced judgement of priority areas based on the emerging SCS, relative to other potential savings options considered.
- (a) Reduce winter gritting and salting programmes. £30,000.
 - (b) Changes to the charging arrangements for non-residential care services £200,000. The current policy for charging for non residential Adult Social Care Services is not equitable. Most groups of service users are financially assessed to determine whether they need to contribute to the cost of services. One group of service users, those with learning disabilities, are not financially assessed and do not therefore pay for any services. The proposal is to carry out financial assessments for all service users including those with learning disabilities.
- Other charges for services will also be reviewed with the intention of linking the charge to actual cost as well as reviewing inflation increases in line with normal budget practise. This review will include proposals for charging for services that are currently free.
- Full consultation will be carried out with the service users and carers affected by the proposed changes. The outcome of the consultation will inform the review and subsequent implementation of policy changes.
- The proposed changes are made in light of the transformation of adult social care to deliver services which give greater choice and control to individuals through wider use of individual budgets and direct payments. Without making the proposed changes to introduce financial assessments for all service users, it would be problematic to

encourage the uptake in direct payments for individuals with a learning disability. The reason for this is that all individuals applying for a direct payment have to be financially assessed. The current system would place anybody with a learning disability choosing to access direct payment at a disadvantage.

- (c) Cease support for the Ring A Ride service £47,000.
This is a costly service with approximately 60 users costing £18.75 per trip. Consideration will be given to use of the Council's taxi licensing functions to encourage greater availability of accessible taxis.
- (d) Stop providing civil advice on trading standards issues - £54,000.
There is a national scheme, consumer Direct, that provides first line telephone and internet advice.
- (e) Increase car parking charges to long stay car parks - £145,000.
This includes raising charges at Park Lane car park to £7 per day, and increasing other long stay charges to £4 a day or £15 a week..
- (f) Remove the subsidy on bus routes 17 and 97 - £132,000.
These two routes are the most expensive in terms of subsidy, have low usage, and consequently a subsidy of over £3.50 per passenger journey. The Council has 31 supported bus service contracts and these two take 23% of the budget.
- (g) Reduce environmental health inspections - £80,000.
This will be achieved by reducing staffing by two posts and limiting inspections to higher risk premises.
- (h) End the Councils pest control service - £63,000.
The council currently provides a free service to residents for treating rodents, all other services are chargeable. It is proposed that the Council ceases its service and directs the public to use private companies.
- (i) Charge for bulky household waste collections - £80,000.
This service is currently provided free of charge, a £10 charge would be implemented.
- (j) Stop grants to Parish Councils -£34,000.
Most Councils stopped paying a separate grant to support their Parish Councils in 1990 when the Community Charge was introduced. There is no basis for the grants related to an assessment of needs. The Parish Council has the facility to replace the lost income from their precept powers.

Employee Implications of Proposed Prioritisation of Service Expenditure

60. The above supported options impact on staffing structures but the vast majority can be accommodated by using vacancy management and turnover. At the time of writing the report, there are only eight cases where this may not be possible therefore redundancy situations may exist. The Council has a good track record in managing redundancy situations via volunteers and redeployment and will consult fully on the proposals and if approved their implementation with the Trades Unions.

61. Issues relating to car allowances and car parking will also be subject to consultation with the Trades Unions.

Other Options Considered – Not Recommended

62. As noted above a wide variety of options have been considered to bring the budget in line with projected income. The following paragraphs detail those considered by Cabinet members but not recommended for the reasons summarised.
63. Consideration has been given to options for additional efficiencies, for increasing income from charges, and for service reductions. These options operate within a framework where much of the Councils expenditure is restricted in its application and passported directly to schools. The following areas of service provision represent those where there remains a clear discretion for the Council to review its support.
 - (a) **Parking and Market Charges**

Parking charges, including the introduction of a flat rate £1 for parking on Sundays, charging for parking in Park Lane on Sundays and stopping the present “three hours for the price of two” parking offer. Not progressed because the extension of further charging options could weaken the recovery and growth of the town centre economy, central to the emerging priority from the Sustainable Community Strategy, the Darlington Vision. An option to increase the charges to market stall holders was considered and rejected as further work is still needed.
 - (b) **Leisure and Cultural Services**

Leisure and cultural services represent one of the most significant areas of non-statutory service delivery, and command very substantial subsidy. Options to reduce opening hours, close facilities such as the Eastbourne Sports Complex, and explore disposal of the assets into a Trust have been examined. Public events staged throughout the Borough could also have been discontinued and the scale of the South Park firework display halved. Not progressed because of the high value leisure and cultural facilities have for residents, and because of the contribution they make to the offer for inward investors and visitors as a key priority for the Sustainable Community Strategy.
 - (c) **Adult Social Care – Eligibility Criteria**

Two thirds of Councils provide services to only the top two bands of assessed need for adults. The option to move in this direction was considered and is not being put forward. Providing a range of preventative services and support to enable people to retain their independence and a reasonable quality of life is central to the emerging One Darlington priority for the SCS. At the same time the Government has announced a radical review of adult social care with additional support for Councils to review their services and this will be taken forward in consultation with voluntary groups, carers and service users.
 - (d) **Public Transport**

Subsidy for evening and Sunday bus services if discontinued bringing a potential saving of £168,000 per annum. Not progressed because of the likely loss of bus services to some of our most disadvantaged communities. One Darlington as an emerging priority for the Sustainable Community Strategy puts high significance upon neighbourhood renewal.

The introduction of advertising to around 100 street lamps was also considered, with a private company installing and maintaining its own lamps – bringing about additional income of £50,000. Not progressed because of the negative impact on the appearance of the town.

(e) Public Toilets

The closure of all of the Council-run public toilets was an option that could have saved more than £112,000. Not progressed because of the high value the public place on these services.

(f) Grants

The cessation of the small programme of community grants, some £20,000 worth of which are given out during the year. Not progressed because they represent an easy and flexible way in which the Council can support community endeavour and self help, a key strand emerging from the Enquiry Groups used to support the development of the Sustainable Community Strategy.

Consideration was also given to withdrawing from the provision of a welfare rights service, with a potential saving of £55,000 per annum. Not progressed because the service has a major contribution to make towards One Darlington, helping to improve the incomes of disadvantaged communities.

Other reductions to grants to voluntary organisations such as the CAB were considered but not pursued for similar reasons.

(g) Community Safety

The potential to reduce the uniformed warden service was considered. Not progressed because of the high value the public place on services tackling anti social behaviour, emerging as a key theme within the Sustainable Community Strategy.

(h) Customer Services

There was an option for reducing staffing in the Council's Customer Services team, trimming costs by £49,000, but this was rejected as it would have led to reduced provision in a vital front-line service.

Impact on council tax levels

64. Every year one of the fundamental decisions Cabinet need to consider when recommending a revised MTFP is the level of Council tax to be levied. Cabinet have to decide the appropriate balance between services to be provided and an acceptable level of Council taxation. The current MTFP assumes a year on year increase of 3.9%.

65. The Council has the lowest Council Tax in the North East region whilst at the same time, missing out on various additional funding awarded to other Councils. However, most of the demands facing Darlington are exactly the same as other Councils therefore the low tax revenue places significant challenges on the Council when needing to resource the Corporate Plan. The Council's approval financial strategy at Strategic Objective Number 2 – low Local Taxation states:

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

66. Given the level of services and aspirations as communicated to the Council through various consultation mediums, it is appropriate to reconsider the projected level of Council Tax increases contained within the MTFP. Government guidance on Council Tax levels appear to have set the limit for increases at 5% therefore the scope to raise additional revenue is limited to 1% (4.9% less 3.9%) which would raise an additional £360,000 p.a. to assist in funding the Corporate Plan. Given the funding needed, on balance, a 4.9% increase is recommended. Such an increase would be equivalent to £0.67p per week at Band A.
67. Taking the above recommendations into account, a fundable Corporate Plan can be delivered as follows:

	2008/09	2009/10	2010/11	2011/12
	£M's	£M's	£M's	£M's
Initial Gap	3.144	3.582	3.752	3.628
Less				
Apply Headroom	0.500	0.500		
Use of Capital receipts to repay debt	0.438	0.618	0.546	0.383
Reprioritisation	2.002	2.196	2.233	2.233
Council Tax	0.360	0.759	1.199	1.676
	<u>(0.156)</u>	<u>(0.491)</u>	<u>(0.226)</u>	<u>(0.664)</u>
Add Planned use of Balances	1.445	1.602	0.899	0.899
Revised Gap	<u>1.289</u>	<u>1.111</u>	<u>0.673</u>	<u>0.235</u>

68. The above demonstrates that the Corporate Plan can be resourced and the amendments to the MTFP will make it more sustainable as it contributes to getting expenditure in line with resources and by 2011/12 reliance on reserves is reduced to £0.2m. Set out below is the revised utilisation of revenue balances MTFP. The balances contained in the table below exclude £4.5m, which is set aside for risk purposes. The use of balances is consistent with the Resources Policy agreed by Council in March 2006.

	2008/09	2009/10	2010/11	2011/12
	£M's	£M's	£M's	£M's
Revised Use of Balances				
Use in Year	1.289	1.111	0.673	0.235
Closing balance	3.437	2.326	1.653	1.418
Existing MTFP				
Use in Year	1.445	1.602	0.899	0.899
Closing balances	4.653	3.051	2.152	1.253

69. The key risks that have been taken into account in assessing the minimum prudent level of balances are: -

Risk	Impact	Likelihood	Officer responsible
Adults Services costs continue to grow in excess of additional provision	High	Medium	Director of Community Services
Capacity to deliver change and savings	High	Medium	Chief Executive
Pay awards higher than expected over medium term	Medium	Low	Director of Corporate Services
General price inflation higher than expected	Medium	Low	CMT

70. Detailed estimates are attached at **Appendix 14** and the proposed revenue MTFP summary is attached at **Appendix 15**.

Statutory Requirements

71. 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 2008/09 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 2009/10 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 Comprehensive Spending Review 2007.”

SUMMARY OF FINANCIAL IMPLICATIONS – CAPITAL

72. The previous section of the report has highlighted how the Corporate Plan can be resourced in terms of revenue expenditure. This section examines how capital resources will be applied in support of the Corporate Plan.
73. Capital expenditure by its very nature is significant one off expenditure aimed at making improvements to, or acquiring assets that enable the Council to deliver its priorities. The vast majority of capital funding is received from the Government and is allocated to Councils in the main to match national priorities such as Transport, Children's Services and Housing. The allocation of spending within those three key national priorities is subject to ongoing programmes and agreed outcomes. For example within Housing there is an agreed 30 year business plan which sets out how investment should be applied, more details on how expenditure will be applied is set out later in this report. Set out below are details of the levels of Government funding available for 2008/09.

		2008/09
	Children's Services	
1.	General Programme	2.319
2.	Devolved Capital	1.448
3.	Targeted Capital – Hummersknott	2.908
4.	Sure Start Capital	0.182
5.	Extended Schools	0.182
6.	Primary Capital Programme	6.500
7.	Football Foundation	0.537
8.	Quality and Access for All Young Children	0.440
	Housing	
9.	Major Repairs Allowance	3.859
10.	Disabled Facilities Grant	*0.250
11.	Sub-Regional Disabled Facilities Grant	*0.173
12.	Sub-Regional Private Sector Decent Homes	*0.261
	Transport	
13.	Local Transport Plan	2.892
14.	Darlington Eastern Transport Corridor	0.167
15.	Road Safety Grant	0.039
	Regeneration	
16.	Single Programme	*2.110
	Community Services	
17.	Adult Services Mental Health	0.052
18.	Carefirst Mental Health	0.083
	Total	24.402

* Denotes indicative figures

74. **Appendix 10** sets out the proposed capital programme with regard to applying the resources allocated to the Council, the programmes includes ongoing schemes for previous years. Set out in the following paragraphs is a narrative of the major elements of the programme. Scheme specific approvals will be subject to detailed reports to Cabinet.

Children's Services

75. In the 2007 Comprehensive Spending Review (CRS), Darlington received an allocation of £14.878M to begin work in implementing the Governments national investment programme aimed at replacing or refurbishing 50% of all primary schools in the country over a 15-year period.
76. £6.500M of this allocation is already ring-fenced for the replacement of North Road Primary School. In order to release the remaining allocation (£8.378M) from DCSF, the Authority must submit (and receive approval for) a 'Primary Strategy for Change' document identifying exactly which primary school projects will receive support.
77. As in previous years it is likely that Modernisation funding will be spent in line with the locally agreed asset management plan arrangements in Darlington. However, this year a crucial part of the planning arrangements will be to ensure there are sufficient school places available for children, particularly at Primary School. Together with the Basic Need funding allocation (£2.319M) this is a top priority for Children's Services capital investment.

78. School Capital Improvement works consist of disabled access improvements and inclusion projects, replacement fire doors and fire stopping works to roof and ceiling voids, electrical rewires, replacement windows and external doors, upgrading of heating and hot water systems, internal remodelling works to improve teaching facilities and various surveying works.

Housing

79. During 2008/09, major works are planned within the council housing stock of the borough, in a number of locations.
80. The Council plans to carry out internal planned maintenance, including electrical rewiring, replacement kitchens and bathrooms, insulation, and security lighting to approximately 300 dwellings. Work will be undertaken in the following wards; Bank Top, Lascelles, Harrogate Hill, North Road and Central. Where small blocks of flats are included, the specifications will include works to the communal areas including upgrading the lighting, flooring, and new TV aerials.
81. A remodelling programme will be undertaken at Sheltered Housing Accommodation.
82. Approximately 250 dwellings throughout the Borough will benefit from new central heating systems located predominantly in the wards of Eastbourne, North Road, Park East and Central.
83. Financial assistance will continue to be available for private owners and accredited private landlords in order to undertake essential home improvements towards meeting minimum decent homes standards. The programme will be administered by the Home Improvement Agency, Care and Repair.
84. A new community centre will be built at Skerne Park, the facility will bring Communal facilities to the same location in a safer more secure locality.

Developing an Effective Transport System - Transport and Highways

85. The following works are proposed for delivery in 2008/09:-

Major Scheme Bid

- (a) As part of the Tees Valley Bus Network Improvement major scheme proposal; a number of schemes are planned for implementation in 2008/09 including a major junction improvement at North Road/Whessoe Road. This work to tackle traffic congestion and help bus passengers is part of other actions to improve junctions in the year, such as that at Woodland/Milbank Roads. The planned work also includes new bus stops in the Springfield and Minors Crescent areas to help people get on and off buses more easily. The design and consultation process will start also start on schemes planned for 2009/10 in the Darlington area. A decision on whether the funding for these proposals will be available is expected from the Department for Transport in spring 2008.

Integrated Transport Block

86. As in previous years, work will focus in on what the public told us are the priorities – improving accessibility to facilities, tackling congestion, continuing to provide safety and security schemes and providing up to date travel information.
87. A report to Cabinet in February will outline a full range of schemes targeting road safety, including the implementation of two further 20mph zones, more street lighting to tackle anti social behaviour, and initial work to introduce 20mph zones outside schools when they are open.
88. It will also consider schemes to ensure the traffic reductions expected on Haughton Road after the opening of the Darlington Eastern Transport Corridor (DETC) are not lost as a result of future traffic increases. This will see the road being redesigned as a local road serving the community, rather than a major radial route from the town centre. The design and consultation process for this work will start in the year.
89. Providing travel choices will be enhanced through the provision of one of the final links in the pedestrian and cycle route along the River Skerne, following the acquisition of the required land. When open this route will provide a quiet, safe alternative to North and Haughton Roads for those who wish to walk or cycle. The Council also have listened to requests from local people and once more funding is in place more dropped kerbs along selected walking routes will be completed, helping all those who find kerbs a difficulty such as disabled people.
90. Travel choice will also be expanded with more investment in pedestrian and cycle routes, with links to schools and new, colour coded, signs for cycle routes with travel time rather than distances listed. This work is match funded by Cycling England and the Council hopes that they will continue to provide support after the end of their first grant period in August 2008.
91. The successful Medal Motion campaign with local schools will continue and resources from the LTP will provide support through the provision of more safer routes to school and other physical works.
92. Car park users will benefit from better signage, initially to short stay car parks.
93. Subject to completion of the legal process, the Council intends to implement a new residents' parking zone in the Bank Top area. This is intended to provide residents' with the opportunity to park near their home in an area where demand for parking is high. Preparation for the Council's application to take on the job of enforcing parking regulations will continue, once guidance has been issued by the Department for Transport.
94. Much of the Council's work relies on evidence to provide the opportunity for meaningful analysis of what action is for the best – be this in setting priorities for maintenance, management of traffic under the Traffic Management Act or making improvements. The LTP provides funding for some of the required monitoring programme, including the maintenance, renewal and provision of automatic traffic and cycle counters.

Maintenance

95. Cabinet will consider a programme of reconstruction, resurfacing and general maintenance schemes that will be implemented to ensure the improvement of the Principal and non-Principal roads in the area. As in previous years, the priorities for this work will be based on the annual condition survey data. Similarly, a programme of footway and cycle way maintenance schemes will be delivered in the year. Strengthening works are also proposed at John Street Bridge and maintenance works on either Baydale Beck Bridge or the town centre subways.

Other Capital Schemes

Improving the Local Economy

96. The Council continues to deliver a number of regeneration projects as part of the Darlington Gateway Project. Further development of key employment sites to provide modern accommodation capable of attracting new businesses to the Tees Valley and space for indigenous businesses looking to expand. These include sites at Central Park (Haughton Road), Morton Palms, Faverdale East Business Park and Lingfield Point. There will be community engagement on options for the Beaumont Street/Feethams sites, next to the Town Hall, and work on creating a new vision for the Town Centre Fringe, to the east of the town centre. The feasibility of improvements to the covered market building will be considered. Investigations will be started into the feasibility of Faverdale as a major logistics park.

Release of Further Capital Schemes

97. Council's supplement government funding by raising capital receipts from the sale of surplus assets. Attached at **Appendix 11** is a schedule of approved and potential sales. Further detailed information relating to projected and potential asset sales is attached at Appendix 11A in Part III.
98. The Council has potentially £18m resources available (see **Appendix 12**) to supplement the capital programme over the life of the Corporate Plan but clearly a significant element of this funding is dependent on future asset sales and therefore it would not be prudent to commit these resource at this stage. It is recommended that only a limited amount of resources are released with this position being reviewed as and when receipts are realised. This approach will enable the Council to consider further its priorities in light of the new SCS when deciding how to apply future capital resources, earlier in the report some of the key aspirations were highlighted.
99. Attached at **Appendix 13** is a list of current capital bids for consideration against available resources. Following discussions with Cabinet given the current resource position and desire to hold resources for the emerging SCS the following schemes are recommended for approval.

No.	Capital Scheme	Amount £M	Reason for Scheme
1.	Planned Maintenance to the Councils Operational and Non-Operational property Portfolio	0.200	Business Requirement
2.	Town Hall Refurbishment	0.100	Legislative & Business Requirement
3.	Provision of CCTV	0.050	Funding to increase CCTV coverage
4.	Town Centre Guard Rails	0.075	Environmental Improvements
5.	DDA and Fire Regulations	0.050	Legislative
6.	Air Conditioning – Customer Care	0.035	Legislative
7.	Town Centre Projects	0.100	Continue to develop the Town Centre
	Total	0.610	

Outcome of Consultation

100. Consultation to date has been extensive and ongoing. Consultation on the Corporate Plan and MTFP will be far more inclusive than in previous years, set out below is the process following the approval of the draft plans for consultation :-

- (a) Resources Scrutiny Committee will meet to consider the proposal. This is an open meeting, which the public may attend and ask questions.
- (b) The Budget Panel which was recruited to from the Citizens Panel will reconvene to consider the proposal.
- (c) A seminar is being held for all key stakeholders to consider the proposal
- (d) Consultation will take place with the Voluntary Sector.
- (e) Consultation will take place with the Trades Unions.
- (f) An article will be placed in the Town Crier inviting the public to comment on the proposal.
- (g) Talking Together events will give the public further opportunities to review the proposal.

The results of the above consultation will be fed into the report that will be presented to the special Cabinet meeting on 19th February, 2008.

Legal Implications

101. 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

102. 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

103. The issues contained within this report require Council approval and the report will be presented to Council on 28th February, 2008 following consideration by Resources Scrutiny and further consideration by Cabinet.

Decision Deadline

104. 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

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

Conclusion

106. The Council and the LSP have undertaken considerable consultation on the Sustainable Community Strategy (SCS) which has shaped the Council's draft Corporate Plan. The aspirations built into these documents have informed the preparation of an initial MTFP for revenue and capital. In terms of the revenue MTFP refinements are needed to bring expenditure in line with resources, this has been achieved by reviewing the Council's priorities and Council tax levels. The plan includes headroom in future years to enable the Council to fund any additional spending associated with the SCS. In terms of the capital MTFP there is considerable planned investment and potentially significant resources available in future years to fund the aspirations of the SCS.

Recommendation

107. It is recommended that Cabinet approve the following for consultation :-

- (a) The draft Corporate Plan.
- (b) The draft Revenue Medium Term Financial Plan as set out in Appendix 15 of the report, the key elements being :-
 - (i) A 4.9% Council Tax increase.
 - (ii) £3.8m of Capital receipts utilised to repay debt.
 - (iii) Proposed efficiencies and service reprioritisations as set out in paragraphs 56 to 59.
 - (iv) The provision of headroom of £0.5m in 2009/10 and £1m in subsequent years.
 - (v) Directors proposals in Appendices 6 to 9 including carry over of resources between years and fees and charges.
- (c) The draft Capital Medium Term Financial Plan as set out in Appendix 10.
- (d) The funding of capital schemes totalling £0.610m as detailed in paragraph 99.

Corporate Management Team

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