

APPENDIX 1

REVIEW OF THE REVENUE MEDIUM TERM FINANCIAL PLAN 2006/07

1st February 2006

REVIEW OF MEDIUM TERM FINANCIAL PLAN

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REVIEW OF THE MEDIUM TERM FINANCIAL PLAN 2006/07

**Responsible Cabinet Member(s) - Councillor John Williams,
Leader and all Cabinet Members**

Responsible Director(s) - Corporate Management Team

Purpose of Report

1. To review the Council's Revenue Medium Term Financial Plan (MTFP) in light of changes since its approval in March 2005 and consider approval of the detailed budget for 2006/07, together with the Council Tax level for 2006/07.

Background

2. The Council has operated a medium term approach to its financial planning since 2000/01. This approach has enabled Council to plan effectively into the future taking account of local and national priorities whilst always seeking to deliver value for money (VFM). The recent Comprehensive Performance Assessment (CPA) conducted by the Audit Commission has rated the Council as a 4 star Authority in a system where 4 star is the maximum rating. In terms of VFM the same assessment rated the Council 3 out of 4 with only 3 Authorities in the Country achieving a better rating. Clearly the Council's overall approach to financial and service planning is delivering excellent results but we are not complacent and there is still much to do, however, we are building on a good base.
3. In line with the medium term approach, the Council reviews the plan at least on an annual basis when it firms up the following year by approving a detailed budget and Council Tax level for the year. In doing this, the Council also takes due consideration of future year demands on its resources and establishes its firm proposals for the coming year with due regard to prudent financial management in the medium term. The Council has a successful track record of managing its resources in such a manner.
4. The Councils existing MTFP, as approved by Council in March 2005, is attached at **Appendix 1**. The plan identifies the resources the Council anticipated receiving from the Government and Council Tax yield together with indicative plans of where resources would be allocated. In summary, the plan assumed continued growth in Education, sustained investment in Social Services and increases in other service areas of 3%. Resources were based on the Spending Review 2004 (SR 2004), and Council Tax rises of 4.5% in the years 2006/07 and beyond. The projected resources had been pitched to enable the Councils existing services to be funded into the future and to allow headroom in the region of £1.5m each year to cover potential budget pressures (in particular single status), reductions in projected Government grants and service improvements.

SECTION ONE - REVIEW OF 2005/06 BUDGET

5. Before considering future year budgets it is essential to review progress in the current year to understand its impact on future years. Attached at **Appendix 2** is the budget monitoring report for November 2005, which gives the latest projection of expenditure and income for 2005/06. The report highlights additional resource allocation approvals made during 2005-06 of £327,000 and a projected underspend of £418,000 on non-departmental budgets (principally Financing Costs). Re-phasing of the Dolphin Centre refurbishment means that there is a further increase of £220,000 in projected year-end balances. The revenue contribution to this scheme will, however, be needed in 2006-07.
6. Attached at **Appendices 4 to 8** are detailed reports from each department and as part of these they identify resources to be carried forward to 2006/07 in line with the Councils established practice, if they are approved the following will be the departmental positions: -

Department	Surplus c/fwd £000's
Education	26
Social Services	26
Community Services	187
Development and Environment	-71
Corporate Services	353
Chief Executive	0
TOTAL	521

7. Members will recall that £1.6m of headroom was established in the MTFP for 2005/06 predominantly to cover the initial estimated costs of single status implementation. Implementation will not take place until 2006/07 however there will be considerable back dating costs and at this stage it would be prudent to establish a reserve of £2.5m to cover such backdated costs including those incurred in schools.

Projected Revenue Balances at 31st March, 2006

8. During 2005/06 there have been three significant additions to revenue balances as explained below: -

(a) Business Growth Incentive Grant - £660K

This system rewards Councils in the form of a one off grant when its growth in the value of National Non Domestic Rates (NNDR) Valuation list is greater than the national average. Darlington has achieved this in 2005/06 which is most rewarding and reflects the success in attracting new business to the Borough the most notable in being the Argos distribution centre.

(b) Private Finance Initiative Grant - £800K

The Council's PFI project which includes the Education Village and Harrowgate Hill Primary school attracts government grant from initial service commencement which was September 2005. However, the Education Village will not open until April 2006, this means there is a financial benefit of £1.5m. This means that £0.800m can be

released from the PFI reserve and added to revenue balances.

(c) Insurance Reserve - £1M

The Council has operated as a Unitary Council for 9 years and now has a considerable knowledge of its risk profiles. The reserve has been established over the last nine years to cover the Council's uninsured risk exposure and following a full review in conjunction with our insurers, it is now possible to reduce the reserve by £1m and add the sum to revenue balances.

9. Taking account of the changes identified in the previous section and above, the projected balances are as follows :-

	£000'S
Opening balances at 1st April, 2005	11,054
Less	
Approved use of reserves 2005-06	-1,236
in year approvals	-367
Single Status Reserve	-900
Add	
Projected corporate underspend 2005-06	418
Dolphin Centre refurbishment	220
Business Growth Initiative Grant	660
PFI grant surplus	800
Insurance Reserve	<u>1,000</u>
Projected balances at 31st March, 2006	<u>11,649</u>

10. The Council retains revenue balances to cover unforeseen future budget pressures and liabilities, a recent example being the equal pay settlement. The Director of Corporate Services, in consultation with the Council's external auditors, is required to advise the Council on minimum levels of balances to be retained in respect of such risks. Following this year's review the recommended level of retained balances is £4.5m. After retaining this level, the Council has £7.2m of balances available that it may use to support expenditure over the life of the MTFP. This figures represents the first component when revising the MTFP.
11. A formal policy that establishes a framework for the use and management of balances is recognised as best practice. It is recommended that the draft Reserves Policy attached at **Appendix 3** be formally adopted.

SECTION TWO - BUDGET PRIORITIES – POLICY GUIDANCE/VALUE FOR MONEY/CITIZENS SURVEY

12. The Council establishes and revises its MTFP in light of changes in local and national priorities. It also needs to reflect on the Value for Money (VFM) services provided for the Community of Darlington by comparing relative performance and cost with comparative organisations.
13. This section of the report provides comparative information and analysis that will assist Members in contextualising their decisions about the revisions requested to the MTFP.

National Priorities

14. Government priorities are many fold and specific changes and new issues are identified in the attached Directors reports. One national priority highlighted by the Chancellor of the Exchequer in his 2005 budget was a national Concessionary Travel scheme providing free travel to eligible groups, to be introduced with effect from April 2006. The new scheme is more generous and consequently more costly than the Council's existing scheme. Additional funding has been provided through the grant settlement, for Darlington this amounts to an estimated £908,000 in 2006-07. It is proposed that this be added to the Council's existing provision. In addition, it is estimated that to continue to provide concessionary travel before the statutory 9.30 a.m. start time and allow concessions to continue to apply to taxis, a further £160,000 needs to be provided from the Council's resources.
15. Clearly a national priority which is also a local priority is Educational attainment. The Finance settlement for Darlington provides for a 6.6% increase in the new Dedicated Schools Grant which will be available to support improved attainment.

Local Priorities

16. In many cases local priorities mirror national priorities e.g. Educational achievement. However, local issues and demands will place a local flavour on the Council's overall priorities. The Community Strategy identifies the Council's overall policy priorities which balances national and local priorities for Darlington. The Community Strategy has eight connecting themes :-
 - (a) Improving the Local Economy.
 - (b) Raising Educational Achievement.
 - (c) Promoting Inclusive Communities.
 - (d) Promoting Community Safety.
 - (e) Enhancing the Local Environment.
 - (f) Stimulating Leisure Activities.
 - (g) Improving Health and Well Being.
 - (h) Developing an Effective Transport System.
17. Whilst the Council and its partners are making progress on all themes, the Darlington Partnership agreed to prioritise activities to the following: -
 - (a) Improving the Local Economy.
 - (b) Raising Educational Achievement.

(c) Promoting Inclusive Communities.

18. The following table identifies how the Council's budget for the period 2003/04 to 2005/06 was allocated compared to the eight community themes.

	2003/04 £m's	2004/05 £m's	2005/06 £m's
Improving the Local Economy	2.0	2.2	2.4
Promoting Inclusive Communities	5.3	5.7	6.1
Raising Educational Achievement	59.8	64.4	69.5
Stimulating Leisure Activities	2.2	3.2	4.0
Promoting Community Safety	0.3	0.5	0.7
Improving Health & Well-being	29.5	30.9	32.0
Enhancing the Local Environment	7.8	8.7	9.1
Developing an Effective Transport System	2.6	3.1	4.4
Total	109.5	119.1	128.2

19. The analysis demonstrates that additional resources have been allocated to all eight community strategy themes, with significant increases in the three shared-priority areas of Local Economy, Inclusive Communities and Educational Achievement.
20. Whilst the Community Strategy gives the overall strategy context for the MTFP in accordance with good practice, the council commissions an annual independent residents survey that asks what the most important issues are for local people and what is most in need of improvement. The survey is statistically representative of the borough's population and is conducted through face to face interviews to avoid exclusion on the basis of literacy levels.
21. Three services stand out as being 'most important' and 'most in need of improvement' amongst the total sample :-
- (a) The achievement of low levels of crime and anti-social behaviour (58.4% important, 37.5% improvement i.e. almost two thirds of residents see it as important for Darlington, just over a third think it needs improvement).
 - (b) Activities for teenagers (43.2% important; 44.7% improvement).
 - (c) Clean streets (50.7% important; 30.6% improvement).
22. These headlines, in addition to the wealth of information about trends on individual services are fed into the authority's service and financial planning mechanism. For many years the authority has proactively sought information from residents and used this information to critically challenge our approach to service improvement and resource planning. Being mindful of the needs also to keep council tax low in a relatively low waged economy, the Authority is seeking to meet residents' needs whilst maximising external funding and continuing to improve value for money. This holistic approach is explained in relation to the top three service improvement needs of residents listed above.

Crime and Anti-Social Behaviour

23. The authority is mindful of the fact that Darlington performs well on comparative national indicators and spends above average on this area. Nevertheless, perception is clearly extremely important. To respond to residents' views in the next MTFP :-
- (a) The authority has mainstreamed funding of the very popular and effective neighbourhood warden service.
 - (b) New ASB co-ordinators have been appointed.
 - (c) Following successful lobbying, the authority has received Safer Stronger Community Funding of £3.7m over the next four years. Residents' views will be instrumental in deciding how this is allocated.

Activities for Teenagers

24. There is a clear linkage for residents in the need to address anti-social behaviour and to provide activities for teenagers. It is extremely important not to demonise young people and to ensure that all of the authority's activities serve to foster tolerance between generations. However, the authority recognises that there is room for improvement in its services for young people which extends beyond activities for teenagers. It recognises furthermore, that value for money can be improved through additional investment in the youth service. The MTFP includes provision for :-
- (a) Increased investment in the youth service of £320,000 per annum. This will enable development of outreach work, community liaison and a much improved strategy for engagement of young people across all council services.
 - (b) 'Pump priming' of £850K is expected over the next 3 years through negotiation of the Council's Public Service Agreement linked to our Local Area Agreement (LAA) with a focus on children and young people.
 - (c) The LAA will be a mechanism for engaging partners in improving services for young people and joining up responses to issues such as anti-social behaviour. In this respect the actual 'initial' investment goes beyond the pump priming identified above.

Clean Streets

25. In recognition of residents' views and the need for improvement identified internally the authority invested in 2005/06 in a Street Scene project which will pay dividends in 2006/07. This was in recognition of the fact that although the authority was a relatively high spender on street cleansing, results were below average. The authority commissioned a Street Scene review which was grounded in residents' views and the MTFP as a result :-
- (a) Will improve performance whilst making efficiencies within the service i.e. improving value for money.
 - (b) Will be organised on an area-basis which will permit much improved community communications and is intended to feed resident opinion into service improvement on a faster and more sustainable basis.
 - (c) SSCF will also enable the authority to direct external resources to meeting resident's needs.

Service Planning Issues

26. The table below summarises service planning initiatives that have been identified as high priority that require additional resources and which are recommended by Directors in their reports at Appendices 4 to 8. The majority of the issues are to support existing Council policies and strategies. In addition to the items listed below, there are initiatives within departmental service plans that are implemented within existing resources.

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Children's Services	138	143	83	86
Community Services	38	39	40	41
Development & Environment	30	31	32	33
Corporate Services	155	75	78	80
Chief Executive's Office	65	67	69	71
Total	426	355	302	311

Value for Money

27. The comparison of service performance and cost with other organisations assists the Council in identifying areas where VFM is not being achieved to the optimum level and therefore allows the Council to take appropriate action to remedy the situation. The Council's self assessment on VFM completed as part of the Comprehensive Performance Assessment (CPA) framework can be reviewed in full on the Council's intranet under Chief Executive's intranet page entitled 'Value for Money', however, set out at **Appendix 9** is a chart illustrating how the main service areas compare performance with cost illustrating where the service lie in terms of value for money, the table demonstrates that overall the Council achieves excellent VFM. The Council has recently been assessed as 3 out of 4 in terms of value for money as part of the CPA process which means only three Authorities in the Country have a better VFM rating than Darlington.
28. Clearly not all services are performing at the optimum level as measured in the table and as part of the ongoing planning process action continues to be taken to improve performance/reduce costs, the level of intervention at this time is determined by relative positioning on the chart. For example, significant reviews are taking place in respect of Parks and the Street Scene with a view to improving overall VFM as these two services are identified as requiring review. Each Director's report attached identify at a lower level issues of value for money that require reviewing as the chart identifies service blocks only. The charts included in Directors reports are as a result of initial work and they will be refined during 2006/07 to reflect more up to date and accurate information.
29. Members will recall that in response to the 'Gershon Efficiency Agenda' the Council responded with it's Leading Edge Programme which signalled the Council's next phase of Organisational Development. Leading Edge has at its heart a desire to challenge and improve services and deliver even better overall VFM. To deliver the agenda the Council has focused on a number of key projects that will initially drive Leading Edge and deliver the efficiency gains that are required to meet the Gershon Challenge and to deliver the efficiencies required by the MTFP to bridge the gap between expenditure and resources.

30. The ultimate VFM comparator for the Council is overall performance as measured externally by the CPA process which has recently been refreshed as four stars in a four star rating scheme and the Council's level of Council Tax. The level of Council Tax levied in Darlington continues to be comparatively low being the lowest in the North East region in 2005/06 and just above the 25th percentile for all Local Authorities in the Country. The performance measure together with the low Council Tax further support the overall conclusion that the Council provides excellent VFM.
31. The above demonstrates the Council in delivering good VFM, however it continues to strive to improve efficiency and set out in the following table is a summary of planned and potential savings.

PLANNED AND POTENTIAL SAVINGS				
	2006/07 £m's	2007/08 £m's	2008/09 £m's	2009/10 £m's
Street Scene	0.140	0.300	0.500	0.500
Depot Relocation	-	0.110	0.110	0.110
Administration Review	-	0.300	0.300	0.300
Procurement	0.100	0.200	0.300	0.300
Darlington & Stockton Partnership	-	0.200	0.400	0.500
Decriminalisation of Parking	-	0.025	0.050	0.050
	0.240	1.135	1.660	1.760
Departmental Efficiencies (See Director's reports for details)				
Corporate	0.414	0.414	0.364	0.364
Development & Environment	0.270	0.270	0.270	0.270
Community	0.242	0.389	0.400	0.412
Children's Services	0.527	0.438	0.449	0.460
Total Efficiencies	1.693	2.646	3.143	3.266

32. The above represents where planned and potential efficiencies will be delivered over the next four years. The planning of efficiency gains into the future is an extremely helpful addition to the MTFP process and it will give Members more confidence in the future deliverability of efficiencies to meet the budget gap currently funded from revenue balances.
33. The above efficiencies will form the basis of the Annual Efficiency Statements that are required by the Gershon Agenda.

Conclusion

34. This section of the report, together with further detail in appended Director's reports, shows by comparison and consultation how the Council is responding to national and local priorities. The Section demonstrates continued investment in the priority areas of the Community Strategy together with significant responses to local priorities raised via consultation. Significant examples being investment in the Youth Service and re-engineering of the Street Scene Services.
35. National priorities such as the new concessionary travel scheme will be implemented in 2006/07 and significant increases in national funding for schools will enable the Council to

deliver the national and local priority of raising educational attainment.

36. Finally, this section of the report highlights that the Council is providing good value for money (VFM) and 4 star delivery overall together with plans to further improve VFM as highlighted by the ambitious leading edge agenda.

SECTION THREE – REVISION OF AVAILABLE RESOURCES

37. There are three key elements to consider in this section, Government Grant, available revenue balances and Council Tax income. These elements are considered below.

Local Government Finance Settlement

38. Government Grant remains the main source of income for Local Authorities, in 2005/06 Government Grant funded 71% of our net expenditure. Projections of grant receivable for 2006/07 and beyond made when setting the 2005/06 budget were based on local interpretation of what the Comprehensive Spending Review 2004 (CSR2004) may mean for Darlington. This interpretation is required as there were no indicative grant figures identified for future years for individual Local Authorities.
39. The grant settlement for 2006/07 was always going to be subject to considerable change as 2006/07 marked the end of the ‘formula freeze’ (this being a period where the methodology for allocating grant remains unchanged) and the introduction of a new approach to allocating grant and the introduction of the Dedicated Schools Grant. Given this considerable level of uncertainty a prudent approach to grant projection was taken and it was assumed that the Council would only receive the current minimum guaranteed increase for top tier authorities of 4% despite the fact that our interpretation of CSR2004 suggested we may receive more grant.

Grant Position

40. In July 2005, the Office of the Deputy Prime Minister published a consultation paper on the future of the Revenue Grant Distribution System. The Government presented a number of options for change in each area of the Formula Spending Share (FSS), most of which benefited Darlington Borough Council. A summary of the Government provisional settlement on 5 December 2005 is:
- (a) A four-block option has been introduced. The introduction of this option moves away from notional spending and tax elements, which were used within the previous grant distribution system. Therefore there are no longer any published figures for the level of assumed notional council tax (ANCT) or the Formula Spending Share figures.
 - (b) The four-block option, in effect, adds an additional layer of calculations on top of the existing Formula Spending Share (FSS) calculations in order to allow a ‘simpler’ presentation. The intention of the new system is to focus on grant and not on notional measures of spending and council tax. The system is based upon four blocks of cash
 - (i) relative needs amount;
 - (ii) relative resources amount;
 - (iii) central allocation;
 - (iv) floor damping.
 - (c) The national average adjusted Formula Grant increase for 2006/07 is 3.0%. (Darlington 2.7%)
 - (d) The national average adjusted Formula Grant increase for 2007/08 is 3.8%. (Darlington 4.3%)

- (e) The Chancellor announced an additional £813m of resources for local government in the Pre-Budget Report (£305m for 2006/07 & £508m for 2007/08).
 - (f) For 2006/07 the floor level for upper tier authorities has been set at 2% with a scaling factor of 13.4% (i.e. authorities can retain 13.4% of grant increases above the floor).
41. In announcing the settlement to Parliament, Local Government Minister Phil Woolas said *'The formula is simply a means of distributing Government grant. Notional spending and taxation figures are nonetheless still being misunderstood and misused for a variety of purposes, such as spending or tax targets, for which they were neither intended nor suitable. Such notional figures get in the way of sensible budget setting - because councils treat them as targets, or going rates - and they get in the way of a more mature relationship with local government on doing business together. What I am proposing is a system that deals in an honest currency - cash grant - not fanciful assumptions about spending'*.
42. The new system makes comparisons difficult with the former system of grant distribution, however, the following table makes an attempt to compare the effect of the settlement compared to the 2006/07 approved Medium Term Financial Plan.

Service Area	2006/07 MTFP £m	2006/07 Provisional Settlement RNF ^{*1} £m		
		Gross	Damping ^{*2}	Net
FSS (Excluding Schools)				
LEA	6.807	6.688	0.000	6.688
Children's Services	7.391	8.965	-0.536	8.429
Younger Adults PSS	7.305	9.376	-1.316	8.060
Older People PSS	11.642	12.827	0.000	12.827
Highways	4.207	4.240	0.000	4.240
Other Services	22.859	23.189	0.000	23.189
Capital Financing	4.328	6.753	0.000	6.753
Total FSS	64.539	72.038	-1.852	70.186
Additional FSS				5.647
Less: Resource Equalisation ^{*3}				-1.766
Less Transfers and Other Adjustments ^{*4}				-1.410
Net Additional FSS				2.471
Formula Grant				
Revenue Support Grant	83.537			
Less: Schools	-54.439			
Total Formula Grant	29.098	33.153	-1.387	31.766
Additional Grant				2.668
Less Transfers and Other Adjustments ^{*4}				-1.410
Net Extra Grant				1.258

Notes

- *1. The settlement contains a new calculation of need called the Relative Need Formula. The RNF for each block has been converted to an FSS equivalent for comparison purposes only.
- *2. Damping has been applied to Social Services RNF to avoid major national redistribution of grant. It has also been applied to formula grant to pay for the 2.0% Grant Floor.
- *3. Additional Resource Equalisation has been introduced as part of the settlement, which attempts to match spending with actual Council Tax levels. There is a zero effect on actual grant receivable.
- *4. Transfers refer to funding for additional responsibilities passed to local authorities.

43. Members will note from the above table that the effect of the selected options gave the Council an increase in FSS of £2.471m which translated into additional Government Grant of £2.668m for non-school services when comparing the provisional settlement to the forecast settlement. However, because most of the options selected produced significant countrywide redistribution of grant, the additional grant receivable by the Council was ‘damped’ to the tune of £1.387m. It is anticipated that the damping of the grant will ‘unwind’ in future years thus fully releasing the additional funding.
44. Of the remaining additional grant, the settlement also gave additional funds to support improved services or transfers of functions. The principal additional function is the introduction of free concessionary fares for the disabled and people over 60, which provides additional funding of £0.908m. The total of the transfers and additional functions is £1.410m, which further reduces the additional grant available to support other services to £1.258m.
45. The provisional settlement is for a period of two financial years. This is a new initiative that meets the Government’s aim of providing greater predictability and stability for local authorities. The current settlement also tells us the level of grant for 2007/08 and it shows that the grant damping withheld for 2006/07 begins to unwind in 2007/08. The following table summaries the impact of the provisional settlement on the Council’s Revenue MTFP and using the best information available forecasts the grant position for financial years 2008/09 and 2009/10. The table demonstrates that the settlement provides more resources for the Council than planned in the existing MTFP.

<u>Grant Position</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Forecast Grant	83.537	86.879	90.391	93.726
Less Schools	-54.439	-57.293	-60.186	-63.194
Net Forecast Grant	29.098	29.586	30.205	30.532
Revised Grant	31.766	33.094	34.303	34.507
Net Additional Grant	2.668	3.508	4.098	3.975
Less Transfers	-1.410	-1.410	-1.410	-1.410
Net Additional Grant	1.258	2.098	2.688	2.565

46. The settlement has also brought with it some major changes in the way that Education and, specifically, schools are funded. Replacing a proportion of the Education Formula Spending Share is the new Dedicated Schools Grant (DSG). The DSG is a ring-fenced grant and can only be used in support of the Schools’ Budget. The Schools’ Budget contains elements of retained central departmental expenditure on pupils as well as the amount that is delegated to schools, otherwise known as the Individual Schools’ Budget.
47. In 2006/07 the Government requires the Authority to continue with the minimum funding guarantee for schools. This means that authorities must ensure per pupil funding increases by 4% for primary and nursery schools and 3.4% for secondary and special schools. The

Authority, in consultation with the Schools' Forum, will decide on the distribution of the whole of the DSG locally, subject to meeting the minimum funding guarantee, and taking into account local circumstances as well as the government's priorities.

48. Darlington will receive DSG for 2006/07 at £3,547 per pupil, equivalent to £54.002m in total, which equates to an overall 6.6% increase in the baseline DSG. This is broadly in line with the forecast in the Revenue MTFP. In total the Council continues to experience the effect of falling rolls and it is anticipated that pupil numbers will reduce overall by approximately 150 in 2006, equating to a reduction in resources of £532k.

Available Revenue Balances

49. Earlier in this report, £7.2m was identified as available to support the revenue budget which is an improved position compared with the MTFP as approved in March 2005. Set out in the table below is the planned use of balances as agreed in March 2005 together with a revised plan taking account of the revised grant settlement and the planned efficiency savings. The revised plan will allow the Council to deliver a MTFP which is detailed later in this report. At this stage it would not be prudent to plan to utilise all available balances given the significant uncertainty that exists in the MTFP around issues such as single status and waste disposal.

Financial Year	Revenue Balances utilisation £m's Original £m's	Revised £m's
2006/07	2.0	2.4
2007/08	1.5	1.0
2008/09	0.9	1.5
2009/10	0.4	1.3
TOTAL	4.8	6.2

Council Tax Levels

50. The Council has a duty to balance the needs of the community with the level of taxation it levies. Darlington provides excellent services in a value for money way and it is planning to further invest and improve its services to meet national and local priorities. The plans already implemented such as additional funds of £320,000 for the Youth Service were based on a planned increase of 4.5% for 2006/07. The budget for 2006/07 will need to be supported by approximately £2.4m of revenue balances after allowing for a 4.5% increase therefore it would be appropriate to implement the planned increase of 4.5% for 2006/07. This level of increase is within Government guidelines which state increases should not be greater than 5%.

Available Resources Summary

51. Set out below is the summarised position with regard to available resources, which will be compared with expenditure plans in the next section of this report.

	2006/07	2007/08	2008/09
	£m's	£m's	£m's
Resources as per MTFP March 2005	117.041	122.205	127.067
Add Planned use of balances	2.000	1.500	0.900
Changes			
Government Grant Changes	2.668	3.508	4.098
Reduced School Funding	-0.437	-0.345	-0.684
Council Tax yield	0.439	0.843	1.254
Collection Fund surplus	0.100	0.000	0.000
Amending Report	0.113	0.011	0.000
Revised Resources	121.924	127.722	132.635
Changes to Planned Use of Balances	0.389	-0.500	0.550
TOTAL RESOURCES	122.313	127.222	133.185

SECTION FOUR – EXPENDITURE PLANS

Single Status Negotiations

52. Members will be aware that there are significant financial implications associated with the implementation of the Single Status Agreement, this was acknowledged when the MTFP was agreed for 2005/06 by establishing considerable headroom within the MTFP to cover estimated costs and other potential cost pressures. Members received a report on Single Status at Council on 26th January, 2006, which agreed a strategy for implementation and a scheme of delegation to deliver the detailed scheme. Before looking at the detailed costs of service delivery, it is essential that we review the financial implications of Single Status at a corporate level and provide adequate resources for implementation.
53. Set out below are estimated additional resources that will be required to fund the implementation in addition to headroom established for this purpose. The figures exclude staff in the Housing Revenue Account and Schools who will be funded from their earmarked budgets :-

	£m's
2006/07	0.400
2007/08	0.700
2008/09	1.000
2009/10	0.400

Detailed Estimate Preparation

54. Estimates have been prepared on existing levels of service with no allowance for growth or service improvements built into them. However, unavoidable budget pressures to retain existing levels of service have been included and are identified within Departmental reports at **Appendices 4 to 8** together with efficiency savings proposed to offset such increases.
55. 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 2006/07 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 2007/08 and beyond have also been prepared in detail but clearly although they are our best estimate of future commitments, they become less certain the further into the future they are. In terms of future grant projections these are based on the best information available. Clearly such projections will also be subject to variation as they are based on current data which is subject to change in the coming years”.

*Paul Wildsmith
Director of Corporate Services*

56. Set out below is the analysis of expenditure requirement for each department to continue existing levels of service offset by recommended savings.

	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m
Children's Services	66.572	69.997	72.939	76.024
Community Services	28.536	29.066	30.005	30.888
Development and Environment	11.014	11.384	11.928	12.284
Chief Executive	0.972	1.118	1.146	1.199
Corporate Services	8.364	8.778	9.076	9.368
Joint Bodies and Levies	0.581	0.616	0.661	0.681
Financing Costs	3.588	3.943	4.288	4.366
Total Expenditure	119.627	124.902	130.043	134.810

Headroom

57. Headroom (resources within the MTFP that are not allocated) has been a feature of the MTFP for a number of years and its insertion has proved necessary in all cases. The headroom in the existing MTFP has been allocated in full to fund the cost of single status therefore Members need to consider re-establishing headroom in the MTFP beyond 2006/07 when planning the future. The following headroom is proposed: -

	Headroom £m's
2007/08	0.500
2008/09	1.000
2009/10	1.500

58. Key issues that will need to be covered by headroom are: -

- (a) Potential reductions in grant
- (b) Citizens priorities
- (c) Legislative requirements
- (d) Other potential pressures that are unknown at this time
- (e) Pension Revaluations

59. In addition to this general headroom, it is recommended that provision of £1m per annum be made for increases in waste management costs from 2008-09. Waste Management is one of the Council's 'Leading Edge' projects and is a major issue for waste disposal authorities across the country. Waste disposal costs are predicted to rise very significantly over the next few years as European and Government waste disposal directives are implemented

SECTION FIVE - EXPENDITURE AND RESOURCES ANALYSIS

60. In this section, the issues raised in the previous sections are brought together in the table below: -

Detail	2006/07 £m's	2007/08 £m's	2008/09 £m's	2009/10 £m's
Service Expenditure	119.627	124.902	130.043	134.810
Single Status	2.500	2.600	2.500	1.900
Headroom	-	0.500	1.000	1.500
Waste Disposal			1.000	1.030
Service Planning	0.426	0.355	0.302	0.311
Leading Edge Efficiencies	-0.240	-1.135	-1.660	-1.760
Total Expenditure	122.313	127.222	133.185	137.791
Resources including planned revenue balances	122.313	127.222	133.185	137.791

61. The current MTFP, approved by Council in March 2005, required significant reductions in expenditure over the four-year period to 2009.
62. The table of planned savings in paragraph 31 demonstrates the identification of projects under the Council's 'Leading Edge' organisational development strategy and the potential for savings to be made over the next four years. Achievement of those planned reductions is central to the Council's medium term financial strategy. Applying this medium term perspective to both service and financial planning creates the necessary environment in which to properly manage the significant organisational change that is to be delivered over the next four years.
63. The proposed MTFP attached at **Appendix 11** provides a sustainable plan that balances projected available resources with service demands and challenging but achievable expenditure reductions.

Medium Term Financial Plan Summary

64. The Council continues to deliver highly rated value for money services. There are planned actions to address services that require further service/value for money improvements and these are built into the revised MTFP.
65. The revised grant allocation methodology has delivered more resources than the prudent projections included in the existing MTFP, however the Council still faces considerable challenges to deliver the revised MTFP particularly in achieving the considerable Leading Edge agenda which requires significant service reconfiguration to deliver efficiencies.
66. In the medium term there are a number of uncertainties which is why in future years headroom features in the MTFP. A significant future issue is the retendering of the waste disposal contract and at this early stage an allowance has been made for anticipated additional costs.

67. The Council currently has the lowest Council Tax in the North East region and this is likely to remain the case for 2006/07 but despite this low level of taxation the Council is planning to further invest in priority areas during the life of the revised MTFP.

Outcome of Consultation

68. Consultation has taken place with employees, Trade Unions, Headteachers and the Darlington Partnership. The Revenue MTFP also takes account of citizens priorities through the Community Survey.

Legal Implications

69. 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

70. 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 considered that the contents of this report actively support meeting the Council's responsibilities in this regard.

Council Policy Framework

71. The issues contained within this report require Council approval and the report will be presented to Council on 9th March, 2006 following consideration by Resources Scrutiny and further consideration by Cabinet.

Decision Deadline

72. 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

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

Recommendations

74. It is recommended that: -
- (a) An earmarked reserve for Single Status costs be established and that £2.5m be set aside for backdated costs in 2005/06.
 - (b) That £0.800m be utilised from the PFI Reserve and £1m from the Insurance Reserve.
 - (c) The Reserves Policy set out in Appendix 3 be approved.

- (d) Directors' proposals in their reports at Appendices 4 to 8, including carry-forward of resources from 2005/06, expenditure reductions and fees and charges, be approved.
- (e) Additional resources be allocated for: -
 - (i) Concessionary Fares, £1,068,000.
 - (ii) Service Planning initiatives, £426,000 in 2006-07 and varying amounts in future years.
- (f) The revised Medium Term Financial Plan set out in Appendix 11 be approved.
- (g) Council Tax be increased by 4.5% for 2006-07.

Reasons

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

- (a) To enable the Council to set a budget and Council Tax for 2006-07.
- (b) To enable the Council to determine its financial strategy for the medium term with due regard to other strategies and plans.

Corporate Management Team

Background Papers

Local Government Finance Settlement 2006/07
Budget working papers

Paul Wildsmith : Extension 2301
TAB

APPENDIX 1

**MEDIUM TERM FINANCIAL PLAN
2005/06 TO 2008/09**

	2005-06	2006-07	2007-08	2008-09
	£m	£m	£m	£m
Education	55.734	59.127	62.227	65.369
Social Services	24.334	25.177	26.077	26.941
Community Services	9.830	10.183	10.544	10.856
Development & Environment	9.389	9.857	10.251	10.761
Chief Executive	0.890	0.929	0.962	0.997
Corporate Services	7.097	7.199	7.552	7.745
Joint Bodies and Levies	0.548	0.581	0.616	0.661
Financing Costs	2.947	3.902	4.479	4.862
PFI Affordability Gap	0.040	0.094	0.115	0.134
Headroom	1.600	2.100	1.900	1.500
Contribution to/(from) revenue balances	(1.236)	(2.000)	(1.500)	(0.900)
Service Planning	0.370	0.065	0.094	0.086
Development Fund	0.325	0.000	0.000	0.000
Total MTFP (resources required)	111.868	117.214	123.317	129.012
Total Resources	111.868	117.041	122.205	127.067
Surplus/(Deficit)	0.000	(0.173)	(1.112)	(1.945)
Balances				
Opening balance	11.024	9.788	7.788	6.288
Contribution to/(from) revenue balances	(1.236)	(2.000)	(1.500)	(0.900)
Closing balance	9.788	7.788	6.288	5.388
Council Tax increases	4.8%	4.5%	4.5%	4.5%
Weekly Band A Council Tax increases	£0.57	£0.56	£0.59	£0.62

BUDGET MANAGEMENT 2005/06

NOVEMBER 2005

Projected General Fund Reserve at 31st March 2006

Medium Term Financial Plan (MTFP) :-	£000	
MTFP Planned Opening Balance 1/4/2005	11,024	
Approved net contribution from balances 2005/06	(1,236)	
Planned Closing Balance 31/03/06	9,788	
2004/05 Out-turn increase in opening balance 1/04/05	30	(1)
Additional resource allocation approvals 2005/06		
CCTV	(20)	(2)
Support for Local Bus Services	(130)	(2)
Concessionary Fares	(77)	(3)
ICT costs - Implementation of E-Government	(10)	(3)
Youth Work	(90)	(4)
Projected corporate underspends / (overspends) not included above	418	
Revised projection of General Fund Reserve available 31/03/2006	9,909	

- (1) Audited by PWC
(2) Approved by Cabinet 10th May 2005
(3) Approved by Cabinet 7th June 2005
(4) Approved by Council 15th September

Departmental Projected Year-end carry-forward Balances

	(a)	(b)	(c) (a) + (b)	(d)	(e) (c) + (d)	(f)	(g) (e) - (f)
	Brought forward	Planned utilisation 2005/06 budget	Total (available)/ to be recovered	2005/06 projected out-turn	Projected 2005/06 (surplus) / deficit	Planned 2005/06 (surplus) / deficit per MTFP	(Improvement) / decline from planned position
	£000	£000	£000	£000	£000	£000	£000
Education	0	0	0	(26)	(26)	0	(26)
Social Services	(150)	150	0	(26)	(26)	0	(26)
Community Services	(346)	199	(147)	(40)	(187)	(147)	(40)
Development & Environment	(122)	122	0	71	71	0	71
Chief Executive	0	0	0	0	0	5	(5)
Corporate Services	(322)	197	(125)	(228)	(353)	(99)	(254)
TOTAL	(940)	668	(272)	(249)	(521)	(241)	(280)

- (a) Departmental balances brought forward from 2004/05, approved by Cabinet 12th July 2005.
(b) Planned reduction in departmental reserves during 2005/06.
(c) Planned departmental reserves at 31st March 2006, adjusted for 2004/05 out-turn.
(d) Projected variance against budgeted net expenditure for 2005/06.
(e) Projected departmental reserves as at 31st March 2006.
(f) Departmental reserves at 31st March 2006 as planned in MTFP, approved 10th March 2005.

RESERVES POLICY

Purpose of Reserves Policy

1. This policy establishes a framework within which decisions will be made regarding the level of reserves held by the Council and the purposes for which they will be used and maintained.
2. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of resources needed to meet estimated future expenditure when calculating the annual budget requirement.

Definitions

3. Reserves are sums of money held by the Council to meet future expenditure.
4. There are two principle types of reserves: -
 - (a) **General** – non-specific reserves that are kept to meet short-term unforeseeable expenditure and to enable significant changes in resource or expenditure to be properly managed over the period of the Council’s Medium Term Financial Plan (MTFP). The Council’s general revenue reserves are held in the ‘**General Fund Balance**’.
 - (b) **Earmarked** – reserves held for specific purposes, some of which are established by statute, others are established at the discretion of the Council.
5. Statutory earmarked reserves held by the Council are: -
 - (a) Housing Revenue Account (HRA) balance
 - (b) Schools Reserves
6. Earmarked reserves created at the Council’s discretion as at 31st March 2005 are: -

Departmental balances	To enable departmental medium term financial planning and effective medium-term management of services
Investments	The Council's financial stakeholding in Premier Waste Management Limited, Durham Tees Valley Airport and Newcastle International Airport
Insurance Fund	To indemnify the Council against specified risks
PFI Reserve	To manage cash-flows over the life of the Education Village concession
Revenue Contributions to Capital Outlay	Revenue funding set aside to meet future capital expenditure
Various other minor reserves	To meet specific revenue and capital expenditure

7. Details of all reserves, including in-year movements and year-end balances are contained in the Council's annual Statement of Accounts.

Statement of Policy

General Fund Balance

8. The Council's MTFP will contain provision to maintain a prudent minimum level of General Fund balance that is adequate to meet short-term unforeseen expenditure. The prudent minimum level will be determined by assessing the financial risks associated with meeting continuing obligations to provide services. The risk assessment will be reviewed annually and will have regard to: -
- (a) Statutory obligations to provide services that over-ride cost considerations.
 - (b) Reasonable public expectation, democratic and practical considerations that may over-ride cost considerations.
 - (c) The volatile nature of elements of some services, which make accurate prediction or close control of expenditure more difficult.
9. In exceptional circumstances, the actual level of the Council's GF balance may fall below the assessed prudent minimum level. This is consistent with the nature and purpose of a minimum level, which is to meet short-term unforeseen expenditure. Within three months of the actual level of GF balance falling below the prudent minimum level a plan will be agreed by full Council that restores the balance to the minimum prudent level as soon as practicably possible.
10. The Council will maintain a level of General Fund balance that is adequate to meet medium term shortfalls between projected resources available to the Council and planned levels of General Fund net expenditure. The appropriate level of reserves for this purpose will be determined by the Council's MTFP, which will be reviewed annually and will be subject to approval by a meeting of the full Council.

11. The Council will not maintain levels of General Fund balances that are excessive compared with appropriate minimum levels and MTFP planned use of reserves. In this context, “excessive” will be assessed and reviewed annually in the MTFP with regard to: -
 - (a) The projected level of GF balance at the end of the MTFP, less the appropriate minimum level.
 - (b) The annual planned use of reserves in each year of the MTFP.
 - (c) The impact of sudden large changes in annual use of balances on services or Council Tax levels.

12. As a guide, the level of GF balance is likely to be regarded as excessive if, at the end of the MTFP, it is projected to be more than double the minimum prudent level and more than the minimum level plus the planned use of reserves over the term of the MTFP.

Earmarked Reserves

13. The purpose of “earmarking” reserves is to distinguish them from general reserves, which are available for use by the Council in its budget and Council Tax setting process. Earmarked reserves as identified as being required for specific purposes.

14. The Council will maintain earmarked HRA and Schools reserves in accordance with statutory requirements.

15. The Council will establish discretionary earmarked reserves and maintain them at appropriate levels, with regard to: -
 - (a) Strategic objectives and service planning, particularly regarding events and planned developments that have financial resource implications.

 - (b) Forecast expenditure relating to specific issues, which is significant in the context of the MTFP and is exceptional, i.e. not expected to recur annually.

**CHILDREN'S SERVICES DEPARTMENT BUDGET REVIEW
MEDIUM TERM FINANCIAL PLAN 2006/07**

Purpose of Report

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

Service Outline

2. To assist Members the following section explains the services provided by the department and shows the proposed budget for 2006/07 for each area. Detailed estimates for 2005/06 and 2006/07 are shown in Appendix 10.

Service Description	Proposed Budget 2006/07 £000
<p>Individual Schools Budget The aggregate amount of budgets delegated to schools through Darlington Borough Council's Fair Funding formula, funded through the new ring-fenced Dedicated Schools' Grant (DSG) from 2006/07. The DSG and other funding changes are explained in more detail later in this report.</p>	48,215
<p>Pupil Support This budget covers the staffing, management and running costs of Education Welfare, Behaviour Intervention, Child Protection, Education Other Than At School (EOTAS), Traveller Education, Home & Hospital Teaching and Language for Learning. Also included are a number of services under the banner of Special Educational Needs (SEN) including Educational Psychology, Parent Partnership, Learning Support and Sensory Support. In addition to the costs associated with running these services are costs of SEN placements, e.g. in other local authorities and special residential schools.</p>	2,630
<p>Early Years Early Years Team: this budget covers the staffing and management of the team who work with schools, settings, providers and parents in order to ensure high quality teaching and learning in the Foundation Stage and to ensure enough places for three and four year olds are resourced efficiently. Kids & Co Nursery: staffing, management and running costs of the provision of high quality childcare and early education. Darlington Sure Start Partnership: grant-funded budget which covers the staffing, management and running costs associated with the implementation and monitoring of the Darlington Sure Start Plan and the Children's Centres Implementation Plan.</p>	1,256

Service Description	Proposed Budget 2006/07 £000
<p>Libraries and Community Education This budget relates to the provision of the libraries and music service within Darlington.</p>	1,286
<p>School Effectiveness Service This budget covers the staffing, management and running costs of the team whose prime function is to challenge and support schools in achieving high standards. The budget also includes expenditure relating to the authority's match funding contribution to Standards Fund. Standards Fund is targeted grant towards achieving developments and improvements in teaching, learning and educational attainment.</p>	2,419
<p>Performance, Planning & Resources This budget represents the management of support services within the department – directorate support, finance, administration, performance management, school place planning and home to school transport. This budget also includes costs that relate to the function of the department as a whole and which are not charged to individual services for internal budget management purposes.</p>	3,739
<p>Children's Social Care Children's Accommodation: this budget covers the staffing, management and running costs of the children's residential service and the costs of the fostering, adoption and intensive support teams. Also included is the provision of in-house foster care and the cost of placing children in agency placements e.g. residential, fostering, secure accommodation and special residential schools. Children's Commissioning: this budget covers the staffing and running costs of Harewood Lodge, a short break centre for physically disabled children, and Harewood House, a joint base with Barnardos for family support. Also covered are the children and families teams including leaving care and children with a disability.</p>	5,849
<p>Social Care Support Services This budget covers the management of support services relating to the former Social Services department. These support services perform distinct functions across both Children's and Adult Services and will be fully integrated into the budgets of Children's Services and Community Services departments in the future.</p>	1,633
SAVINGS	(317)

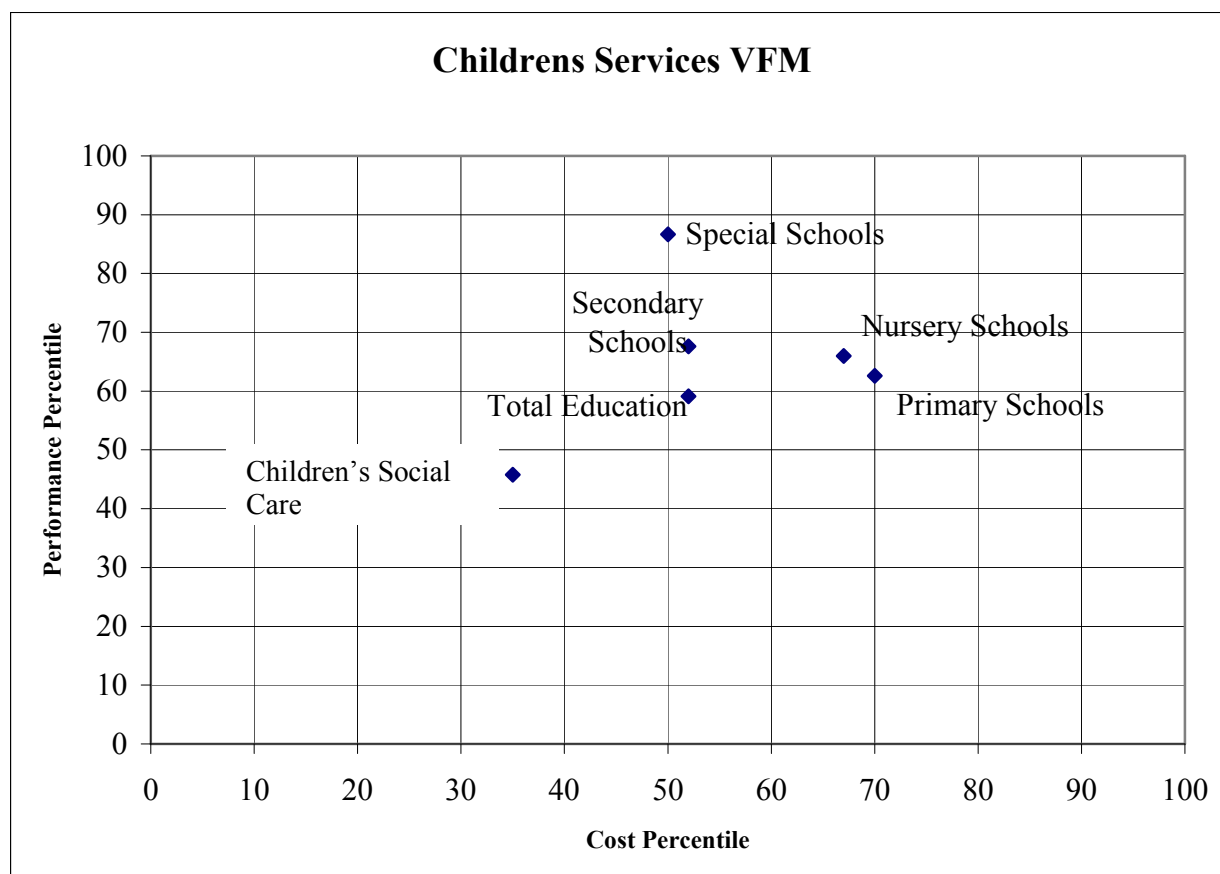
Service Planning

- The Children's Services department came into existence on 1st April 2005, incorporating service plans from the two previous departments, Education and Children's Social Services.

4. The Department has undertaken an extensive review of its service plan and MTFP. This has involved the determination of priorities through the service planning process and linkage to required improvement in performance. Resources have been directed towards key improvement priorities where necessary. The priorities also reflect the summary of improvement recommendations included in the Commission for Social Care Inspection's performance review report.
5. The Department has developed the service plan for 2006/07 as an extension of the full departmental review, which has taken place throughout the year. Senior Managers met in October 2005 and identified the vision and objectives of the new department and within those, specific challenges for the coming years. The department's objectives are:
 - (a) To continue to improve education standards for all children in Darlington
 - (b) To continue to improve performance on Children's performance indicators, specifically adoption and stability of long term placements.
 - (c) To effectively plan, co-ordinate and manage the delivery of services and resources ensuring that they are of high quality and responsive to the needs of children, young people and their families.
 - (d) To improve co-ordination and enhance Information, Advice and Guidance to children and young people.
 - (e) To develop new Departmental structure and accommodation strategy to ensure the integration and seamless delivery of services.
6. In order to meet these challenges Corporate Management Team have supported additional funding of £138k for the following service planning initiatives;
 - (a) Domestic Violence Co-ordinator - £18k.
 - (b) Looked After Children. - £60k.
 - (c) Education Premises team - £60k
7. **Domestic Violence Co-ordinator** –Funding for this post finishes at the end of the current financial year. This is seen as a key area of work because of the links between domestic violence and child protection. CMT have supported a bid for additional resources to be made available to allow this post to be mainstreamed.
8. **Looked After Children.** Resources were approved in the MTFP in 2004/05 to fund a post to support the monitoring of educational progress of children in public care and the development of training packages for staff working with them. These resources amounted to £60k per annum but were for two years only, ending in 2005/06. Additional resources have been built into estimates to continue to sustain this key post which improves outcomes for Looked After Children in areas of attendance and GCSE qualifications.
9. **Education Premises team.** In 2005/06 the Education premises team were successful in securing additional funding of c£25m to significantly refurbish Hummersknott and Carmel Secondary Schools. In addition to this, the team is also working to secure a further c£25m for an academy to further enhance Darlington's secondary school building stock. These projects bring a significant additional workload to the team, which continues to work on the recurrent capital programme, which includes three major new build programmes, including the education village at Haughton School site and on going condition and modernisation work in Darlington's schools. Additional funding is required to ensure all of these projects continue to be properly managed and successfully completed.

Value for Money

10. Data published by the Audit Commission comparing cost and performance has been used to provide indications of VFM across the Council's services, primarily with regard to 'front-line' services that are delivered direct to the public. A model has been developed within the Council that presents the published data graphically. Comparison is made with all unitary councils and Darlington's position relative to others is expressed as a percentile. For Children's Services the services covered are Education and Social Services.
11. The charts below should be regarded as indicators, prompting questions that may lead to management action, rather than providing definitive answers. In some cases the measures of performance that are available do not provide a rounded balanced view and need further development over time. The latest performance data available for all authorities, to enable comparisons, is 2003-04 out-turn. The cost data is 2005-06 budgets. The top left-hand corner of the chart is the optimum position indicating high performance at low cost.
12. It must be stressed this process is in its infancy and a starting point on which to evolve. As the performance data is two years old and the cost data based on estimates (not actual) the graphs may not be 100% accurate and the narrative alongside the graphs will explain areas where events during the year would change the position shown.



13. The costs analysis of Education expenditure compares Darlington with other Unitary Authorities. Whilst the overall position is around average expenditure for all schools, the position in relation to Nursery and Primary schools appears high. This is possibly skewed

for Nursery schools in particular because of the relatively small numbers of schools. The graph gives an indication of performance against cost ranging from average performance at average costs to good performance at higher cost.

14. Darlington generally has a good record of academic achievement when compared to other North Eastern Authorities, and has been making steady progress against the national average since LGR in 1997. The graph shows performance in 2004, as 2005 results are still provisional. However it is known that results in a number of areas have improved, in particular, at Key Stage 4 examinations where Darlington recorded its highest ever percentage of 5 A* - C at GCSE level.
15. The Performance Percentile takes into consideration a number of measures additional to performance against academic examinations. Measure such as absence from school, time taken towards provision of a statement of educational need, exclusions from school and a measure of levels of qualifications in Nursery settings all combine to give the average scores in each educational setting.
16. The Children’s Social Care area needs to evolve and the performance data used needs to be extended, as it does not reflect the national performance measurement of performance indicators in some areas. This is not representative of the children's social care service as it is at present, which has just been awarded two stars in the recent CSCI inspection and received a 3 star in the CPA and APA assessments.
17. The Annual Performance Assessment (APA) exercise for 2004/05 recently undertaken by CSCI and Ofsted confirmed Darlington as providing a “service that consistently delivers above minimum requirements for users” with good capacity to improve.
18. VFM will be continuously scrutinised and reviewed throughout the ongoing formation of the Children’s Services department.

Efficiency Gains

19. To improve efficiency, deliver a budget within the proposed resource allocation, offset pressures and enable reallocation of resources to areas of increased demand within the Department, the following reductions in budgeted net expenditure have been made.
20. The Student Loans pilot is a one-year saving involving the transfer of a function and staff to DfES. Assuming this pilot is successful the resources will be removed from the Council’s overall resource base in future years and will therefore be cost neutral.

Action	Financial effect £000
Delete non-committed inflation *	20
Allowance for staff turnover *	70
Student Loans pilot	100
Total	190
<i>* £90,000 meet ‘Gershon’ definition of Efficiency Gains</i>	

21. To assist with corporate financial pressures CMT has considered and supported the proposed additional savings as shown below. These savings will reduce the Department's existing resource allocation thereby freeing up resources corporately.
22. The reduction in management, administrative and support services will be derived from the ongoing restructure of Children's Services department.

Action	Financial effect £000
Various administrative savings *	20
Produce synergies from amalgamation of team functions within Children's Services, where appropriate *	317
Total	337
<i>* £370,000 meet 'Gershon' definition of Efficiency Gains</i>	

Risk Management

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

Departmental Medium Term Financial Plan

School Funding

24. The Local Government Finance Settlement for 2006/07 has brought with it some major changes in the way that Education and, specifically, Schools are funded. Replacing a proportion of the Education Formula Spending Share (EFSS) is the new Dedicated Schools Grant (DSG). The DSG is a ring-fenced grant and can only be used in support of the Schools' Budget.
25. The Schools' Budget contains elements of retained central departmental expenditure on pupils as well as the amount that is delegated to schools, otherwise known as the Individual Schools' Budget (ISB). Local authorities are responsible for determining the split of the DSG between the centrally retained expenditure and the ISB, and then allocating the ISB to individual schools in accordance with the Authority's Fair Funding formula.
26. Darlington will receive DSG for 2006/07 at £3,547 per pupil, equivalent to £54.002m in total, which equates to an overall 6.6% increase in the baseline DSG. However 1.6% of this increase relates to targeted funding reflecting specific Government priorities.
27. In 2006/07 the Government requires the Authority to continue with the minimum funding guarantee for schools. This means that Authorities must ensure per pupil funding increases by 4% for primary and nursery schools and 3.4% for secondary and special schools. These figures have been set at a level which covers the anticipated average cost pressures on

schools in each category. Authorities are expected to continue to operate their Fair Funding formula, but must also check that their formula delivers the guarantee.

28. In 2006/07 the Authority plans to increase the overall delegated funding for schools by a minimum of 5%. This compares favourably with the department's central budgets which receive an increase of 3%. We continue to experience the effect of falling rolls and it is anticipated that pupil numbers will reduce overall by approximately 150 in 2006.
29. The Authority, in consultation with the Schools' Forum, will decide on the distribution of the whole of the grant locally, subject to meeting the minimum funding guarantee, and taking into account local circumstances as well as the government's priorities. However it is intended that all pressures arising as a result of this will be managed within the overall departmental resource allocation.

Departmental Budget

30. Detailed estimates have been prepared for the next four years, based on current service levels and in accordance with corporate guidelines. Detailed estimates include: -
 - (a) Provision for annual pay awards of 3% and general price inflation 2%;
 - (b) Unavoidable pressures;
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income;
 - (d) Service planning implications, specifically additional resources that have been approved;
 - (e) Additional income generated by proposed increases in charges (these require Member approval)
31. Employee costs account for approximately 75% of the Department's net budget. These are projected to rise more quickly than increases in resources as a result of increments and grant allocations, particularly Standards Fund, frozen at the same level as 2005/06.
32. The Department receives approximately £10m of funding from central government via specific grants. There is a degree of uncertainty around the level of these specific grants that the Department will receive. To be prudent, where grant allocations have not yet been received these grants have been included within the net budget for 2006/07 and future years at the same level as the grant received in 2005/06, adjusted for known changes. Budget pressures could arise if the actual grant allocations differ to the amounts currently included within the budget.
33. Within Children's Social Care the cost of accommodation for children remains a pressure area mainly because of the size, volatility and demand-led nature of this budget. The planned reduction in the number of children looked after, achieved through improved stability of placements and planning for young people in care, has enabled the Department to manage this budget within existing resources.

Unavoidable Growth

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

Issue	Financial effect £000
Safeguarding Children's grant shortfall	109
Standards Fund grant - Primary and Secondary Strategy	261
Total	370

35. The department assumed Safeguarding Children grant of £159k continues for 2006/07 but it has been removed from the Local Government Finance Settlement and not replaced. £109k of this grant shortfall cannot be managed as it funds key posts but the remaining £50k is manageable within existing resources. A regional lobby is raising this issue with central government as this represents a significant pressure for all authorities with social services responsibility.
36. Darlington's allocation for two specific and targeted Standards Fund grants, namely Primary and Secondary Strategy, have reduced by £261k in total for 2006/07. These grants directly pay for staff and this pressure cannot be absorbed within the department. The DfES have confirmed that Darlington's grant has reduced as it has been 're-targeted' but with no advance warning to the authority.
37. As a result of these pressures, additional resources of £370k are requested to produce a balanced departmental MTFP.

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Resources				
Planned resources brought forward from previous year	0	0	0	0
Resource allocation for this year *	66,202	69,616	72,546	75,620
CMT supported bids for additional resources				
- Unavoidable Growth	370	381	392	403
- Service Planning	138	143	84	87
Planned resources carried forward to following year	0	0	0	0
Total resources available	66,710	70,140	73,022	76,110
Budgets				
Draft detailed estimates	66,710	70,140	73,022	76,110
Total planned use of resources	66,710	70,140	73,022	76,110
* Efficiency savings made in order to achieve agreed resources level	(527)	(438)	(449)	(460)

Proposed Charges

38. The schedule of charges for services provided by the Department has been reviewed, taking account of strategic objectives, efficiency, the cost of services and income generation. The proposed charges for 2006-07 are listed in **Annex 1**.

Recommendations

39. Members are requested to approve:

- (a) The detailed estimates for Children's Services department for 2006/07.
- (b) The proposed schedule of charges for Children's Services department for 2006/07 at Annex 1.
- (c) Additional resources of £370,000 in 2006/07 and varying amounts in future years to meet unavoidable growth.
- (d) Additional resources of £138,000 in 2006/07 and varying amounts in future years to meet service planning initiatives.

Margaret Asquith
Director of Children's Services

CHILDREN'S SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2006/07

Description	Existing Charge £	New Charge £	Financial Effect £
LIBRARIES			
<u>Fines On Overdue Materials</u>			
Adults – per day	0.12	0.12	
Maximum charge per book	5.76	5.76	
Senior Citizens – per day	0.06	0.06	
Maximum charge per book	2.88	2.88	
Children – per day	No charge	No charge	
Maximum charge per book	No charge	No charge	
<u>Reservation Fees for books and Audio Materials</u>			
Adults	0.65	0.70	
Senior Citizens	0.35	0.35	
Children/Unemployed	No charge	No charge	
<u>Reservation Fees for Books Obtained from Outside the Authority</u>			
Adults (<i>single charge for all books obtained from other libraries</i>)	2.20/ 4.00	4.00	
Senior Citizens	1.10/ 2.00	2.00	
Children/Unemployed	No charge	2.00	
<u>Repeat Fee for Renewal of Books from Outside the Authority</u>			
Adults (<i>for all books obtained from other libraries</i>)	2.00	2.00	
Senior Citizens	1.00	1.00	
Children/Unemployed	No charge	1.00	
<u>Replacement Tickets</u>			
Adults	1.00	1.00	
Senior Citizens	0.50	0.50	
Children/Unemployed	No charge	No charge	
<u>Loan Charges for Audio Materials (1 week)</u>			
1 item	0.85	0.85	
Any 3 items	2.25	2.25	

Description	Existing Charge £	New Charge £	Financial Effect £
<u>Spoken Word and Language Courses</u>			
Adults (<i>who are not exempt</i>) each	1.10	1.20	
Children each	No charge	No charge	
Language Courses per element (<i>subscription for whole course to be paid in advance</i>)	1.10	1.20	
<u>Spoken Word and Language Courses</u>			
<u>Local History Research</u>			
Standard charge	2.00	2.00	
Specialist Research – per hour (<i>new service</i>)		20.00	
<u>Photocopies</u>			
A4 B&W	0.10	0.10	
A3 B&W	0.20	0.20	
A4 colour (<i>new service</i>)		0.30	
A3 colour (<i>new service</i>)		0.60	
<u>Printing</u>			
Text Printouts			
A4 B&W	0.10	0.10	
A3 B&W (<i>new service</i>)		0.20	
A4 colour	0.30	0.30	
A3 colour (<i>new service</i>)		0.60	
Image Printouts			
A4 B&W		0.50	
A3 B&W		1.00	
A4 colour		1.00	
<u>Reproduction of Images from Stock</u>			
Photographic copies for Private/Study purposes	Cost + VAT + 12%	Cost + VAT + 12%	
Photographic copies for commercial use	Cost + VAT + 12% (+ £20 per photo + copy of publication)	Cost + VAT + 12% (+ £20 per photo + copy of publication)	
Digital copies for Private/Study purposes - per photo (<i>new service</i>)		5.00	
Digital copies for commercial use – per photo (<i>new service</i>)		15.00	
<u>Hire of Locker</u>	0.20	0.20	

Description	Existing Charge £	New Charge £	Financial Effect £
<u>Internet Use</u>			
First half hour free within one day – per hour 50% discount for Leisuresaver	2.00	2.00	
<u>Computer Consumables</u>			
Floppy disk	0.30	0.30	
CD (<i>new service</i>)		0.50	
<u>Lost & Damaged Items</u>			
	Full current Replacement Cost (non- refundable)	Full current Replacement Cost (non- refundable)	
<u>Fax</u>			
Outgoing Transmission			
United Kingdom – per sheet	1.30	1.30	
Europe – per sheet	2.10	2.10	
USA/Canada – per sheet	2.60	2.60	
Rest of the World – per sheet	3.60	3.60	
Incoming Transmission – per sheet	0.35	0.35	
<u>Fax by Satellite</u>			
Atlantic Ocean/Indian Ocean/Pacific Ocean – per sheet	11.50	11.50	
General (<i>Any postage costs to be recovered in full</i>)			
Total financial effect for Libraries			Nil

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

Description	Existing Charge £	New Charge £	Financial Effect £
WORKPLACE NURSERY			
Full-time place – All Users, charges per week			
Children aged under 2	130.00	140.00	11,000
Children aged 2-4	117.50	127.50	25,000
Children aged 3 to school age (this rate is being discontinued but will remain 05/06 for existing clients who have children already within this age group)	111.00	119.00	10,000
Full-time place – extended users, charge per week			
Children aged under 2	130.00	N/A	
Children aged 2	117.50	N/A	
Children aged 3 to school age	111.00	N/A	
Provision of mid-day meal (ie morning sessions)	1.25	1.25	
Provision of mid-day meal for staff	1.35	1.35	
Provision of mid-day dessert for staff	0.35	0.35	
Total financial effect for Workplace Nursery			46,000
LIFELONG LEARNING			
Adult and Community Learning			
Adult per hour	2.00	2.00	
OAP per hour	1.00	1.00	
Reduced rates for the following applies			
Under 18	2.00	2.00	
Income Support	2.00	2.00	
Student over 19	2.00	2.00	
Council Tax Benefit	2.00	2.00	
YTS	2.00	2.00	
Over 60	2.00	2.00	
Invalidity/Incapacity	2.00	2.00	
Housing benefit	2.00	2.00	
WF tax credit	2.00	2.00	
Disability Tax Credit	2.00	2.00	
Job Seekers Allowance	2.00	2.00	
Hire of Community Room – per hour	10.00	10.00	
Total financial effect for Lifelong Learning			Nil

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

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

Purpose of Report

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

Background

2. The department, like all others, operates in a MTFP environment. This enables Medium Term Planning as budgets and indicative resource allocations are pre-signalled three to five years in advance. This report will concentrate on 2006/07, but will also have regard to the following years.

Service Outline

3. Set out below for Members information is a review of the Department's budget heads with the estimates for 2006/07.

SERVICE OR ACTIVITY	DESCRIPTION	2006/07 £
Property and Premises support	Property and Premises support for client departments including guidance for building repairs and maintenance, electrical checks, quality standards etc.	70,300
Arts Collection	For the upkeep of the Borough's Art collection at the Art Centre.	10,700
Art Centre and Civic Theatre	The Arts Centre is a comprehensive facility with a 230-seat theatre/film studio, ballroom, dance studio, bars and a variety of room available for hire. The Civic Theatre has a capacity of 900 and a turnover of around £1.5m. The budget also includes a significant amount of work in the Community.	1,319,500
Dolphin Centre	The Dolphin Centre provides a full range of wet and dry sports facilities for the town as well as accommodation for meetings and events.	1,949,400

SERVICE OR ACTIVITY	DESCRIPTION	2006/07 £
Outdoor Events	Net cost of providing outdoor events, the main events being the Summer Festival, Fireworks Display and the Rhythm and Blues Festival.	93,100
Sports Development	Development of sports provision through out the Borough, mainly funded by grants.	15,300
Grants / voluntary sector payments.	Grant funding for Voluntary and Community Sector Strategic Funding including Community Voluntary Sector and the Citizens Advice Bureau	169,000
Stressholme	The Council's golf course and driving range.	33,800
Parks and Open spaces	The budget is for the maintenance of all the Council's parks and open spaces, and includes provision for grounds maintenance, playground equipment provision, maintenance and repairs.	1,827,200
Eastbourne Complex	Sports complex providing all-weather track, pitch and gym facilities.	128,900
Refuse Collection	Collection of household, clinical and bulky household waste.	1,571,600
Street Cleaning	Cleaning of roads, pavements and precincts, along with gully cleaning, maintenance and cleaning of litter bins and weed killing.	1,710,400
Public Conveniences	Maintenance and cleaning of the Town's public conveniences.	161,100
Works Property & Other Expenses	Early retirement pension payments for past employees.	89,900
Cemeteries & Churchyards	Upkeep and maintenance of the two operational cemeteries and unused churchyards within the borough	355,700
Christmas Lights	Provision and erection of Christmas decorations in the Town Centre.	28,900
Community Partnerships	Development and support to the Community Partnerships, Voluntary and Community Sector, consultation and Community Legal Service.	268,997

SERVICE OR ACTIVITY	DESCRIPTION	2006/07 £
Performance Development	The management and co-ordination of departmental performance, strategy development and service planning for Community Services.	97,241
Welfare Rights Unit	The section provides independent and specialist advice to the community and promotes the uptake of benefits to ensure residents are receiving their full entitlement.	57,800
Community Safety Partnership	Council employees from the Community Safety Partnership including the Youth Offending Service, Early Interventions Team and the Anti Social Behaviour Co-ordinator.	516,500
Community Safety Wardens	The Wardens are actively engaged with other Partnership Agencies in providing support for the local community, including issuing fines and formal warnings for anti-social behaviour, i.e. littering, dog fouling, youth annoyance	459,500
Youth Service	The Youth Service works with young people aged 11-25, prioritising 13-19 year olds. A wide programme of personal development activities is provided. Specific work includes youth democracy, peer education, Youth Centres and detached youth workers.	964,000
Rent Rebates (Local Schemes)	Payment to war pensioners and war widows - Local Agreement.	33,000
Improvement Grants Administration	To pay the Home Improvement Agency for the Administration of Renovation Grants and Disabled Facilities Grants to the private sector. DFG's are statutory and renovation grants discretionary but play a key role in meeting BVPI targets in relation to Unfitness and empty homes.	16,000

SERVICE OR ACTIVITY	DESCRIPTION	2006/07 £
Housing Renewal Team	To undertake the Councils regulatory role in relation to the condition of Private Sector housing.	104,700
Land Rental/Leasing Income	Income received from the leasing of housing land.	(18,800)
Housing Benefits Administration/Verification Framework	Administration of Rent Rebates, Rent Allowances and Council Tax Benefit.	366,300
Community Housing Service	This includes grounds maintenance work to open spaces on Council housing estates and a proportion of the expenditure incurred by Neighbourhood Housing Offices dealing with general queries not related to Council housing i.e. street lighting, repairs, anti social behaviour.	241,100
Homelessness	The net cost of placements in bed and breakfast accommodation whilst assessing applications under Homeless Persons legislation.	13,900
Welfare Services	The net cost of the care/welfare element of the Housing Warden Service that falls outside the scope of the HRA definition.	147,300
Northumbria Water Commission	Commission received for collecting water rates on behalf of NWA.	(130,000)
Service Strategy and Regulation	Providing advice and guidance on strategy and regulation to the private sector.	19,800
DLO profits	Total profits generated by the contracting divisions of Community Services.	(1,924,000)
Adults and Older people Management.	The Adult Services senior management team comprising Head of Social Care, Commissioning Managers and General Office.	408,000

SERVICE OR ACTIVITY	DESCRIPTION	2006/07 £
Purchase of External Care	Independent Sector provision of residential, domiciliary and day care services. Also included is the cost of Direct Payments covering payments made to individuals to purchase their own packages of home and personal care.	10,658,000
Older People	Commissioning, contracting and reviewing of services for older people with mental health difficulties along with the net cost of providing frozen meals	1,350,700
Learning Disability	Learning Disability Commissioning Team and the costs associated with the staffing, management and maintenance of learning disability day centres, community houses and supported tenancies.	2,373,000
Mental Health	Covers the commissioning of mental health services.	549,700
Disability & Intermediate Care Services	Intermediate Care, Occupational Therapy, Physical & Sensory Impairment and the provision of the in-house Home Care Service.	2,759,600

Note. Appendix 10 details a full listing of all the department's budgets for 2005/06 along with the proposals for 2006/07

Service Planning

4. Community Services has developed seven Service Plans in addition to the Departmental Service Plan. The Service Plans cover the following areas:-
 - (a) Community Services
 - (b) Adult Services
 - (c) Environmental Services
 - (d) Building
 - (e) Leisure and Arts
 - (f) Housing
 - (g) Housing Benefits
 - (h) Community Partnerships

5. Arising from the development of service plans the following are key priorities for 2006/2007:-
- (a) Promotion of Equal Opportunities throughout the department.
 - (b) Improving access to legal advice and income maximisation.
 - (c) Reversing the spiral of decline in Darlington's priority wards building the capacity of communities.
 - (d) Development of Integrated Services for Young People.
 - (e) Delivery of integrated Health and Social Care systems for vulnerable adults.
 - (f) Promotion of health, well being and independence for older people.
 - (g) Improving the life chances of people with learning disabilities.
 - (h) Strengthening the Performance Management Framework to meet CPA 'The Harder Test'.
 - (i) Meeting PSA targets.
 - (j) Dealing effectively with ASB and Community Safety issues.
 - (k) Ensuring a clean, green, safe environment for the residents and visitors to Darlington.
 - (l) Delivery of value for money services.
 - (m) Improving standards within the Private Sector.
 - (n) Ensuring Access and Inclusion for all.
 - (o) Re-engineering services.
 - (p) Strengthening partnership working with the voluntary and community sector.
 - (q) Development of the workforce to deliver high quality value for money services.
 - (r) Impact of Changes on Local Health Authority.
 - (s) Seeking Investment in existing and new cultural facilities and events.
 - (t) Implementing the Decent Homes Standard.
 - (u) Improvement of play areas.
6. The key priorities have been taken into account when setting the MTFP and action plans developed to meet the objectives. Many of the priorities can be met within existing resources, for example ensuring a clean, green, safe environment for the residents of Darlington is being looked at via the Street Scene Project which is looking at a different way of working which will improve the service provided for a lower cost.
7. Efficiencies made in areas such as Street Scene are being ear marked for priority areas. The Youth Service for instance is a high priority area and the Council has identified £340,000 of funding in the 2006/07 MTFP to enhance the service provided.
8. The area where additional resource are requested is for the public conveniences in the Town Centre. The East Row toilets were refurbished early 2005 and have already been vandalised on a number of occasions. In order to preserve the upgraded facilities and maintain the cleanliness it is considered prudent to staff the male and female conveniences throughout the day and early evening. The additional cost will be £38,000 per annum, to enable the service to reflect current priorities bearing in mind the considerable developments taking place within the town centre including the Pedestrian Heart Scheme.
9. As part of developing the Departmental Plan a number of risks were identified, however it is not envisaged that these will impact on resource planning.

Departmental Efficiency Gains

10. The department is constantly looking to make efficiency gains and this has been mainstreamed into all operations. Efficiency gains both cashable and non-cashable will be monitored on a monthly basis and added to the efficiencies already identified in the MTFP report.

11. Efficiencies already identified are as follows:-

(a) Parks Strategy – £50,000

A combined Parks and Open Spaces strategy is near completion and it has been estimated the revenue expenditure required to maintain the parks under this strategy can be managed with a reduction of £50,000 in the MTFP.

(b) Arts Review - £37,000 2006/07, £90,000 2007/08 onwards

The capital investment within the Arts Centre in 2006/07 will increase footfall and therefore turnover within this financial year. The savings are based on the refurbishment being completed by October 2006 and will increase to £90,000 from the financial year 2007/08.

(c) Repairs and Maintenance Review - £45,000 2006/07, £90,000 2007/08 onwards

Following a comprehensive review of the Repairs and Maintenance Service, a number of efficiency gains have been identified including the use of a computerized appointment and work management system, eliminating paper systems and utilising hand held devices for staff, reducing the need for returns to the depot to receive work instructions. 2006/07 savings are based on part year introduction.

(d) Leisure and Arts Gershon Efficiencies. - £110,000

A full review of the Leisure and Arts service has been undertaken and systems and processes streamlined which will deliver savings of £110,000 in 2006/07.

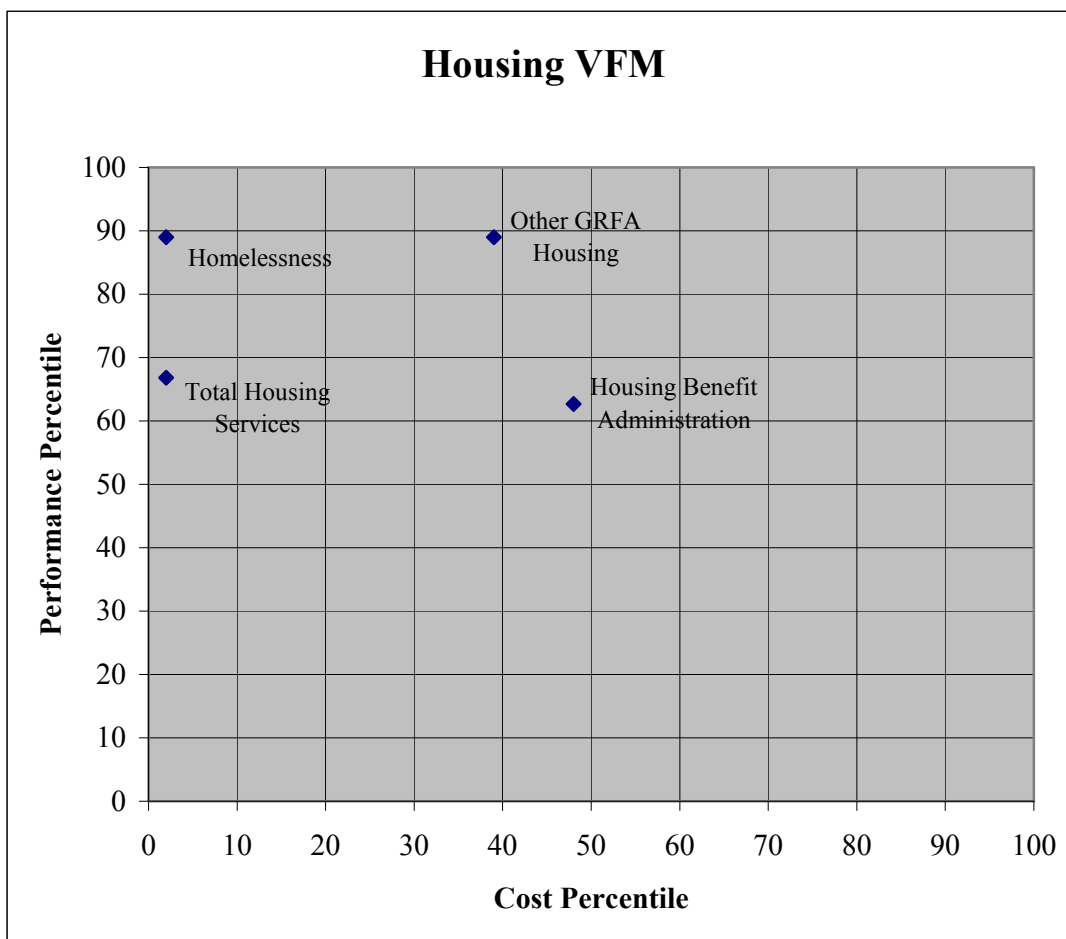
Value for Money

12. Providing value for money is at the heart of the department. For the first time this year we are attempting to show value for money graphically showing performance against cost and then comparing ourselves to other local authorities. The methodology for the model takes the cost per head of population percentile and places these costs against the relevant national indicators. For each of these performance indicators the percentile is worked out and compared to all unitary authorities. The cost data is the 2005/06 budget estimates and the performance data relates to 2003/04, being the latest available at this point in time.

13. It must be stressed this process is in its infancy and a starting point on which to evolve. As the performance data is 2 years old and the cost data estimates not actuals, the graphs may not be 100% accurate and the narrative alongside the graphs will explain areas where events during the year would change the position shown.

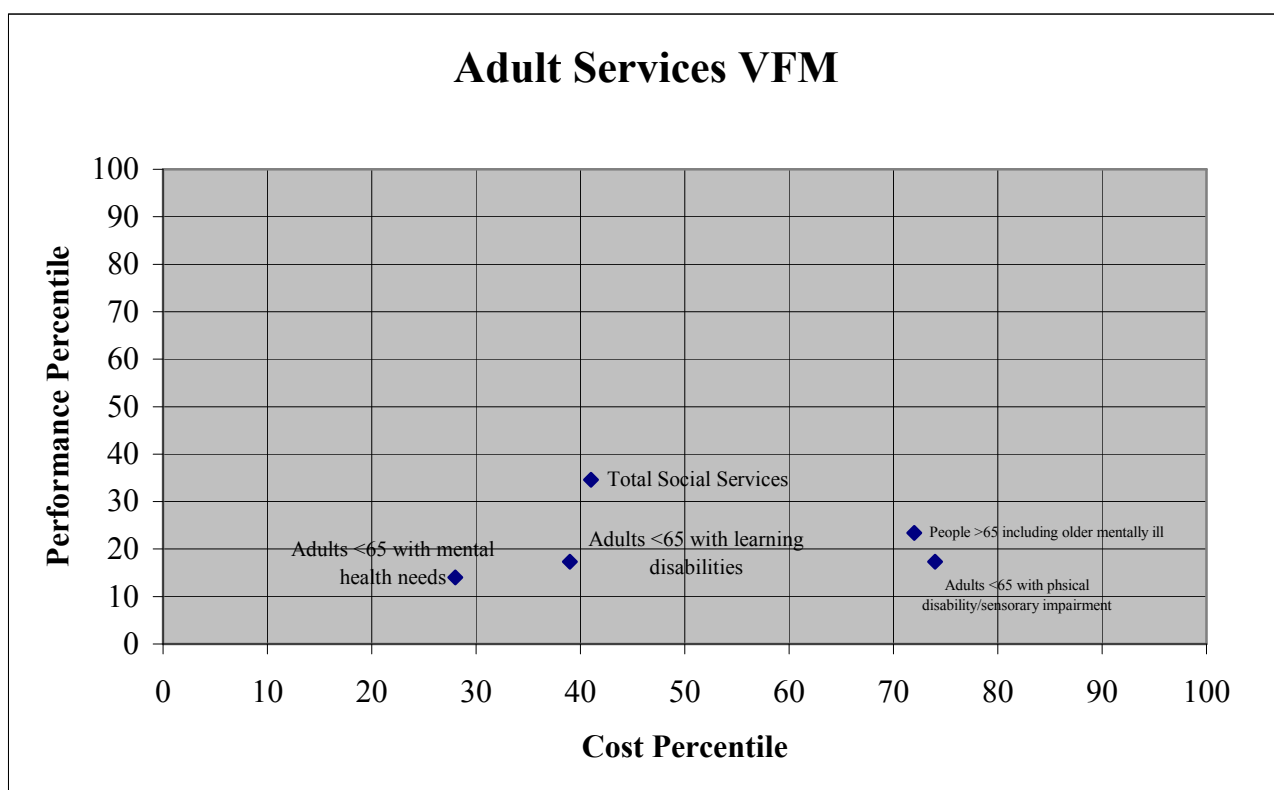
14. Each of the Department's service areas are graphically shown below with commentary on the existing value for money and the progress being made.

Housing General Fund Services



The Housing graph shows the service to be high performing and low cost in comparison to other authorities. In future years the performance measures used by the Department of Work and Pensions to assess Comprehensive Performance Assessment Scores will be incorporated. This is likely to move Housing Benefits up the performance axis as we have just been awarded the highest four star CPA rating this year.

Adult Social Services

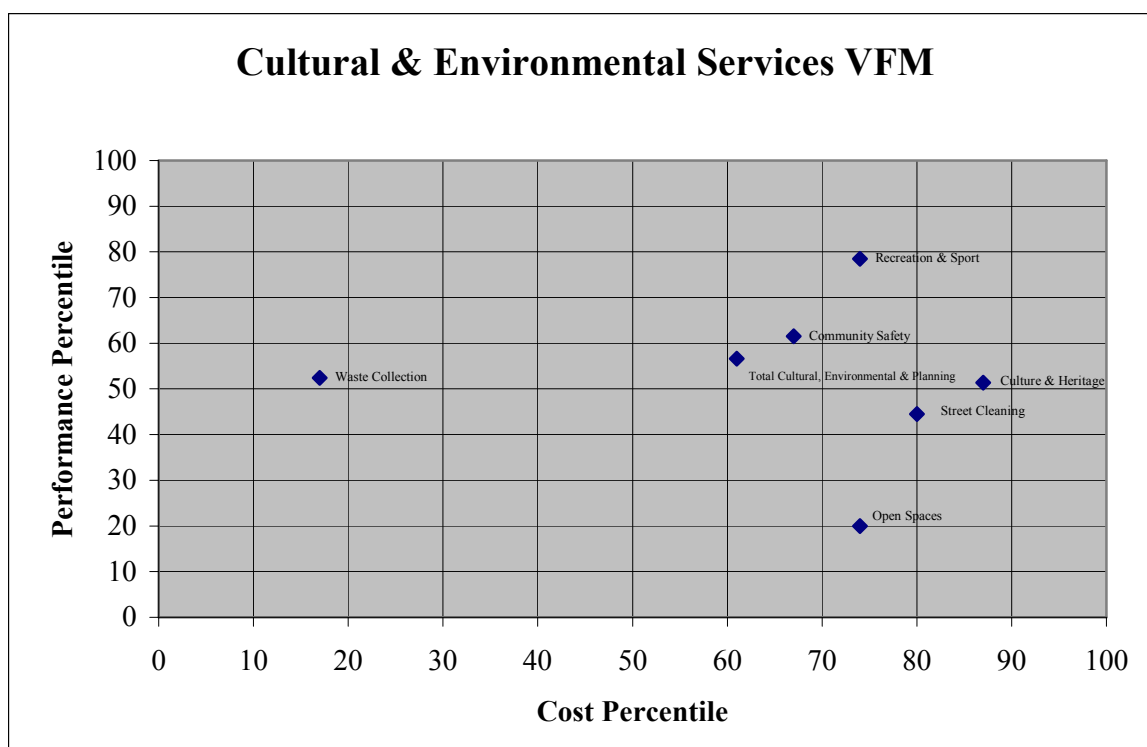


15. The Adult Services graph in particular needs to evolve and the performance data used needs to be extended, as it does not reflect the national performance measurement of adult social services performance indicators in some areas. This area shows a lower performance position than reality due to the 2003/04 performance data being used. Members will be aware there have been significant improvements in performance during the last 12 months, which will significantly change the graph in future years.
16. Although the graph shows varying cost percentiles from high to low cost the performance is in the lower percentile. This is not representative of the adult social care service as it is at present, which has just been awarded two stars in the recent CSCI inspection and received a 3 star in the CPA assessment.
17. The Record of Performance Assessment used by CSCI to determine the Council's performance in Adult Social Care was published in December 2005 and the following summary identifies significant improvements have been made:
 - (a) After a period of development and modernisation, the impact of improvement strategies is now becoming evident through improved outcomes in a number of areas.
 - (b) Joint commissioning strategies are being developed in consultation with people who use services, and the learning disability strategy is in place.
 - (c) The budget has been reviewed and is linked to agreed priorities, and unit costs are good.
 - (d) In older people's services, assessments now start more promptly. There have been no reimbursement payments for delayed transfers of care. Intermediate care provision has increased, and there is adequate residential care provision available for those who need

it. A range of preventive services have been developed, and the balance of services is now generally good.

- (e) People with physical disabilities no longer have to wait for occupational therapy services, and waiting times for the delivery of equipment and adaptations are good.
- (f) The number of people receiving Direct Payments has increased, and improvements in support systems are planned in order to further improve take-up.
- (g) The number of older people from ethnic minority communities receiving assessment, and receiving services following assessment, has increased and is now in line with the expected level for the population.
- (h) Participation arrangements have been strengthened, and new arrangements are in place for the provision of independent advocacy.

Culture and Environment



18. This VFM graph identifies Open Spaces and Street Cleaning are both high cost and low performing. It has already been recognised that we have a high number of parks and open spaces, which in turn leads to higher than average costs. The whole of Environmental Services which takes account of open spaces, street cleansing and waste disposal is being reviewed by the Leading Edge projects Street Scene which will improve the way of working and promote both efficiencies and also public satisfaction.
19. The £3.9 million lottery funded refurbishment of South Park is nearly complete and will be officially opened in early 2007, which will also increase satisfaction in the parks.
20. Culture and Heritage is also shown as high cost with average performance. This category is high cost because of the facilities in Darlington, which are significant for a town the size of Darlington. For instance the Civic Theatre, Railway Museum and Arts Centre all of which are important for both economic development and for attracting visitors into the town.

Departmental MTFP 2006/07 – 2009/10

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

Table 1

Departmental MTFP 2006/07 - 2009/10	06/07	07/08	08/09	09/10
	£000	£000	£000	£000
Resources				
Planned Resources brought forward from previous year	187	90	33	0
Resource allocation for the year	28,536	29,066	30,005	30,888
Service Planning	38	39	40	42
Resources carried forward to the following year.	(90)	(33)		
Total Resources Available	28,671	29,162	30,078	30,930
Budgets				
Draft detailed estimates	28,633	29,123	30,038	30,888
Service Planning	38	39	40	42
Total Planned Use of Resources	28,671	29,162	30,078	30,930

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

Table 2

<u>Efficiency Savings</u>	06/07	07/08	08/09	09/10
	£000	£000	£000	£000
Parks	50	52	53	55
Arts Review	37	90	93	95
Repairs and Maintenance	45	90	93	95
Leisure and Arts	110	113	117	120
Dolphin Centre Refurb. – additional contributions	-	44	45	47
Total	242	389	400	412

Budget Pressures

22. The department has undertaken a rigorous analysis of the detailed estimates to ensure there are no areas of inefficiency. Members will note the detailed estimates are within resource allocation however this position disguises the fact that a number of budget pressures have been contained within the estimates. These pressure absorbed are shown in Table 3.

Table 3 - Pressures Absorbed within the MTFP

Description	£
Refuse Collection - additional properties	8,800
Street Cleaning - additional roads adopted.	12,000
Loss of rent - Red Hall stables	3,600
Loss of rent - Harvest Christian Centre	6,000
Reduction in improvement grant income recovery	9,000
Reduction in Northumbria Water commission	6,300
Total	45,700

23. The pressures in Table 3 have been absorbed as the department has identified efficiencies and increased income to cover the additional expenditure. The main area of funding is found from increased income as turnover on Construction, Building Maintenance and Building Cleaning is continuing to increase through identifying all opportunities to increase business.

Charges

24. Proposals for the 2006/07 charges are shown in **Annex 1**.

Recommendations

25. Members are requested to approve:-
- The detailed estimates for Community Services Department.
 - The proposed schedule of charges for Community Services.
 - The carry forward of £187,000 from 2005/06 to 2006/07 to assist delivery of the department's MTFP.
 - The budget proposals detailed within the report.

Cliff Brown
Director of Community Services

EJD : Extension 4447
BS

COMMUNITY SERVICES - SCHEDULE OF CHARGES 2006/07

Service	Existing Charge	New Charge
	£	£
Note : L - Leisuresaver Rate		
Dolphin Centre		
General		
Admission Charge	0.70	0.75
Swimming per session - adult	2.60 (L=1.80)	2.70 (L=2.05)
Hot shower per person	0.80	0.85
Vertical Tanning Sun Bed (per 3 minutes)	1.00	No longer exist
Netball, Volleyball, Football, Hockey, Short Tennis and Handball		
Adult	35.00	36.00
Child	23.00	24.00
weekday lunchtime	29.00	30.00
Badminton		
Per Hour – Adult	5.90 (L=4.50)	6.10 (L=4.60)
Per Hour Child	3.00	3.10
Squash		
court - per 40 minute session - Adult	5.30 (L=4.20)	5.45 (L=4.10)
Child	2.80	2.90
Climbing wall - per person per hour - Adult		
	3.50 (L=2.70)	3.60 (L=2.70)
Child		2.80
Pulse Suite 1 & 2 - per person per hour		
	3.30 (L=2.55)	3.40 (L=2.55)
Child		2.65
Creche - person per period		
	1.60 (minimum charge 1.60 per 2 hours)	1.70

Service	Existing Charge	New Charge
Equipment Hire		
Tennis racket - per person per period		
Badminton racket - per person per period	1.70	1.80
Squash racket - per person per period	1.70	1.80
Table-tennis bat - per person per period	1.10	1.20
Football		
per period	3.50	No longer exists
deposit on football	5.00	5.00
Deposit on rackets/bats - per person per period	2.00	3.00
Swimming Pools		
Main Pool - per hour	35.00	36.00
Diving Pool - per hour	35.00	36.00
Teaching Pool - per hour	35.00	36.00
Gala - per hour		
Swimming galas - whole complex		
normal opening hours - per hour	199.00	205.00
outside normal opening hours - per hour	103.50	107.00
Swimming galas - schools, junior clubs and organisations		
Main Pool		
	Peak	144.00
	Off peak	97.00
Main Pool and Teaching Pool		
	Peak	200.00
	Off peak	124.00
Electronic Timing		
	40.00	50.00
Dry Sports		
Main Sports Hall - per hour	68.00	70.00
Special events - per hour		
Mondays to Fridays	205.00	210.00
Saturdays and Sundays	205.00	210.00
Preparation - per hour		
Mondays to Fridays	105.00	110.00
Saturdays and Sundays	105.00	110.00
Special events - schools - per hour - off-peak	31.50	32.50
Practice Hall - per hour	17.00	18.00
Small Meeting Rooms - per hour	8.20	8.70
Central Hall		
All events (except commercial, exhibitions and local societies)	62.00	66.00
Exhibitions - commercial - per hour	80.00	85.00
Local Societies event per hour	45.00	48.00
Birthday parties		
FINANCIAL EFFECT		£36,100

Service	Existing Charge	New Charge
Parks		
Bowls		
Season Ticket	20.00 (L= 11.40)	21.00 (L=15.75)
Football - Hire of Hundens Park Pitch		
Seniors' Match	30.00	31.00
Juniors' Match	15.00	16.00
FINANCIAL EFFECT		<u>£310</u>
	£	£
Stressholme Golf Course and Clubhouse		
Notes		
1 On weekends and Bank Holidays, 'Leisuresaver' only applies after 12.00 noon.		
2 Twilight tickets are issued two hours prior to dusk.		
Green Fees		
Weekends and Bank Holidays	15.50 (L=10.00)	16.00 (L=12.00)
Weekdays	13.50 (L=10.00)	14.00 (L=10.50)
Day Ticket		
Monday to Friday except Bank Holidays	21.00 (L=14.00)	22.00 (L=16.50)
Weekends and Bank Holidays	26.25 (L=16.25)	27.25 (L=20.50)
Twilight Tickets		
Weekday	7.50 (L=4.70)	7.70 (L=5.80)
Weekend	8.20 (L=4.70)	8.50 (L=6.40)
Membership fees		
Adults Playing Resident – 7 day pass	398.00	410.00
Adults Playing Resident – 5 day pass (weekdays only)	287.00	287.00
Junior	95.00	95.00
Social Subject to amendment by Durham	26.00	27.00
Driving Range - per basket 25 balls	1.50	1.60
	Per Basket – 50 balls	2.70
	Per basket – 75 Balls	3.40
		2.80
		3.50
A £5.00 administration fee will be charged in addition to the Green Fees for non-payment.		
FINANCIAL EFFECT		<u>£11,580</u>

Service	Existing Charge	New Charge
Eastbourne Sports Complex		
Running Track		
Adult	2.70	2.80
Junior	1.60	1.70
Astroturf Pitch		
Full pitch per session		
Adult	60.00	62.00
Junior	34.00	35.00
7 a side per session		
Adult	34.00	35.00
Junior	19.00	20.00
Astroturf Pitch Floodlighting (Winter Only)		
Full Pitch	8.00	8.30
7 a side	3.00	3.10
Pulse Suite III		
Adult	3.30	3.40
	(L=2.55)	(L=2.55)
Junior	2.55	2.65
Activity Room		
Per Hour	Negotiable	8.70
FINANCIAL EFFECT		<u>£3,470</u>

Refuse Collection and Disposal

Refuse sacks (per 25) (Exclusive of VAT)	45.50	49.40
Garden waste sacks (Non Vatable)	6.30	6.50
FINANCIAL EFFECT		<u>£280</u>

Note

The Leisuresaver rates for the Dolphin Centre, Parks, Stressholme Golf Course and Clubhouse and Eastbourne Sports Complex are calculated on the Leisuresaver rate proposed in the revised Pricing Policy. This rate is a 25% reduction on the full adult price.

The charges shown above are all subject to the Pricing Policy.

ADULT SERVICES - SCHEDULE OF CHARGES 2006/07

Service	Existing Charge £	New Charge £	Financial Effect £
Refreshments at Day Care Facilities			
Day Centres and Residential Establishments			
Lunch, morning and afternoon refreshment	<u>3.20</u>	<u>3.32</u>	}
Lunch	1.60	1.66	} Minimal
Morning and afternoon refreshment	1.60	1.66	}
Morning or afternoon refreshment	0.80	0.83	}
Additional Services - at Residential Establishments			
Breakfast	1.10	1.14	} Minimal
High Tea	1.10	1.14	}
Home Care Service			
Standard hourly charge	8.80	9.08	Minimal as actual charge is means tested
Frozen Meals	1.70	1.75	
Transport Services			
Hourly Charge			
Weekdays, before 5pm	7.00	7.20	}
Evenings/Saturday, before 8pm	11.40	11.75	}
Evenings/Saturday, after 8pm	12.65	13.03	}
			}
Sundays/Bank Holidays, before 8pm	14.55	14.98	} Minimal
Sundays/Bank Holidays, after 8pm	15.65	16.12	}
			}
Mileage Charge			
22 Seater Vehicle	0.44	0.45	}
15 Seater Vehicle	0.30	0.31	}

ADULT SERVICES - SCHEDULE OF CHARGES 2006/07

Service	Existing Charge	New Charge	Financial Effect
	£	£	£
Respite Care for Adults with Learning Disabilities 93 Newton Lane			
Per Day	45.00	47.00	Minimal
Per Week (7 Days)	315.00	329.00	
NB. A full review of these charges will be undertaken in 2006/07 to move towards actual cost.			
Day Resource Centres (LD)			
Individual assessment of need and a financial assessment will determine the client contribution.			

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

Purpose of the report

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

Service Outline

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

Service or Activity	Description	Proposed budget £000
Director of Development and Environment	Departmental Management Team plus Service Development support.	513
Support Services	Administrative, Financial and IT support.	761
Engineering	Highway design, highway and traffic management, flood prevention and other engineering activity.	465
School Patrol Crossing	42 patrol persons	119
Highway Maintenance	For the maintenance of approximately 500km of roads within the Borough	1,609
Other Highways	Traffic management and road safety.	50
Road Lighting Maintenance	For the maintenance of some 11,500 streetlights and other traffic signals and signs.	1,037
Winter Maintenance	For spreading salt and ploughing on icy and snow covered roads.	279
Project Costs and Commissioning	Building projects for the Council.	(66)
Property Management	The Council has a wide range of property and undertakes key aspects of its portfolio. The service also acquires land and property (voluntarily or by Compulsory Purchase) for Council projects, such as new or improved highways.	175
Land and Property	Covers the maintenance and operation of the Council's land and property portfolio.	191
Allotments	Maintenance of the Council's 14 allotment sites	16
Planning Services	Provision of a Development Control Service, planning policy, development plans, design and conservation.	457
Building Control	Service dealing with building control, dangerous structures, access (disability) issues, etc.	6
Concessionary Fares	Covers the Council's Concessionary Fare Scheme.	1,795

Shopmobility	Covers grants to DAD to maintain the premises and to support their Shopmobility service.	63
Residual Costs of Transport Act	Costs associated with previous employees who were part of Darlington Transport when it was privatised in 1986.	45
Transport Policy and Countryside	Includes staff engaged in promotion of Local Transport Plan (LTP), Public Transport subsidies and costs of administering and maintaining countryside and countryside access.	922
Economic Regeneration and Tourism	Economic development services, grants to businesses, regeneration projects, marketing, tourism development, corporate external funding team.	661
Promotion of Darlington	Special fund to ensure that profile of Darlington as a business location is raised nationally.	20
Strategic Project Development	To fund posts which have been created to effectively deliver high profile and complex projects.	47
Town Centre	Dedicated town centre management aims to promote and maintain the town as a shopping venue and to aid the local businesses and support the economy. Part funded by the private sector.	69
Tourist Information Centre	No town the size and type of Darlington is without a TIC. The standards and logo are a national brand. Provides information and a booking service for local people and visitors (about 100,000 people per year use the service, measured not estimated).	81
Contributions	Funding to other bodies for business support	76
Archives	Contracted to DCC to provide special repository for documents relating to local area	70
Railway Museum	Covers the operation of the Railway Museum.	326
Markets	Covers the Town's Covered Market, Open Market and Cattle Market and street trading.	(230)
Parking	The operation and day to day management of the Borough's 18 Pay and Display Car Parks, on-street parking and 5 Resident's Parking Zones.	(1,909)
Contaminated Land	Additional monies to cover new liabilities for monitoring closed landfill sites.	26
Control of Stray Dogs	Catching of stray dogs, education, dog fouling enforcement and placing micro-chips.	62
Hackney Carriages	Licensing and control of standards of taxis and private hire vehicles.	(67)
Cemeteries	Service to provide for burials at 3 cemeteries.	(119)
Crematorium	Operation of the Crematorium and associated service.	(506)
Licensing	Administering the granting and renewal of all licences (not including taxis)	51
Environmental Health Administration	Staff engaged in pollution control, food hygiene inspections and Health and safety Enforcement.	548
Trading Standards	Weights and measures service, enforcement of product and service standards and consumer advice.	341
Emergency Plan	From the Civil Contingencies Act, new	

	responsibilities on Local Authorities regarding Emergency Planning.	110
Environment and Sustainability	The officer resource providing environmental and sustainable development services and functions.	68
Waste Disposal	The Management of the disposal of all household and some other municipal waste, including the Waste Disposal contract.	2,779
Recycling	Operation of recycling schemes.	18
Prevention of Damage by Pests	Pest control and pest eradication.	50

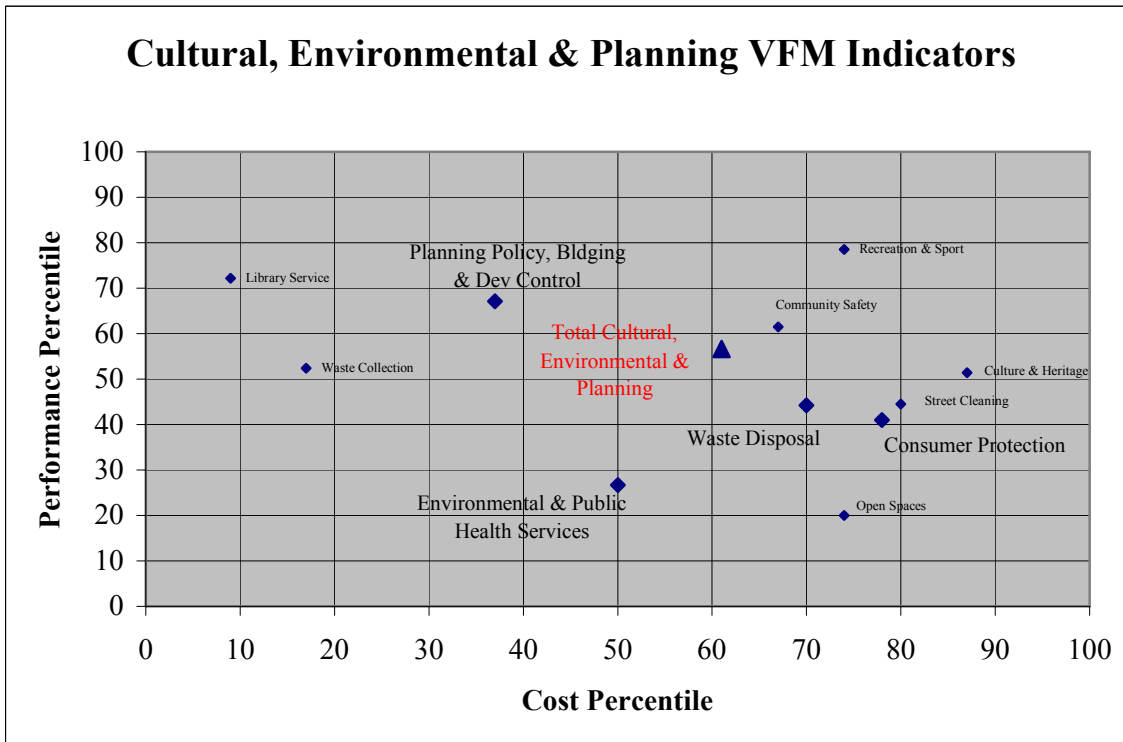
Service Planning

3. A draft department plan has been drawn up, setting out the department's improvement priorities to be addressed during 2006/07. These priorities reflect both the change management required across the department, with a particular focus on enhancing value for money and securing efficiencies, and the key service delivery outcomes required to support progress on the Community Strategy.
4. These departmental priorities are complemented and underpinned by a wide range of detailed service level improvements that have been identified for inclusion in service plans for each of the department's four divisions.
5. Some of our departmental priorities roll forward from the current year as we seek to maintain improvement and delivery of long-term strategic outcomes. Others, particularly related to resource issues – revenue budget constraints, value for money assessments and the requirement to secure efficiencies targets – have emerged or strengthened during the year.
6. Our key priorities include:
 - (a) Preparing for the re-tendering of the Waste Management Contract in 2008/09.
 - (b) Implementing the first year's programme of the new Local Transport Plan, the Town on the Move and Cycle Town programmes, and continuing to develop accessibility planning.
 - (c) Delivering the £2.5M 'Lets Get Cracking' road improvement programme.
 - (d) Implementing the Street Scene Design Concept within D&E.
 - (e) Investigating service areas that appear to be high cost in the Audit Commission's published value for money profiles and, where appropriate, taking action to reduce costs.
 - (f) Delivering the department's targets for efficiency savings over the next three years.
 - (g) Progressing major development and investment projects that contribute to strengthening the local and sub-regional economy.

- (h) Making progress on renewing the vision and strategy for Darlington's future development and role within the Tees Valley as the Gateway programme draws to a close.
 - (i) Improving access to D&E services through implementation of the department's Equalities Action Plan.
 - (j) Continuing to develop and roll-out the corporate project management process to ensure the delivery of key outcomes and to contribute to the Leading Edge organisational improvement programme.
7. CMT have considered service planning corporately and support the proposed allocation of £30,000 to establish a Groundwork Trust in Darlington, by extension of the existing West Durham Groundwork Trust. The Trust would be able to work with local communities to carry out community-based environmental and regeneration projects. It would lever in 1.5 times the Council's funding from the ODPM and additional funding from the Trust itself and others.

Value for Money (VFM)

8. Data published by the Audit Commission comparing cost and performance has been used to provide indications of VFM across the Council's services, primarily with regard to 'front-line' services that are delivered direct to the public. With regard to D&E, these cover services classified by the Audit Commission as Environmental, Cultural & Planning and Transport services. A model has been developed within the Council that presents the published data graphically. Comparison is made with all unitary councils and Darlington's position relative to others is expressed as a percentile.
9. The charts below should be regarded as indicators, prompting questions that may lead to management action, rather than providing definitive answers. In some cases the measures of performance that are available do not provide a rounded balanced view and need further development over time. The latest performance data available for all authorities, to enable comparisons, is 2003-04 out-turn. The cost data is 2005-06 budgets. The top left-hand corner of the chart is the optimum position indicating high performance at low cost. Commentaries on services provided by D&E are given, with particular reference to those services that are further towards the bottom right of the charts.
10. ***Cultural, Environmental and Planning*** services data covers services provided by a several departments, those relating to D&E are shown in larger font. The overall VFM indicator for CE&P is shown by the triangle on the chart below.



Environmental and Public Health Services

11. This service consists of Environmental Health, Licensing, Public Conveniences and Private Sector Housing, the latter two of which are managed by Community Services Department. This service shows as average cost in comparison with other unitary authorities. Performance is measured on BV166a “Environmental Health Checklist” and BV217 %age of pollution control improvements completed on time (a new indicator introduced this year).
12. *What has been/is being done:* Benchmarking with the Tees Valley authorities including costs, to get a regional comparison. Current performance has improved from the 2003/04 data used for the profiles; BV166a has improved from 80% to 90%.
13. *What more will be done 2006/07 onwards:* through the Divisional Service Plan we will focus attention on improving BVPI performance. This service is at median performance so improvement will move it into the top half of unitary authority performance. Opportunities to reduce costs will be sought, using information gathered from regional benchmarking.

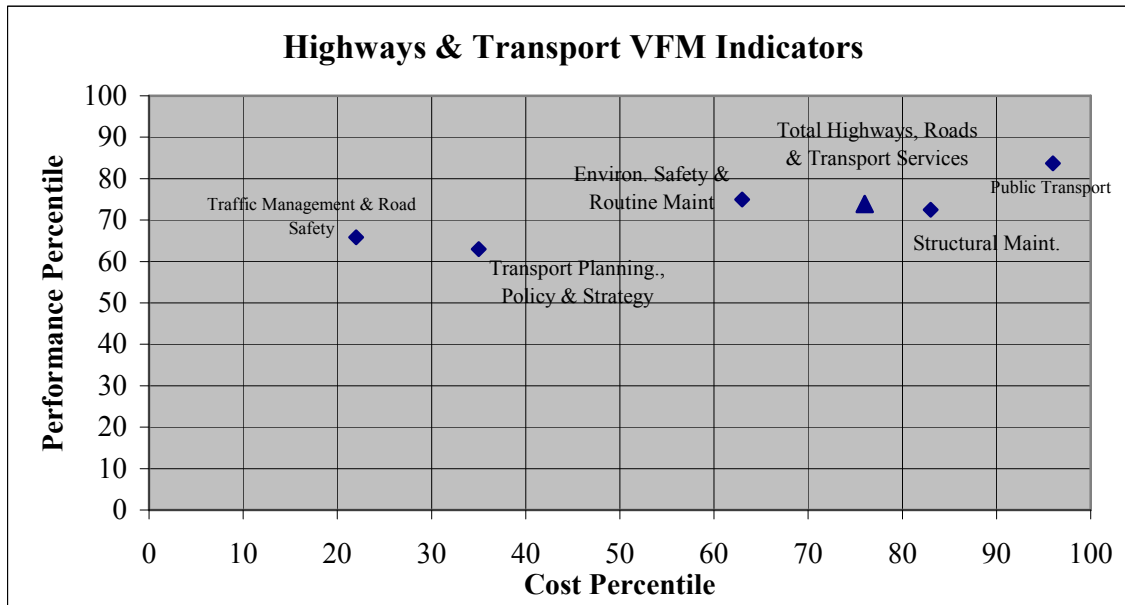
Consumer Protection

14. This service shows as high cost and low performing. Performance comparison is based on only one indicator, BV166b “Trading Standards Checklist”
15. *What has been/is being done:* Benchmarking with the Tees Valley authorities including costs, to get a regional comparison. Current performance has improved from 80% in 2003/04 (the data used for the profiles) to 90% in 2004/05.

16. *What more will be done 2006/07 onwards:* Performance of this service is measured by only one indicator. We will focus attention on improving this PI. Opportunities to reduce costs will be sought, using information gathered from regional benchmarking.

Waste Disposal

17. This includes waste disposal, recycling, trade waste (Community Services) and Heighington transfer station and the civic amenity site. The suite of BVPI's for this service includes recycling (BV82a), composting (BV82b), cost (BV87), satisfaction (BV90 and CS138).
18. *What has been/is being done:* To a large extent performance and cost in this service area is tied to the waste disposal contract, which we inherited from Durham in 1997. There are limits to what we can do within that contract, but BVPI performance on recycling, composting and satisfaction have all improved since 2003/04. Unfortunately cost has also increased (not because of increased recycling but because of increasing landfill costs).
19. *What more will be done 2006/07 onwards:* The new civic amenity site opened in December 2005 and should help to increase recycling and composting performance for 2006/07 and beyond. The development of a new waste treatment contract to replace the existing (which terminates in Jan 2008) is underway and features as one of the 11 corporate priorities. Under the new contract performance will undoubtedly improve, but cost will also increase.
20. ***Planning Policy, Building and Development Control*** services are indicated as being above average performance and below average cost. The performance reflects good outcomes on all planning PIs. Building Control PIs are not included in the graph, but also perform well. Changes to planning systems have been made since these figures were collected which are improving the times taken for determining planning applications - BV109 (two of the BV109 indicators have previously been less good than other planning indicators). In terms of cost, the substantially increased volumes of work in planning and development control (due to the level of development taking place in the Borough) resulted in higher fee income, and has helped the services to remain cost effect effective.
21. **Highways and Transport Services** provided by the Council are all managed by D&E. The overall VFM indicator for Highways and Transport is shown by the triangle on the chart below.



22. Traffic Management & Road Safety and Transport Planning, Policy and Strategy are both indicated to be relatively high performing with relatively low costs. The other three elements of Highways and Transport are all indicated to be high performing but with relatively high expenditure. This reflects the decision in March 2004 to increase spending on highways maintenance by £250,000 per annum and investment in a wide range of public transport initiatives, including a better than minimum concessionary fares scheme. It does not, however, reflect general perception of public transport spending in Darlington when compared with large unitaries. Further work is needed to analyse this information. In addition, the situation for public transport spending will be substantially different next year following introduction of the new national concessionary travel scheme.

Efficiency Gains

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

Action	Financial effect £000
Planning fees – additional income	40
Markets – reduced employee costs *	8
Parking – new security contract *	24
Environmental Health – reduced cost of abandoned vehicles	14
Fees chargeable to capital schemes	30
Environment & Sustainability – reduced employee costs, vacant post *	40
Various administrative savings *	64
Delete non-committed inflation *	50
Total	270
<i>* Meet 'Gershon' definition of Efficiency Gains; total £186,000</i>	

Risk Management

24. As part of the department plan process, a number of potential risks to service delivery are monitored and assessed. Our approach is to intervene where necessary to reduce risks to acceptable levels. Risk management action plans relating to eight areas of risk that were considered unacceptable were incorporated in the 2005/06 Department Plan. Action is being taken during the current year to implement these plans.
25. The status of all risks is kept under review, and further action plans will be developed as required. Key financial risks, including potentially reduced income from car-parking, increased costs of waste management and general budget constraints are routinely monitored and managed by the Department Management Team to ensure that all available actions are taken to minimise risks of potential budget shortfalls, and to maximise opportunities to reinforce budgets.

Departmental Medium Term Financial Plan

26. Detailed estimates have been prepared for the next four years, based on current service levels and in accordance with corporate guidelines. Detailed estimates include: -
 - (a) Provision for annual pay awards of 3% and general price inflation 2%.
 - (b) Unavoidable pressures (e.g. energy price increases significantly above general inflation).
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income.
 - (d) Service planning implications, specifically additional resources that have the support of CMT.
 - (e) Additional income generated by proposed increases in charges (these require Member approval).
27. The Local Government Finance Settlement for 2006-07 includes additional external funding for the national statutory concessionary fares scheme to be introduced from 1st April 2006. Darlington has received an additional £908,000, which is included in the proposed resource allocation for 2006-07 in the table below. In addition, it is estimated that to continue to provide concessionary travel before the statutory 9.30 a.m. start time and allow concessions to continue to apply to taxis, a further £160,000 needs to be provided from the Council's resources.
28. In November 2005, Cabinet approved additional resources of £55,000 for 2006-07 to maintain supported bus services, which are included in the proposed resource allocation for the year in the table below: -

The Department faces significant unavoidable pressures in the following areas: -

- (a) Energy price increases, estimated at £200,000 above general inflation, specifically in relation to Street Lighting. The Council has achieved very competitively priced energy

supplies in recent years by consortium purchasing via the North East Purchasing Organisation (NEPO). Recent major world events as well as unusual market conditions have substantially impacted on the energy market, resulting in a doubling of energy prices.

- (b) On-street parking income in 2005-06 is £100,000 below the budgeted level. In the current year this has been more than offset by higher off-street parking income, partially as a result of the temporary closure of the privately operated Cornmill car park and this is not expected to be sustained through 2006-07.
- (c) Advertising on street lighting columns was budgeted to generate £75,000 per annum from 2006-07 but on more detailed investigation officers have concluded that this should not be implemented, taking into account aesthetic impact, road safety and contractual commitments with existing advertisers.
- (d) East Street car park has been successfully brought into use under Council management but the running costs are £49,000 higher than budgeted.
- (e) Income from shops, offices and markets is projected to be £46,000 below the level included in the current MTFP.
- (f) Contractual and statutory maintenance of property, including anti-legionella treatment, is increased by £32,000.
- (g) Graduate Trainee £29,000 to develop strategic projects that frequently include corporate issues, e.g. Equalities Strategy and Accommodation 'Leading Edge' review.

29. As a result of these pressures, additional resources of £0.6M p.a. are requested to produce a balanced departmental MTFP.

	2006-07	2007-08	2008-09	2009-10
	£000	£000	£000	£000
<u>Resources</u>				
Planned resources brought forward from previous year surplus / (deficit)	- 71	- 37	- 49	- 39
Resource allocation for year	10,413	10,765	11,290	11,627
CMT supported bids for additional resources	601	619	638	657
Service Planning	30	31	32	33
Less Planned resources carried forward to following year	37	49	39	-
Total Resources Available	11,010	11,427	11,950	12,278
<u>Budgets</u>				
Draft detailed estimates	11,010	11,427	11,950	12,278
Proposed budget	11,010	11,427	11,950	12,278

Note - resource allocations and estimates are net of savings and efficiency gains of £270,000 p.a.

30. Waste Management is one of the Council's 'Leading Edge' projects and is a major issue for waste disposal authorities across the country. Waste disposal costs are predicted to rise very

significantly over the next few years as European and Government waste disposal directives are implemented. It is recommended that provision be made in the Council's MTFP, in addition to the departmental resources above; this is referred to in the main MTFP report.

Proposed Charges

31. The schedule of charges for services provided by the Department has been reviewed, taking account of strategic objectives, efficiency, the cost of services and income generation. The proposed charges for 2006-07 are listed in **Annex 1**.

Recommendations

32. Members are requested to approve: -
- (a) The detailed estimates for Development and Environment Department for 2006/07;
 - (b) The proposed schedule of charges for Development and Environment Department for 2006/07;
 - (c) Additional resources of £601,000 in 2006/07 and the varying amounts detailed in the report for future years to meet unavoidable growth;
 - (d) Additional resources of £30,000 in 2006/07 and the varying amounts detailed in the report for future years to meet service planning initiatives.

**John Buxton,
Director of Development and Environment**

DEVELOPMENT & ENVIRONMENT – SCHEDULE OF CHARGES 2006/07

Service	Existing Charge £	New Charge £	Financial Effect £
LICENSING			
General Licensing			
Pavement Café Licence	80.00	100.00)
Pavement Display Licence	80.00	100.00)
Pet Shops	90.00	100.00)
Animal Boarding	90.00	100.00)
Dog Breeding	90.00	100.00)
Riding Establishments	168.00	200.00)
Sex Shop Grant	2500.00	2500.00)
Sex Shop Renewal	440.00	500.00)
Sex Shop Transfer	440.00	500.00)
Skin Piercing Grant	242.00	255.00)
Skin Piercing Variation	50.00	55.00)
Motor Salvage Operators	70.00	70.00(HO Guidance))
Street Trading			
Nov/Dec	Full cal month	700.00	750.00)
	Week	175.00	200.00)
	Day (min 4)	35.00	45.00)
Jan – Oct	Full cal month	383.00	450.00)
	Week	105.00	150.00)
	Day (min 4)	21.00	30.00)
Annual Consents (food – fixed pos)		4935.00	5500.00)
Mobile Vehicles (moving of layby)		85.00	100.00)
New vendor permits		17.00	20.00)
Duplicate licences		12.00	15.00)
Admin. Charge	N/A	£35/hr or part thereof) <u>8,000</u>

Service	Existing Charge £	Financial Effect £
STATUTORY FEES		
Small lotteries (annual)		
Grant	35.00	
Renewal	17.50	
Gaming Act 1968 (3 yearly)		
Section 34(5)(e)	250.00	
Section 34	32.00	
Petroleum Stores		
< 2500 litres	37.00	
2500 – 50,000 litres	52.00	
> 50,000 litres	105.00	
Transfer/Variation	8.00	
Track Betting		
Initial Application	46.00	
Annual Licence	464.00	
Transfer	46.00	
LICENSING ACT 2003		
	INITIAL FEE	ANNUAL FEE
Band A (RV £0 - £4,300)	100.00	70.00
Band B (RV £4,300 – £33,000)	190.00	180.00
Band C (RV £33,001 - £87,000)	315.00	295.00
Band D (RV £87,001 - £125,000)	450.00	320.00
Band E (RV > £125,001)	635.00	350.00
Alcohol multiplier		
Band D Premises	900.00	610.00
Band E Premises	1905.00	1050.00
Additional Capacity Fee		
5,000 – 9,999	1,000.00	500.00
10,000 – 14,999	2,000.00	1,000.00
15,000 – 19,999	4,000.00	2,000.00
20,000 – 29,999	8,000.00	4,000.00
30,000 – 39,999	16,000.00	8,000.00
40,000 – 49,999	24,000.00	12,000.00
50,000 – 59,999	32,000.00	16,000.00
60,000 – 69,999	40,000.00	20,000.00
70,000 – 79,999	48,000.00	24,000.00
80,000 – 89,999	56,000.00	28,000.00
>90,000	64,000.00	32,000.00

Service	EXISTING CHARGE	Financial Effect
LICENSING ACT 2003 continued	£	£
Personal Licence (10yrs)	37.00	
Provisional Statement	315.00	
TEN	21.00	
Theft/Loss of Licence/Notice	10.50	
Variation of DPS	23.00	
Transfer of Premises Licence	23.00	
Interim Authority	23.00	
Change of name/address	10.50	
Freeholder/Leaseholder register of interest	21.00	

Admin Charge **£35/hr or part thereof**

INFORMATION

The charges related to the Licensing Act 2003 were set at the time of the First Approved Day. The LGA and LACORS have since sought to have a review of the charges, as they are unlikely to cover Local Authority costs. The charges are statutory at present, therefore these charges are the basis of the 2006/07 budget.

HACKNEY CARRIAGES

Taxi Licensing

Driver licence (single)	66.00	70.00)
Driver licence (combined)	100.00	110.00)
Hackney Carriage vehicle licence	335.00	355.00)
	(incl. £16 plate fee)	(excl plate fee)
Private Hire vehicle licence	320.00	325.00)
	(incl. £16 plate fee)	(+£30 operator levy excl. plate fee)
Private Hire Operator licence	£145 + £27	£200)
	per vehicle operating levy	(operating levy to go with vehicle licence fee)

Service	Existing Charge £	New Charge £	Financial Effect £
Additional charges			
Knowledge/Regs Test	17.50	£20 - re-sits only)	
Taxi Meter Test	17.50	20.00)	
Plate (rear)	16.00	15.00)	
Plate (front)	N/A	10.00)	
Door discs (each)	5.00	5.00)	
Tariff card	1.50	2.00)	
Duplicate Driver Badge	11.00	10.00)	
Admin Charge	35.00 (part fee drivers only)	£35.00 per hour or part (all applicants)	
			28,600
CEMETERIES			
Burial fees without exclusive right of burial (these fees will be tripled where the deceased is a non resident of Darlington at time of death).			
Individual foetal remains	No Charge	No Charge	0
Stillborn or child not exceeding 12 months	No Charge	No Charge	0
Person over 12 mths up to 18 years	80.00	82.50	Minimal
Person over 18 years	380.00	392.00	Minimal
Burial fees with exclusive right of burial (these fees will be doubled where the deceased is a non resident of Darlington at time of death).			
Individual foetal remains	No Charge	No Charge	0
Child not exceeding 12 months	No Charge	No Charge	0
Person over 12 mths up to 18 years	80.00	82.50	5.00
Person over 18 years	380.00	392.00	1800.00
Cremated remains	65.00	67.00	150.00
Exclusive rights of burial (these fees will be doubled if the purchaser is a non resident of Darlington if not purchased at time of first interment).			
Exclusive burial rights (50 years)	400.00	425.00	2125.00
Exclusive burial rights for a bricked grave	800.00	840.00	Minimal
Other charges			
Scattering of cremated remains	40.00	40.00	0
Indemnity form (to produce duplicate grant)	30.00	30.00	0

Service	Existing Charge £	New Charge £	Financial Effect £
Use of Cemetery Chapel	40.00	40.00	0
After post mortem remains	65.00	67.00	Minimal
Evergreens (including grass mats)	55.00	55.00	0
Exhumation of a body (excl. re-interment)	630.00	650.00	Minimal
Exhumation of cremated remains (excl. re-interment)	106.00	110.00	Minimal
Grave Maintenance (inclusive of VAT)			
Initial payment	37.00-48.00	38.00-50.00	Minimal
Annual Maintenance	25.00	25.75	150.00
Memorials (fees will be doubled where the deceased to whom the memorial/inscription refers was non resident of Darlington at time of death)			
Memorial rights including first inscription (30 years)	120.00	120.00	0
Provision of kerbs – traditional sites only)	50.00	50.00	0
Vases not exceeding 300mm	35.00	35.00	0
Additional inscription	35.00	35.00	0
Total financial effect for Cemeteries			4230.00
Crematorium			
Crematorium fees (inclusive of certificate of cremation, medical referee fees, use of organ and scattering of remains in Gardens of Remembrance at an unreserved time)			
Individual foetal remains	No charge	No charge	0
Hospital arrangement – foetal remains	60.00	62.00	200.00
Stillborn or child not exceeding 12 months	No Charge	No Charge	0
Person over 12 mths up to 18 years	80.00	82.00	Minimal
Person over 18 years	362.00	374.00	22428.00
After post mortem remains	65.00	65.00	0
Other charges			
Urns and containers	At cost	At cost	0
Crematorium Chapel	40.00	40.00	0
Scattering of remains at reserved time	40.00	40.00	0
Medical Referee Fee	At agreed rate	At agreed rate	0

Service	Existing Charge £	New Charge £	Financial Effect £
Book of Remembrance (inclusive of VAT)			
Single Entry (2 lines)	50.00	50.00)	
Double Entry (3 or 4 lines)	75.00	75.00)	
Additional lines	20.00	20.00)	
Crest or floral emblem	105.00	105.00)	
Memorial Cards (all exclusive VAT)			
Single entry card (2 lines)	14.00	14.00)	
Double entry card (3 or 4 lines)	20.00	20.00)	
Additional lines	4.00	4.00)	
Crest of floral emblem	35.00	35.00)	
Personal photographs – set up	20.00	20.00)	
Additional photographs – after set up	8.00	8.00)	
Memorial Books (inclusive of VAT)			
Single entry book (2 lines)	40.00	40.00)	
Double entry card (3 or 4 lines)	46.00	46.00)	
Additional lines	4.00	4.00)	
Crest of floral emblem	35.00	35.00)	
Personal photographs – set up	20.00	20.00)	
Additional photographs – after set up	8.00	8.00)	
			0
Other memorial schemes			
Replacement kerb vase plaque	120.00	130.00	100.00
Replacement flower holder	5.00	5.00	0
Wall plaques	From 170.00	From 175.00)	
Planter plaques	From 250.00	From 260.00)	500.00
Total financial effect for Crematorium			23,228

Service	Existing Charge £	New Charge £	Financial Effect £
Environment Health			
Pest Treatment Charges (exclusive of VAT)			
Insects - per treatment	47.81	50.20)
Rodents in industrial premises per treatment	55.41	58.18)
Rodents in private premises	No charges	No change)
Disinfestation on behalf of Northumbrian Water	Actual costs recovered	No Change)
			140.00
	£	£	£
Home Safety			
Microwave Testing (exclusive of VAT)			
Domestic	7.66	8.04	MINIMAL
Commercial	15.74	16.53	MINIMAL
MARKETS			
Covered Market			
Butchers stalls	(Five year	No change)
Fruiterers and perishable food stalls	(lease	No change)
Other Stalls	(in	No change)
Cellars	(operation	No change)
Shops	Three to five year leases	No change) NIL
Trade Refuse Removal (per week including VAT)	8.50	9.00	70.00
Feethams Compound - parking (per month including VAT)	36.00	38.00	300.00
Loading Bay Area D - parking (per month including VAT)	65.00	No longer used	
Open Market			
Stalls per linear foot (minimum £16.00)	1.60	1.60	0
Stalls - ground rent (per sq ft per day)	0.21	0.21	0
Charitable per day (or part day) (charge per market) - subject to a maximum of 30 stalls - deposit of £10 returnable upon compliance with regulations	30.00	35.00	50.00
Non Charitable (held in Council premises)			
1 - 12 stalls (minimum charge)	60.00	No change	NIL
13 - 30 stalls (per stall) - subject to a maximum of 30 stalls	5.00	No change	NIL
Charity Stall Insurance Cover	3.50	3.50	NIL
Daily insurance cover (emergency)		5.00	10.00

Service	Existing Charge £	New Charge £	Financial Effect £
Cattle Market Tolls			
Cattle	13.44	Index linked and automatically variable under the terms of the lease	
Sheep, pigs, calves	4.48		
Levies			
Cattle	10.75		
Sheep, pigs, calves	3.58		
Rent - to be reviewed	4,000	<u>No change</u>	

TRADING STANDARDS

Measures

Linear measures not exceeding 3m or 10 ft for each scale	8.40	8.40)
Weighing Instruments (instruments calibrated to weigh only in imperial or metric units)			
Not exceeding 15 kg or 34 lbs	23.50	24.50)
Exceeding 15 kg but not exceeding 100 kg	33.50	35.00)
Exceeding 34 lb but not exceeding 224 lb			
Exceeding 100 kg but not exceeding 250 kg	49.00	51.50)
Exceeding 224 lb but not exceeding 560 lb			
Exceeding 250 kg but not exceeding 1 tonne	84.00	88.00)
Exceeding 560 lb but not exceeding 2,240 lb			
Exceeding 1 tonne but not exceeding 10 tonne	135.00	142.00)
Exceeding 2,240 lb but not exceeding 22,400 lb			
Exceeding 10 tonne but not exceeding 30 tonne	283.00	297.00)
Exceeding 22,400 lb but not exceeding 67,200 lb			
Exceeding 30 tonne but not exceeding 60 tonne	421.50	442.50)
Exceeding 67,200 lb but not exceeding 134,400 lb			
Charge to cover any additional costs involved in testing instruments calibrated to weigh in both metric and imperial units or incorporating remote display or printing facilities - basic fee plus additional cost per person per hour on site (minimum charge ½ hour)	64.00	67.00)

Service	Existing Charge £	New Charge £	Financial Effect £
NOTE: Additional charge may be made where officers are requested to work outside normal office hours			
Measuring Instruments for Intoxicating Liquor			
Not exceeding 5 fl oz or 150 ml	13.50	14.00)
Other	15.00	16.00	
Measuring Instruments for Liquid Fuel & Lubricants			
Container type (unsubdivided)			
Multigrade (with price computing device)	58.00	61.00)
- single outlets			
- solely price adjustment	80.50	84.50)
- otherwise	146.00	153.50)
Other types - single outlets			
- solely price adjustment	64.00	67.00)
- otherwise	87.00	91.50)
Other types – multi-outlets			
- 1 meter tested	93.00	97.50)
- 2 meters tested	153.00	160.50)
- 3 meters tested	209.00	219.50)
- 4 meters tested	266.00	279.50)
- 5 meters tested	322.50	338.00)
- 6 meters tested	378.00	397.00)
- 7 meters tested	427.00	448.50)
- 8 meters tested	494.00	518.50)
Charge to cover any additional costs involved in testing ancillary equipment which requires additional testing on site, such as credit card acceptors, will be based on the basic fee plus additional cost per person per hour on site (minimum charge ½ hour)	64.00	67.00)
Special Weighing and Measuring Equipment			
For all specialist work undertaken by the Department which is not included in lines 99 to 123 a charge per man per hour on site (minimum charge ½ hour) plus cost of provision of testing equipment	64.00	67.00)
Certification and Calibration (Section 74 Weights and Measures Act 1985)			
In situ tests - cost of provision of testing equipment, plus a charge per man hour on site (minimum charge ½ hour) plus VAT	64.00	67.00)

Service	Existing Charge £	New Charge £	Financial Effect £
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NOTE - additional charge may be made where officers are requested to work outside normal office hours

Poisons Act

Initial Registration	29.50	31.00)
Re-registration	15.00	16.00)
Change in details of registration	8.50	9.00)

Explosives Act (statutory fee)

Registration of premises	Not available until April	30.00)
Licensing of explosives stores	Not available until April	60.00)

Service	Existing Charge £	New Charge £	
Sale of fireworks - licensing	<u>500.00</u>	500.00)
Prosecution Costs			
Hourly rate for preparation of case reports	28.00	29.50)
			100.00

Discounts

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

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

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

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

Service	Existing Charge £	New Charge £	Financial Effect £
PARKING			
Lorry Park Per night	2.50	No change	
Car Parks			
Premium			
Abbott's Yard up to one hour	1.00	No change	
each additional hour	1.50	No change	
Short Stay			
Archer Street (Saturday only)			
Barnard Street / Winston Street			
Beaumont Street			
Commercial Street			
Garden Street(Saturday only)			
Kendrew Street East (Saturday only)			
Town Hall per hour	0.80	No change	
Covered Market 30 min only zone	0.50	No change	
Long Stay			
Archer Street (Mon - Fri)			
Central House (Saturdays and bank holidays only)			
Garden Street (Mon - Fri)			
Kendrew Street East (Mon -Fri)			
Kendrew Street West (Mon - Sat)			
all day	2.50	3.00)	
New weekly subject to Saturday limitations	10.00	12.00)	
			50,000
Park Place East / West			
Hird Street			
St Hildas up to one hour	0.80	No change	

Service	Existing Charge	New Charge	Financial Effect
	£	£	£
all day	2.50	No change	
Weekly	10.00	No change	
Long stay			
Park Lane	3.00	4.00	20,000
Contract Parking			
per calendar month	24.00	No change	
Employee & Members			
Town Hall			
Houndgate			
Central House			
per annum	150.00	No change	
ALLOTMENTS			
Rent per year	37.13	38.99)	
Rent per year for Leisuresavers	18.56	19.50)	
			650.00

Service	Existing Charge £	New Charge £	Financial Effect £
Darlington Railway Centre and Museum			
Admission Charges			
Adult	2.50	NO CHANGE)
Children	1.50	NO CHANGE)
Concessions/Leisuresaver	1.50	NO CHANGE)
(i) pre-booked school trips - free.			
(ii) pre-booked child groups based in the Borough of Darlington and accompanying adult leaders during normal working hours - free.			
‘Leisuresaver’ rate also applies to members of the Friends of Darlington Railway Museum and the Darlington Railway Preservation Society; and free admission to their committee members.			
Room Hire			
Use by educational groups visiting the Museum; the Friends of Darlington Railway Museum and Darlington Railway Preservation Society for meetings outside normal opening hours (providing nominated persons are responsible for securing premises when vacated) and the North Eastern Railway Association for meetings during normal opening hours.	NO CHARGE	NO CHANGE)
Use by non-commercial organisations			
during normal opening hours - per hour	6.00	NO CHANGE)
outside normal opening hours - per hour	15.00	NO CHANGE)
Use by non-commercial organisations specifically connected with railways or local heritage			
during normal opening hours - per hour	5.00	NO CHANGE)
outside normal opening hours - per hour	10.00	NO CHANGE)
Use by commercial organisations	Negotiable	NO CHANGE)
<u>Ken Hoole Study Centre</u>			
Study centre users , in person by appointment		No charge	
Requests for information received either by letter, telephone or e mail – Up to half an hour research time		No charge	
- Over half an hour research time		6.00/half hr	100

Service	Existing Charge £	New Charge £	Financial Effect £
PLANNING/BUILDING CONTROL – SUPPLEMENTARY ITEMS			
* Items inclusive of VAT			
Weekly list - yearly *	166.00	175.00)	
Weekly list – 6 monthly *	88.00	93.00)	
Decision*/Approval Notice* - Planning	17.00	18.00)	
Letter confirming exemption*	17.00	18.00)	
Letter confirming enforcement action will not be taken *	17.00	18.00)	
Decision*/Approval Notice* -Building Control	17.00	18.00)	
Letter confirming exemption*	17.00	18.00)	
Letter confirming completion*	17.00	18.00)	
Letter confirming enforcement action will not be taken *	17.00	18.00)	
Site inspection to determine info. *	17.00	18.00)	
A4 Photocopy (ex plans) – first page *	1.00	No)	
		change	
	0.30	No)	
Subsequent pages *		change	
A3 Photocopy (ex plans) – first page *	2.00	No)	
		change	
	0.50	No)	
Subsequent pages *		change	
A2 Photocopy (ex plans) – first page *	7.00	7.50)	
A1 Photocopy (ex plans) *	8.00	8.50)	
A0 Photocopy (ex plans) *	9.00	9.50)	
List of streets and yards in Darlington	4.50	5.00)	
O.S. Sheets – up to 6 copies	22.00	23.00)	
Local plan	53.00	No)	
		change	
Local plan – postage	4.00	No)	
		change	
Local plan – alterations	2.00	No)	
		change	
Invoicing	8.50	9.00)	
			850.00

BUILDING REGULATION FEES - SCHEDULE OF CHARGES 2006/07

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

BUILDING REGULATION FEES - SCHEDULE OF CHARGES 2006/07

Service	Existing Charge				New Charge				Net Financial Effect
	£		£		£		£		
<u>Schedule 1 - Small Domestic Buildings & Connected Work</u>	<-----Plan Fee----->		<---Inspection Fee--->		<-----Plan Fee----->		<---Inspection Fee--->		
	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	Basic (excl VAT)	Additional (excl VAT)	
Number of Dwellings									
13	555.00	-	1,982.00	-	No change	-	-	No change	-
14	560.00	-	2,103.00	-	No change	-	-	No change	-
15	565.00	-	2,249.00	-	No change	-	-	No change	-
16	570.00	-	2,395.00	-	No change	-	-	No change	-
17	575.00	-	2,541.00	-	No change	-	-	No change	-
18	580.00	-	2,687.00	-	No change	-	-	No change	-
19	585.00	-	2,800.00	-	No change	-	-	No change	-
20	590.00	-	2,944.00	-	No change	-	-	No change	-
Over 20									
21 and over	600.00	10.00	3,011.00	103.00	No change	-	-	No change	No change
31 and over	700.00	5.00	3,940.00	75.00	No change	-	-	No change	No change

Service	Existing Charge				New Charge				Net Financial Effect
	£				£				
<u>Schedule 2 - Small Buildings, Extensions, Alterations</u>									
	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)	
Type of Work									
A Erection-Detached Garage/Carport less than 40m2	114.89	0.00	114.89	162.00					
B Erection-Detached Garage/Carport between 40m2-60m2	114.89	114.89	229.79	324.00			NO CHANGE		
C Extension less than 10m2	114.89	114.89	229.79	324.00					
D Extension between 10m2 - 40m2	114.89	229.79	344.68	486.00					
E Extension between 40m2 - 60m2	114.89	344.68	459.57	648.00					
<u>Schedule 3 - Other Work</u>									
	This fee only applies to new or replacement windows, boilers and cylinders.								
Estimated Cost			56.17	79.20					
2,000 or less	112.34	-	112.34	158.00					
2,001-5,000	185.53	-	185.53	262.00					
5,001-20,000	45.96	139.57	185.53	262.00					
+ every £1,000 or part over £5,000	1.90	5.65	7.55	10.65					
20,001-100,000	75.00	225.00	300.00	423.00					
+ every £1,000 or part over £20,000	2.00	6.00	8.00	11.28					
100,001-1,000,000	235.00	705.00	940.00	1,325.00			NO CHANGE		
+ every £1,000 or part over £100,000	0.87	2.63	3.50	4.48					
1,000,000-10,000,000	1,022.50	3,067.50	4,090.00	5,767.00					
+ every £1,000 or part over £1,000,000	0.69	2.06	2.75	3.88					

Service	Existing Charge				New Charge				Net Financial Effect £
	£				£				
<u>Schedule 2 - Small Buildings, Extensions, Alterations</u>	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)	Plan Fee (incl VAT)	Inspection Fee (incl VAT)	Notice or Reversion (incl VAT)	Regularisation Fee (incl VAT)	
Over 10,000,000		7,210.00		21,630.00	28,840.00		40,664.00		
+ every £1,000 or part over £10,000,000		0.50		1.50	2.00		2.65		

Reduction to Domestic Multiple Works

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

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

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

Purpose of the Report

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

Service Outline

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

	Proposed budget £000
Director and Secretarial Support	
The Director, all secretarial support for the department and some departmental budgets which are held centrally.	192
Accounting and Financial Services	
The central accounting functions which deal with all the Authority's Accounts, budgeting, Capital Programme, Treasury Management, VAT, financial planning etc. The budget includes the cost of the Corporate Financial Systems.	678
Internal Audit	
This service ensures the Council's Section 151 Statutory Financial Officer fulfils his duties. The service conducts audits and provides consultancy support to departments. This service also deals with Risk Management and Insurance and Freedom of Information	357

	Proposed budget £000
Payroll	
This service processes the pay for the Council's 4,500 employees.	334
Information and Communication Technology	
The central ICT Section which supports all of the Council's systems and the budget includes running costs for corporate systems such as e-mail, internet access and the Council's network and telephones.	1,442
Council Tax and National Non Domestic Rates Collection	
The cost of collecting £55M of Council Tax and NNDR in Darlington.	277
Borough Solicitor & Legal Services	
The budget includes the Monitoring Officer role, all legal advice, conveyancing, contracts and searches.	303
CCTV	
The annual running costs associated with the Council's CCTV service.	354
Registrars of Births, Deaths and Marriages	
The cost to the Council of providing the registration service.	26
Print & Design	
Printing and graphic design costs are recharged to service users. This service operates on a trading basis.	(60)
Town Hall	
The total cost of operating the Town Hall buildings and telephones.	723
Human Resources	
The cost of the centralised HR service including Health and Safety, the Occupational Health service and the Corporate Training Budget.	809
Performance and Development	
Performance and Development management support for Corporate Services department.	68
Democratic	
Support to the Council's democratic decision making processes and the costs of Register of Electors.	345

	Proposed budget £000
Corporate Management	
All elected Members' costs and subscriptions to national and regional associations. Also certain defined expenditure required to be excluded from front-line services, principally external audit and inspection fees and bank charges.	2,170
Community Grants	
Grants to Parish Councils; Financial Assistance and Discretionary Rate Relief to individuals and organisations.	77
Customer Contact Centre	
Provides the Council's principle first contact for an increasing range of services	477

Service Planning

3. Planning of the Department's services for 2006-07 onwards commences prior to the compilation of detailed estimates and informs the allocation of resources through the budget setting process. In addition to the departmental plan, there are four service plans covering the Department's major service groupings: -
 - (a) Finance
 - (b) Legal and Administration
 - (c) Human Resource Management
 - (d) Information and Communication Technology

4. The following key priorities have been identified for 2006-07 onwards: -
 - (a) Implement job evaluation and minimise the effect of equal pay claims.
 - (b) Implement a new payroll system.
 - (c) Consolidate phase 1 and plan phase 2 of Customer Service Centre.
 - (d) Further develop the "Leading Edge" organisational development strategy.
 - (e) Records management – develop the Council's strategy.
 - (f) Workforce planning – fully introduce.
 - (g) Darlington/Stockton partnership – detailed design stage.
 - (h) CPA – Use of Resources assessment action plan implementation.
 - (i) Sickness absence management – continue to improve attendance across the Council.

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

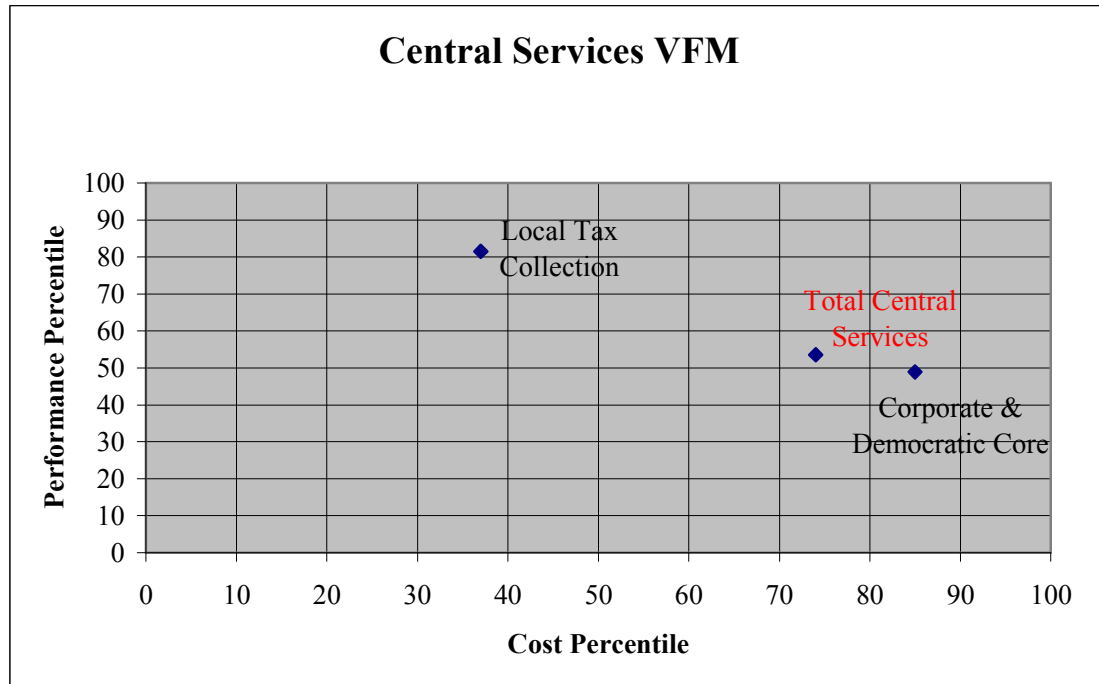
	£000
Customer Service Centre – 2 posts, funded from Finance and ICT review savings to ensure appropriate service levels.	30
Payroll system implementation (2006-07 only).	62
Single Status staffing (2006-07 only) to support implementation.	20
HR Manager – Projects – continuation of 2005-06 approval.	43
	155

6. An additional resource to deal with the current volume of Freedom of Information requests is to be managed from within existing departmental resource levels. Approval is sought to carry forward resources allocated in 2005/06.
7. Additional grant funding has been provided to promote inclusion in the democratic process by increasing electoral registration and turnout. It is proposed to passport £17,000 per annum for this purpose.
8. Approval is sought to carry forward £20,000 from 2005/06 to meet short-term additional costs on the Customer Contact Centre in 2006/07. Approval is also sought to carry forward £150,000 of resources from 2005/06 to fund one-off costs of progressing partnership working to achieve significant savings in future years.

Value for Money (VFM)

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

Audit Commission VFM data: -



10. **Local Taxation** – Council Tax and non-domestic rates collection and administration. This service is indicated to be high performing and low cost. Performance is measured by BV9 for Council Tax and BV10 for non-domestic rates. Both of these measure collection within year of the amount due for the current twelve-month period. Action is being taken to increase the collection of former years arrears.
11. **Corporate and Democratic Core (CDC)** – The costs of CDC include all Member-related expenditure, the Policy Unit and corporate activity such as preparation and approval of the revenue budget and capital programme. As these costs tend to vary according to type of authority (Unitary, County, district etc) rather than size of authority, the relatively high per-capita cost of CDC is to be expected of a small unitary authority. Performance is measured by a range of corporate PI's. Overall performance is indicated to be at the unitary authorities average. Significantly above average performance is indicated on equalities issues. Sickness absence, early retirements and ill-health retirements indicators are below average. Action to address these issues is progressing.

**Benchmarking: -
Finance**

12. Costs and performance are compared using the Chartered Institute of Public Finance and Accountancy (Cipfa) benchmarking service. Financial management is indicated by a range of measures to be high performing but is also relatively high cost in comparison with other single-tier councils. Statistical analysis indicates that this is explained by the relatively small size of this Council. The challenge is, therefore, to achieve economies of scale, which is being sought via the prospective partnership

arrangement with Stockton Borough Council. Financial management has been rationalised and devolved to departments during 2005-06, producing cost reductions of £70,000 per annum and with the aim of further improving the service.

Human Resource Management

13. Costs and performance of the HR service are compared using the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking service. Within this tool the service is compared both to a full range of Authorities of differing sizes and types and with a smaller group of Authorities similar to Darlington in size and HR service delivery model. When compared with both these groups HR performs well against a number of indicators and costs are lower than the average in both groups.
14. The extensive agenda facing the division, including the implementation of job evaluation and single status, make cost reductions difficult within a people intensive service. However, the Division is currently looking to improve the quality of the service delivered and make savings by considering some IT solutions to reduce the administrative elements of the workload and it is hoped this will also release resources to concentrate on key strategic projects.
15. Partnership working with Stockton is seen as a positive proposal for meeting the immediate need for a new Payroll system and in terms of knowledge sharing and economies of scale in the longer term.

Information and Communications Technology

16. Performance of the ICT Service is measured using a range of indicators developed by the Society of Information Technology Managers (Socitm). These seek to demonstrate value for money as well as assess overall performance of the service and its customer satisfaction. We have recently submitted a full survey to Socitm as part of the 2005 benchmarking group and will receive the results in 2006. Prior to this feedback was received from the 2003 survey. A headline from this was that Darlington BC spends less on its ICT Services than any of the other 22 English unitaries in the group. This in conjunction with high scores in other measured indicators such as customer satisfaction rating and service desk call resolution targets, indicates that the service is low cost and high performing.
17. The ICT service is currently being rationalised by consolidating Departmental ICT resources into the corporate centre generating cost reductions of £40,000 per annum with the aim of improving the service provided. In addition, it is expected that further economies of scale will be achieved if the prospective partnership with Stockton Borough Council is to proceed.

Legal and Administration Support Services

18. There is a lack of comparative information about other authorities' costs and performance for legal and administration services. The priority for 2006-07 in these

areas is, therefore, to develop comparative information. By definition, the establishment of such information is heavily dependent on other authorities and agencies such as the Audit Commission and professional associations.

Efficiency Gains

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

Action	Financial effect £000
Financial management – decentralisation*	70
ICT – centralisation*	40
Insurance contract renewal*	50
Local Taxation – additional income	49
Staff turnover	30
Non-committed inflation*	17
Audit and Inspection fees	30
CCTV – equipment repair and maintenance*	19
Print and Design – income and leasing costs*	20
Training*	10
HCI, Cycle 2 Work, Childcare vouchers initiatives*	17
Various management savings*	25
Consultants*	12
Equipment*	8
Subscriptions*	7
Registrars income	10
Total	414
<i>* Meet 'Gershon' definition of Efficiency Gains; total £285,000</i>	

Risk Management

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

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

- (a) Records management.
- (b) New payroll system implementation.
- (c) Darlington/Stockton Partnership – capacity to develop partnership whilst continuing to deliver service.
- (d) Sickness absence management.

Departmental Medium Term Financial Plan

23. CMT supports the allocation of additional resources of £155,000 to meet service-planning priorities, detailed above.

24. In addition to these service-planning issues, CMT also supports the proposed allocation of additional £75,000 to meet increased energy costs in respect of the Town Hall. The Council has achieved very competitively priced energy supplies in recent years by consortium purchasing via the North East Purchasing Organisation (NEPO). Recent major world events as well as unusual market conditions have substantially impacted on the energy market, resulting in a doubling of energy prices that NEPO has been able to achieve.

	2006-07	2007-08	2008-09	2009-10
	£000	£000	£000	£000
<u>Resources</u>				
Planned resources brought forward from previous year	353	134	52	32
Resource allocation for year	8,289	8,700	8,995	9,285
CMT supported bids for additional resources				
-Unavoidable growth	75	77	80	82
-Service planning	155	75	78	80
Less Planned resources carried forward to following year	-134	-52	-32	0
Total Resources Available	8,738	8,934	9,173	9,479
<u>Budgets</u>				
Draft detailed estimates	8,738	8,934	9,173	9,479
Proposed budget	8,738	8,934	9,173	9,479

Note: resource allocations and detailed estimates are net of savings and efficiency gains of: -

414,000 426,000 439,000 452,000

Management Action to Achieve Balanced Budget

25. Reviews of structures and management arrangements of Finance and ICT were completed during 2005-06. Annual savings of £70,000 have been achieved by de-centralising financial management and £40,000 by centralising ICT support services.
26. Renewal of the Council's insurance contract at more favourable terms has achieved an annual saving of £50,000 per annum in 2006-07 and 2007-08. An initiative started in 2005-06 to put additional resources into collection of Council Tax arrears is to be continued, generating an estimated £49,000 per annum net income.
27. All areas of the departmental budget have been reviewed to identify opportunities for efficiency gains, income generation and cost reductions. Estimates have consequently been reduced by a further £205,000 by making an assumed saving from staff turnover, deleting non-committed inflation and various savings detailed in the table in paragraph 15.

Proposed Charges

28. **Annex 1** details the proposed charges for 2006-07 for services provided by Corporate Services for which charges are made. The financial effects of the proposed charges are included in detailed estimates.

Recommendations

29. Members are asked to approve: -
 - (a) The detailed estimates for Corporate Services department for 2006/07.
 - (b) The proposed schedule of charges for Corporate Services for 2006/07.
 - (c) The carry-forward of £353,000 from 2005/06 into 2006/07 to meet expenditure on partnership working, the Contact Centre and Freedom of Information.
 - (d) Service planning additional resources of £155,000 in 2006/07 and varying amounts in future years.
 - (e) Additional resources of £75,000 per annum plus inflation to meet the unavoidable increase in cost of Town Hall energy.

Paul Wildsmith
Director of Corporate Services

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2006/07

	Existing Charge £	New Charge £	Financial Effect £
Land Charges			
Search Fees			
one parcel of land	123.00	No change	Nil
several parcels of land			
- first parcel	123.00	No change	} Nil
- each addition	30.00	No change	
expedited search (one working day)	275.00	No change	
search fees (statutory charge last changed)	6.00	No change	
search fees – electronic (statutory)	4.00	No change	
Optional Enquiries			
each printed enquiry	18.00	No change	} Nil
each additional enquiry	20.00	No change	
personal search (statutory)	11.00	No change	
Admin Fee	10.00	No change	
Photocopying (per copy)	0.10	No change	
Register of Electors - Sale			
Register- printed form	10.00	No change	} Nil
Per 1,000 names - printed	5.00	No change	
Register – data form	20.00	No change	
Per 1,000 names – data	1.50	No change	
Cost of Revenue Collection			
Issue of Summons for Liability Order	32.30	33.00	} 5,300
Issue of Liability Order	29.00	31.00	
Issue of Summons for Committal Hearing	77.00	80.00	
Issue of Statutory Demand	150.00	157.50	
Town Hall			
Hire of Committee Rooms per session			
public and statutory authorities	63.60	70.00	} Minimal
voluntary organisations	9.60	10.00	

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2006/07

	Existing Charge £	New Charge £	Financial Effect £
Registration of Births, Deaths, Marriages & Civil Partnerships			
Statutory charges			
Marriages			
Entering a notice of Marriage or Civil Partnership	30.00	No change	Nil
For a Registrar to attend a marriage or civil partnership at a register office	34.00	43.00	
Incumbents for every entry contained in quarterly certified copies of entries of marriage	2.00	No change	Nil
For a Registrar to attend a marriage at a registered building or at the residence of a housebound or detained person.	40.00	47.00	
For a Superintendent Registrar to attend outside his office to attend a marriage or civil partnership at the residence of a housebound or detained person	40.00	47.00	
Certification for Worship and registration for marriages			
Place of meeting for Religious Worship	28.00	No change	Nil
Registration of buildings for solemnisation of marriage	120.00	No change	Nil
Certificates issued from Local Offices			
Standard Certificate (SR)	7.00	No change	} Nil
Standard Certificate (RBD)	3.50	No change	
Short Certificate of Birth (SR)	5.50	No change	
Short Certificate of Birth (RBD)	3.50	No change	
Certificates of Civil Partnership (at time of ceremony)	N/A	3.50	
Certificates of Civil Partnership (at later date)	N/A	7.00	
General Search Fee	18.00		
Each Verification	No charge		
Citizenship Ceremonies	64.00	68.00	
Personal Citizenship Ceremonies			
Register Office - Mon to Fri	100.00	No change	} Nil
Register Office - Sat	125.00	No change	
Approved Premises - Mon to Fri	125.00	No change	
Approved Premises - Sat	150.00	No change	
Approved Premises - Sun and Bank Holidays	175.00	No change	

CORPORATE SERVICES DEPARTMENT - SCHEDULE OF CHARGES 2006/07

	Existing Charge £	New Charge £	Financial Effect £
Civil Funerals	125.00	135.00	Minimal
Naming Ceremonies			
Register Office - Mon to Fri	80.00	No change	} Nil
Register Office - Sat	120.00	No change	
Approved Premises - Mon to Fri	125.00	No change	
Approved Premises - Sat	150.00	No change	
Approved Premises - Sun and Bank Holidays	200.00	No change	
Non-Statutory Fees for Outside Weddings			
Non-returnable fee for application (3 years)	1,400.00	No change	Nil
Fee for attendance			
Weekday	200.00	No change	} Minimal
Friday	N/A	220	
Saturday	275.00	280	
Sunday	400.00	No change	
Bank Holiday	400.00	No change	

**CHIEF EXECUTIVE'S OFFICE
MEDIUM TERM FINANCIAL PLAN REVIEW**

Purpose of the report

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

Service Outline

2. The Chief Executive's Office principally supports the corporate management of the organisation. Most of its work is discretionary, however, statutory requirements have increased in recent years through the statutory duty of Best Value. The Council would not meet its statutory requirements without the discretionary areas of work e.g. corporate planning and performance management. Estimated net expenditure for each division of the Department's services is shown below.

	Proposed budget £000
Chief Executive and P.A	
Head of Paid Service and Secretarial Support	253
Policy Unit	
Statutory requirement to produce the BVPP and develop programme to review all services over 5 years. Co-ordination of planning and performance management arrangements within the organization.	549
Communications Unit	192
Corporate Press Office. Publication of Town Crier and Flyer.	
Darlington Partnership	43
Councils are required to have Local Strategic Partnerships.	

Service Planning

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

4. The main priorities for improvement established through the service planning process are:
 - (a) To lead the Council's 'Leading Edge' programme which is the next phase of the Organisational Development of the Council.
 - (b) To lead the Council's approach to implementing Gershon efficiencies.
 - (c) To implement the procurement strategy, specifically e-procurement.
 - (d) To maintain the Council's Corporate Performance Assessment (CPA) rating of 4 stars
5. CMT have considered service planning corporately and support proposals for the allocation of additional resources for: -

	£000
2 additional Communications staff	65
Total	65

Value for Money (VFM)

6. The Audit Commission data comparing cost and performance that is used to indicate VFM across the Council's services is primarily concerned with 'front-line' services that are delivered direct to the public. This provides limited data for a department that is largely responsible for providing support to other services. Benchmarking is used to provide more information about comparative cost and performance for these support services, using data gathered by professional institutes. Indications of VFM, actions taken to achieve improvements and future plans are detailed below, together with the sources of benchmarking data where this has been used.
7. A key part of successive corporate assessments to date has been to respond to external challenge as to whether the small size of the communications and policy units can meet the demands expected of a unitary authority undergoing modernisation. In terms of performance, the authority's corporate capacity is ranked as 4 out of 4. High level value for money analysis conducted for the Use of Resources self assessment demonstrated that the authority was providing good value for money in this area.

Efficiency Gains

8. One of the office's main objectives is to help drive efficiency improvements across the organisation. It follows that the primary focus during the last year has been on projects such as Street Scene within the Leading Edge programme. This focus will continue over the next few years to ensure that identified savings are actually delivered.

Risk Management

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

11. Through the service planning process, no departmental risks have been identified as requiring action plans.

Departmental Medium Term Financial Plan

12. Detailed estimates have been prepared for the next four years based on current service levels and in accordance with corporate guidelines. Detailed estimates include:-
- (a) Provision for annual pay awards of 3% and general price inflation of 2%,
 - (b) Unavoidable pressures,
 - (c) Reductions in net expenditure resulting from management actions to improve efficiency, cost reductions and increased income,
 - (d) Service planning implications, specifically additional resources that have the support of CMT.
13. The Chief Executive's Office faces unavoidable pressures in the following areas:-
- (a) Additional pressures of funding Darlington Partnership of £15,000.
 - (b) Redesignation of Head of Policy to Assistant Chief Executive £23,000.
 - (c) Future years funding from 2007/08 of 'Leading Edge' team £91,000.
14. The Chief Executive's Office has incurred costs of £40,000 in 2005/06 recruiting to the Chief Executive's post and the release of additional resources is requested to meet this cost.

	2006-07	2007-08	2008-09	2009-10
	£000	£000	£000	£000
<u>Resources</u>				
Planned resources brought forward from previous year	0			
Resource allocation for year	934	982	1,002	1,047
CMT supported bids for additional resources	38	136	144	152
Service Planning	65	67	69	71
Planned resources carried forward to following year				
Total Resources Available	1,037	1,185	1,215	1,270
<u>Budgets</u>				
Draft detailed estimates	1,037	1,185	1,215	1,270
Proposed reductions requiring Member approval				
Proposed budget	1,037	1,185	1,215	1,270

Management Action to Achieve Balanced Budget

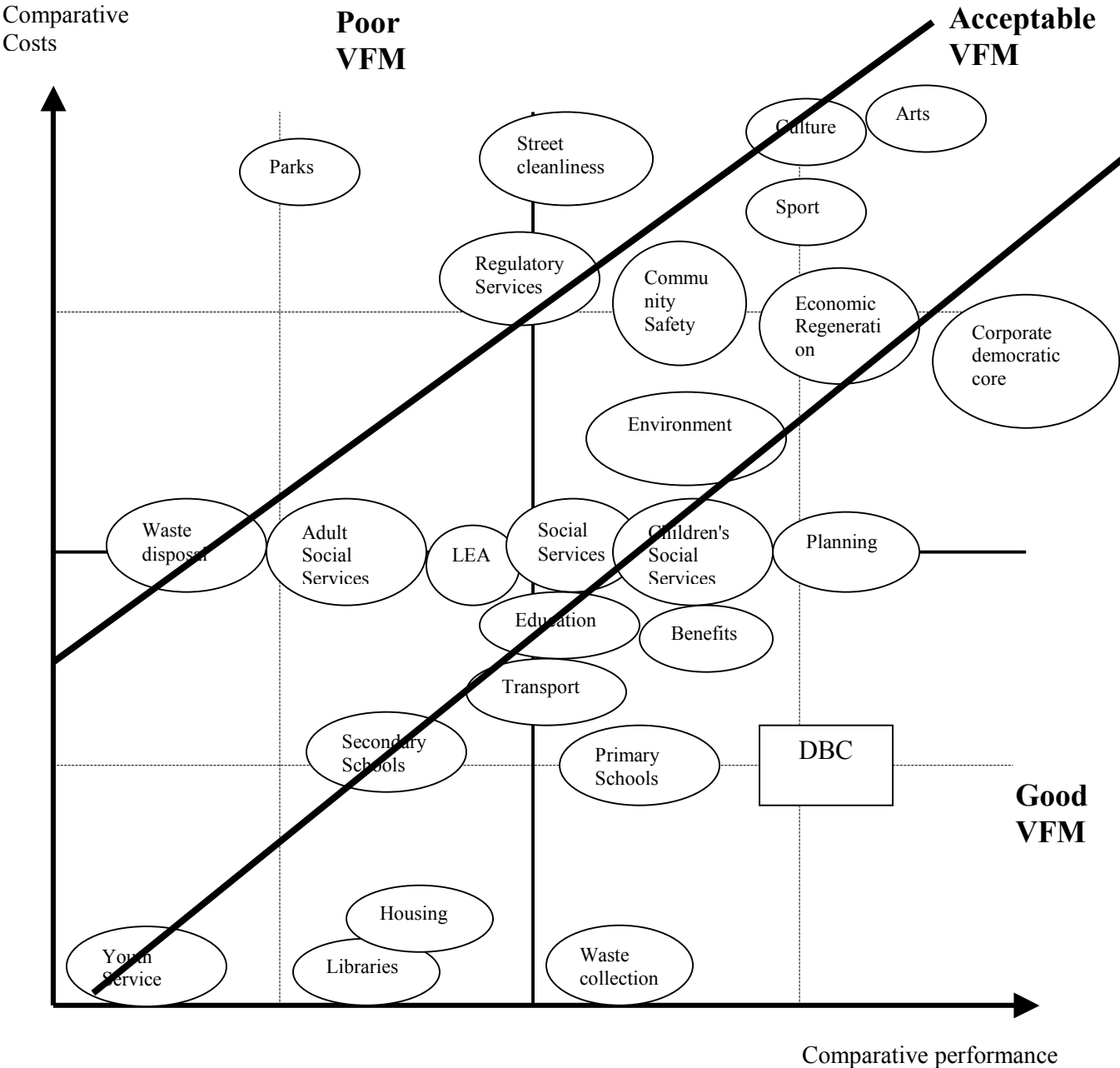
15. The main management actions to achieve a balanced budget are:
- (a) Ensuring that 'Leading Edge' delivers so that efficiency targets are met and continued funding for the 'Leading Edge' team is therefore cost effective.
 - (b) Continued liaison with Darlington Partnership on the LSP's financial management.

Recommendations

16. Members are requested to approve:-
- (a) The detailed estimates for the Chief Executive's Office for 2006/07.
 - (b) Additional resources of £103,000 in 2006/07 and the varying amounts detailed in the report for future years.
 - (c) Additional resources of £40,000 in 2005/06 to cover costs incurred recruiting to the Chief Executives post.

Lorraine O'Donnell
Assistant Chief Executive

VALUE FOR MONEY SERVICE ASSESSMENTS



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

REVENUE ESTIMATES 2006-07

SUMMARY

	2005-06 £000	2006-07 £000
Children's Services	63,104	66,710
Community Services	25,828	28,574
Development & Environment	9,505	11,044
Chief Executive's Office	910	1,037
Corporate Services	8,445	8,519
Departmental Total	107,792	115,884
Joint Bodies and Levies	548	581
Financing Costs	2,947	3,588
Single Status	0	2,500
Headroom	1,600	0
Development Fund	325	0
Leading Edge efficiencies	0	(240)
Service Planning – included in departmental estimates		
Total Net Expenditure	113,212	122,313
Contribution from Reserves	(1,344)	(2,389)
Parish Council Precepts	37	40
Budget Requirement	111,905	119,964

**REVENUE ESTIMATES 2006-07
CHILDREN'S SERVICES**

	2005/06 £000	2006/07 £000
Individual Schools Budget	45,329	48,215
Pupil Support	2,499	2,630
Early Years	1,163	1,256
Libraries & Community Education	1,238	1,286
School Effectiveness Service	2,067	2,419
Performance, Planning & Resources	3,513	3,739
Children's Social Care	5,507	5,849
Social Care Support Services	1,788	1,633
Reduce management, administrative and support services		(317)
Total Children's Services Detailed Estimates	63,104	66,710

**REVENUE ESTIMATES 2006/07
COMMUNITY SERVICES**

	2005/06 £000	2006/07 £000
Property and Premises support	62	70
Art Collections (former Art Gallery)	11	11
Art Centre and Civic Theatre	1,245	1,227
Dolphin Centre	1,569	1,894
Outdoor Events	50	93
Sports Development	15	14
Grants	110	41
Stressholme Golf Course and Club House	9	34
Parks and open spaces	1,802	1,777
Eastbourne Sports Complex	189	129
Refuse Collection	1,513	1,572
Street Cleansing	1,649	1,710
Public Conveniences	119	161
Works Property and Other Expenses	88	90
Cemeteries and upkeep of churchyards	346	356
Christmas Lights	28	29
Community Partnership & Performance Developments	222	366
Welfare Rights Unit	26	58
Community Voluntary Service	37	38
Community Safety Partnership	430	517
Community Safety Wardens	454	459
Youth Service	786	965
<i>Total Community Services – General</i>	10,760	11,612
<i>Community Services Housing</i>		
Rent Rebates (Local Schemes)	35	33
Improvement Grants Admin.	34	16
Housing Renewal Team	73	105
Housing Act Advances	4	1
Land Rental/Leasing Income	(19)	(19)
Housing Benefits Administration	354	366
Community Housing Services	240	241
Homelessness	13	14
Welfare Services	137	147
Northumbrian Water Commission	(136)	(130)
Service Strategy & Regulation	17	20
Voluntary Sector Payments	90	90
Asylum Seekers	0	0
Supporting People	0	0
<i>Total Community Services Housing</i>	842	884
<i>DLO profits</i>	(1,884)	(1,924)

<i>Community Services Adult Services</i>		
Assistant Director - Adults & Older People	38	408
Purchase of External Care	9,724	10,658
Older People	1,303	1,351
Learning Disability	2,136	2,373
Mental Health	588	550
Disability and Intermediate Care Services	2,670	2,759
<i>Total Community Services Adults Services</i>	16,459	18,099
Total Detailed Estimates	26,177	28,671
<i>Planned brought forward from previous year</i>	(496)	(187)
<i>Planned carry forward to following year</i>	147	90
<i>Total Community Services</i>	25,828	28,574

Footnote

1. Grants –the budget has reduced year on year as the northern Arts Grant and the Outdoor events grants have been transferred into the Arts and Civic budget and the Outdoor Events budget.
2. Stressholme – the increase in budget is due to additional fuel costs and repairs and maintenance required on the course.
3. Community Partnerships – the budget has increased year on year to take account of the Community Development Workers the council agreed to mainstream in 2006/07 following the expiry of the single Programme Grant in March 2006.

**REVENUE ESTIMATES 2006/07
DEVELOPMENT & ENVIRONMENT**

	2005/06 £000	2006/07 £000
Director of Development & Environment	442	513
Engineering	608	465
School Crossing Patrols	116	119
Highway Maintenance	1,579	1,609
Other Highways	1,155	1,366
Project Cost & Commissioning	(62)	(66)
Support Services - Town Hall	764	761
Property Management	190	175
Operational Properties	67	107
Commercial Property & Farms	(277)	(248)
Allotments	16	16
Central House	152	160
Hopetown House	126	132
Annex - Central House	24	40
Markets Administration	176	174
Cattle Market	(16)	(18)
Covered Market	(343)	(341)
Open Market	(57)	(46)
Planning services	532	504
Car Parks	(1,809)	(1,855)
Hackney Carriages	(48)	(67)
Concessionary Fares	790	1,795
Shopmobility	62	63
Building Control	(6)	7
Transport Policy	937	967
Economic Regeneration	731	757
Town Centre	65	69
Tourist Information Centre	78	81
Cemeteries - Development & Environment	(152)	(119)
Crematorium - Development & Environment	(498)	(506)
Archives	69	70
Railway Museum	305	326
Environmental Health Administration	885	801
Trading Standards	330	340
Control of Stray Dogs	14	62
Waste Disposal	2,578	2,797
<i>Total detailed estimates</i>	9,523	11,010
Add planned deficit brought forward from previous year	72	71
Less planned deficit carried forward to following year	(90)	(37)
Resource allocation (including additional resources)	9,505	11,044

REVENUE ESTIMATES 2006/07

CHIEF EXECUTIVE'S OFFICE

	2005/06 £000	2006/07 £000
Chief Executive	249	253
Policy Unit	513	549
Communications Unit	123	192
Darlington Partnership	25	43
Planned b/fwd from 2004/05	5	
Planned c/fwd to 2006/07	(5)	
Total Chief Executive	910	1,037

JOINT BODIES AND LEVIES

	2005/06 £000	2006/07 £000
Coroners	112	119
Environment Agency Levy	37	40
Tees Valley Development Company	92	97
Joint Strategy Unit	252	267
Tees Valley Urban Regeneration Company	55	58
Total Joint Bodies and Levies	548	581

REVENUE ESTIMATES 2006/07

CORPORATE SERVICES

	2005/06 £000	2006/07 £000
Front Line Services		
Local Taxation	350	277
CCTV	375	354
Registrars	36	26
Community Grants	77	77
Land Charges	(291)	(252)
Municipal Elections	0	0
Register of Electors	36	49
<i>Support Services</i>		
Accounting Services	280	235
Audit	253	255
Risk Management & Insurance	0	37
Financial Services	474	443
Human Resource Management	599	606
Payroll	299	334
Health & Safety	167	176
Information Technology	1,411	1,315
Information Management	38	65
Asst Director ICT	100	127
Call Centre	187	497
Legal	614	555
Democratic Support	299	310
Reprographics	(40)	(60)
Director + Secretarial Support	249	324
Performance and Development	67	68
Town Hall	704	723
<i>Other Services</i>		
Corporate & Democratic Core	2,244	2,218
Training Courses	37	27
Miscellaneous		
Finance Miscellaneous	(32)	(50)
Emergency Planning	2	2
Total detailed estimates	8,535	8,738
Less planned resources brought forward from previous year	(189)	(353)
Add planned resources carried forward to following year	99	134
Resource allocation (including additional resources)	8,445	8,519

MEDIUM TERM FINANCIAL PLAN

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