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**DRAFT MEDIUM TERM CORPORATE PLAN 2009 TO 2013 INCORPORATING THE  
MEDIUM TERM FINANCIAL PLAN**

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**Responsible Cabinet Member – Councillor John Williams, Leader**

**Responsible Director – Corporate Management Team**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To enable Cabinet to consider the draft Corporate Plan and Medium Term Financial Plan in light of consultation and scrutiny and changes made since the previous draft was considered on 14 January 2009.

**Summary**

2. Cabinet at its meeting on 14th January 2009 approved the draft Corporate Plan and Medium Term Financial Plan (MTFP) for consultation. The report presented at that meeting is attached at **Annex A, INCLUDING SUBSEQUENT CHANGES, WHICH ARE DETAILED BELOW AND IN ANNEX B.**

***Corporate Plan***

3. The draft Corporate Plan is attached at **Appendix 1 to Annex A.** The plan has been subject to further consultation with departments and LSP Theme Group lead officers since 14<sup>th</sup> January. As a result a number of changes have been made, which are detailed in paragraphs 10 to 12 below.

***Medium Term Financial Plan***

4. A number of minor amendments have been made to the MTFP. These changes are incorporated in **Annex A.** Details are listed in **Annex B.** They are corrections and clarifications of information in the previous report.
5. Since the meeting on 14th January, a number of more significant changes have been made to the MTFP, which are incorporated in Annex A and explained in detail in paragraph 14. They are: -
  - (a) Projected revenue balances at 31st March 2009 have increased by £661,000.
  - (b) The estimated cost of Concessionary Travel has increased by £280,000 per annum as a result of more up to date usage information becoming available and increased operating costs.
  - (c) Tenders for Supported Bus services have been received and the projected cost is reduced by around £200,000 per annum.

- (d) Projected financing costs have been reduced by £283,000 over the four years to 2012-13.
- 6. Consultation carried out since 14th January is detailed in paragraph 19 of the main report and the outcomes of that consultation are set out in paragraphs 20 to 27. Further information will be provided to Cabinet and published, dealing with consultation completed between the publication deadline for this report and the deadline for responses on 12th February 2009.
- 7. Resources Scrutiny Committee has examined Cabinet's proposals through a Task and Finish Review Group. The Committee is due to meet on 10 February, after the publication deadline for this report. Its conclusions will, therefore, be reported to Cabinet by circulation of additional information.

### **Recommendation**

- 8. It is recommended that Cabinet:-
  - (a) Note the revised Corporate Plan and MTFP at **Annex A**
  - (b) Approve the Corporate Plan attached at **Appendix 1** in **Annex A** and recommend to Council that the Plan be approved with delegation given to the Chief Executive in consultation with the Leader to make any minor amendments to enable the Plan to be completed and published by 31st March 2009
  - (c) Consider the MTFP in light of the results of the consultation, Resources Scrutiny Committee's views and the changes made since 14 January 2009.
  - (d) Recommend a MTFP including 2009-10 budget and Council Tax to the Special Council meeting on 26 February 2009.

### **Reasons**

- 9. The recommendations are supported by the following reasons: -
  - (a) To note changes to the Corporate Plan and MTFP and give further considerations to proposals in light of consultation and scrutiny
  - (b) To enable Cabinet to recommend a Corporate Plan and MTFP for 2009 to 2013 and a budget and Council Tax for 2009-10

## **Corporate Management Team**

### **Background Papers**

No background papers were used in compiling this report, other than those referred to in the report.

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S17 Crime and Disorder	The report supports the Council's Crime and Disorder responsibilities
Health and Well Being	The report contains proposals to improve the health and well being of residents
Sustainability	Proposals in the report support sustainability
Diversity	Proposals in the report support the promotion of diversity
Wards Affected	All Wards are affected equally
Groups Affected	All Groups are affected equally
Budget and Policy Framework	This report must be considered by Council
Key Decision	This is a key decision
Urgent Decision	The Council's Medium Term Financial Plan, Budget and Council Tax require approval by full Council
One Darlington: Perfectly Placed	This report specifically addresses key issues involved in the Council's contribution to delivering the Sustainable Community Strategy vision

## MAIN REPORT

### Information and Analysis

#### *Corporate Plan*

10. Proposals in Sections 3 and 4 of the Corporate Plan have been amended to ensure that they fully complement both Theme Group action plans and Department Plans, whilst giving a distinctively corporate overview of the Council's plans for delivering its contribution to 'One Darlington : Perfectly Placed'.
11. Other changes to the draft Corporate Plan include the strengthening of Sections 1 (about Darlington Borough Council) and Section 2 (the Planning Context or 'change drivers'). The content on equalities and social inclusion has been strengthened, in Sections 1 and 4. The Risk Management content has been strengthened in Section 2, particularly in relation to the economic downturn. And content on the Corporate Assessment 2008 and the Sustainable Communities Act has been added to Section 2.
12. The final change is the removal of the Performance Targets table in Section 6. This was included in the first draft as an indication of the 'shape' and content of the final published document, but it showed the targets approved last year for 2008/12. Performance targets for 2009/13 will be set during February, and will be incorporated in the final document. Including these 'old' targets added to the bulk of the report without providing useful information.

#### *Medium Term Financial Plan*

13. A number of minor amendments have been made to the MTFP. These changes are incorporated in **Annex A**. Details are listed in **Annex B**. They are corrections and clarifications of information in the previous report to Cabinet on 14 January 2009.
14. Details of the more significant changes to the MTFP referred to in paragraph 5 are: -
  - (a) Projected revenue balances at 31st March 2009 have increased by £661,000 as a result of: -
    - (i) Local Authorities Business Growth Incentive grant (LABGI) – The Department for Communities and Local Government (CLG) held back £100M from 2007-08 LABGI grant as reported to Cabinet in July 2008 in the 2007-08 Out-turn statement. On 4th February 2009, CLG announced the release of this contingent sum. Darlington received an allocation of £463,000, which had not been budgeted. This reflects Darlington's success in attracting investment and developing business growth from 2004 to 2007. This grant could not previously be reasonably estimated or safely assumed due to the very substantial uncertainty surrounding its potential distribution.

- (ii) Rescheduling of debt, approved in principle by Cabinet in December 2008, has now been achieved, reducing financing costs by £168,000 in 2008-09. This is, however, partially offset by some further reductions in investment income as a result of falling interest rates.
  - (iii) The Department for Transport (DfT) has approved an additional £1.229M capital grant for the Eastern Transport Corridor. In approving the increased grant DfT have taken account of exceptional circumstances, mitigating factors and relevant performance considerations. This reduces the Council's financing costs by £12,000 in 2008-09 and £95,000 in each subsequent year.
  - (iv) The latest 2008-09 out-turn projections show a further improvement of £198,000. Projected spending on Adults Services has reduced and reviewing external funding across all departments has identified further reductions in projected net spending. A detailed report of the latest 2008-09 revenue budget management projections will be presented to Cabinet on 3rd March 2009.
- (b) The estimated cost of Concessionary Travel has increased by £280,000 per annum as a result of more up to date usage information becoming available and increased operating costs. Significantly, the level of seasonal reductions in patronage over winter months that had previously been expected has not materialised.
- (c) Tenders for Supported Bus services have been received and are to be considered at Cabinet's special meeting on 17 February 2009. The estimated cost of continuing to provide all of the current supported bus and rail services is around £200,000 per annum less than indicated in the 14 January draft Corporate Plan and MTFP report. Subject to the separate decision of Cabinet on the Supported Bus service contracts, the amended draft MTFP in Annex A assumes the annual reduction of £200,000.
- (d) Projected financing costs have been reduced and re-profiled. They have been reduced by £283,000 across the 4 years to 2012-13 as a result of the actions in paragraph 11 (a) (ii) and (iii).
15. Corporate Management Team has reviewed the capacity to deliver the efficiency programme, which includes £0.7M of further savings from previously agreed reviews, in addition to the £4.9m annual savings detailed in the 14 January Cabinet report. To pump prime delivery of this very challenging efficiency programme, it is proposed that a Change Fund of £100,000 be established for 2009-10. It is also proposed to re-profile £250,000 of savings from 2009-10 to 2010-11.

16. On 21 January, the Department for Communities and Local Government published the final grant settlement for 2009-10. This confirmed the previously published provisional figures for 2009-10 and reaffirmed the provisional grant for 2010-11. Consequently, there is no change to the forecast resources for 2009-10 or future years.
17. The draft Corporate Plan and MTFP approved for consultation by Cabinet in January has been widely consulted upon and a good level of response has been received. The changes that have been made to the draft plans outside of the consultation process, described in paragraphs 13 to 15, do not materially change the draft plans for the purposes of consultation. Those changes do not, therefore, require additional consultation.

### **Outcome of Consultation**

18. The report to Cabinet on 14 January referred to consultation that had been carried out prior to proposals being agreed. That initial consultation sought to focus on the general balance of spending on services, charges paid by service users and Council Tax. There was also, at that stage, a significant element of awareness raising and provision of information about the Council's budget setting process. Responses tended to be about specific service issues, with a wide spread of comments and no strong themes emerging. A summary of responses and detailed individual responses received during the initial stage of consultation is attached at **Annex C**. 64 responses were received, containing 95 comments.
19. Since Cabinet on 14th January, the following consultations have been carried out: -
  - (a) Open public consultation, publicised around the January Cabinet meeting, January Town Crier and Council website with feedback received by e-mail, letters and telephone
  - (b) On-line forum
  - (c) Leaflets summarising proposals, circulated and placed in public buildings
  - (d) Employee and Trades Union briefings
  - (e) Third Sector meeting
  - (f) Second meeting of the Citizens' Budget Panel
  - (g) Local Strategic Partnership Assembly meeting
  - (h) February Town Crier
  - (i) Talking Together event at the Dolphin Centre
  - (j) Resources Scrutiny Committee and Task & Finish Review Group.

### **Open public consultation**

20. The Council's budget and tax-setting processes were publicised in the October, November, December and January Town Criers, encouraging residents to become engaged, including letting the Council know their views. Publicity around Cabinet's January meeting, the Council's website and the February Town Crier have given

further encouragement to residents to engage in the process. Residents are particularly encouraged to comment on specific proposals as well as the overall package of proposals. Up until the deadline for publication of this report on 9 February, 44 responses have been received via e-mail, telephone and the on-line forum, containing 55 comments. A summary of responses and the detailed individual responses is attached at **Annex D**. In addition, over 400 letters and a petition have been received by The Leader. Most have opposed the proposed closure of the Mayor's Charity Shop, 3 have opposed closure of the Aviary and 1 opposed the proposed Cycle and Pedestrian Training charges. These are summarised in Annex D

### **On-line forum**

21. An on-line forum has been added to the budget consultation process this year. This has enabled residents to read responses of other residents along-side the information provided by the Council and add their own views. To date, 17 responses have been posted to the on-line forum. Individual responses are listed in **Annex D** and can be viewed at <http://www.darlington.gov.uk/Generic/Discussion+Forums.htm> .

### **Leaflets**

22. The key features of the budget and Cabinet's proposals are summarised in a leaflet that has been distributed to all schools and colleges, third sector organisations, businesses and business support organisations, LSP theme group members, Parish Councils and Parish Meetings, DBC Members and displayed in public and voluntary sector buildings. As the leaflets were distributed in the second half of January, following agreement of the draft plans by Cabinet, responses received before the 12th February deadline will be collated, summarised and circulated as additional information to Cabinet's 17th February meeting.

### **Employee and Trades Union briefings**

23. Three staff briefings were held that were attended by approximately 70 employees. Detailed and general questions were answered and staff were encouraged to make their views known via the consultation process. Meetings have been held with the Trade Unions on the general budget position and on specific proposals. Trades Unions were encouraged to respond in writing and a letter from Unison is anticipated, which will be circulated if received before 17 February.

### **Third Sector meetings**

24. An initial meeting with representatives of the Third Sector was held in November to explain the Council's planning processes and receive initial views of Third Sector priorities. A second meeting was held on 16th January to discuss Cabinet's proposals and receive comments. The minutes of the meeting are awaited and will be circulated if received by 17 February. A detailed response has been received from the Tees Valley Rural Community Council and is included in **Annex D**.

### **Citizens' Budget Panel**

25. The meeting of the Citizen's Budget Panel in November was reported to Cabinet's January meeting. A second meeting, to consider in more depth the individual proposals and overall 'package' was held on Saturday 17 January. The full report, with a summary of findings, is attached at **Annex E**.

### **Local Strategic Partnership Assembly**

26. At the Darlington Assembly on 28 January 2009 a presentation was given on the Council's budget proposals along with other public sector providers. Discussion at the meeting was focused on specific service queries and no budget issues were raised. Budget consultation literature was distributed to attendees.

### **February Town Crier and Talking Together**

27. The February Town Crier, delivered to all households in the Borough from late January into the first week of February, carried a double page feature providing information about the Council's budget and encouraged residents to comment on the proposals. The feature also advertised the Talking Together event at the Dolphin Centre on 10th February. Engagement was also encouraged by "Have your say on the Council's budget" headline on the front cover of the February Town Crier and "Give us your views on our budget proposals" headline to the Leader's column on page 3. The deadline for comments (12 February) and the Talking Together event were after the publication deadline for this report. Details of the outcome of the event and responses to the Town Crier feature will, therefore, be reported to Cabinet through additional information.

### **Resources Scrutiny Committee**

28. The Council's Constitution requires Cabinet's initial budget proposals to be examined by Resources Scrutiny Committee. Cabinet is then required to take into account the views expressed by Resources Scrutiny Committee. This year the Committee has made more extensive examination of the proposals, via a Task and Finish Review Group, which was established to enable more time and resource to be dedicated to the process. Five meetings of the Review Group were held between 15 January and 10 February, at which all members of CMT have answered the Group's questions. The Review Group reported its conclusions to Resources Scrutiny Committee on 10 February, after the publication deadline for this report. The Committee's views will be reported to Cabinet and published via additional information.



**CABINET  
17 FEBRUARY 2009**

**TABLE OF ANNEXES AND APPENDICES**

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\* NB Appendix 1 is separately numbered as it will form a 'stand-alone' document