

## **SECTION 4 - RESOURCES**

### **Spending and Service Plans**

The Council has operated a medium term approach to its financial planning since 2000. In line with such an approach, the Council reviews its Medium Term Financial Plan (MTFP) 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.

The Council's medium-term financial planning process forecasts future resources and service demands for the next four years. This helps the Council to plan and manage service priorities and initiatives, linking them to the financial resources available to implement them. In setting the revenue budget the Council takes into consideration its contribution to the Community Strategy, the results of consultation, the aims and objectives set out in the Corporate and Best Value Performance Plan and the impact that spending decisions have on Council Tax.

The Council has been successful in improving its financial standing in recent years. Revenue reserves at the end of March 2005 exceeded £11M, which will help the Council to meet the substantial challenges of continuing to improve services with limited financial resources over coming years.

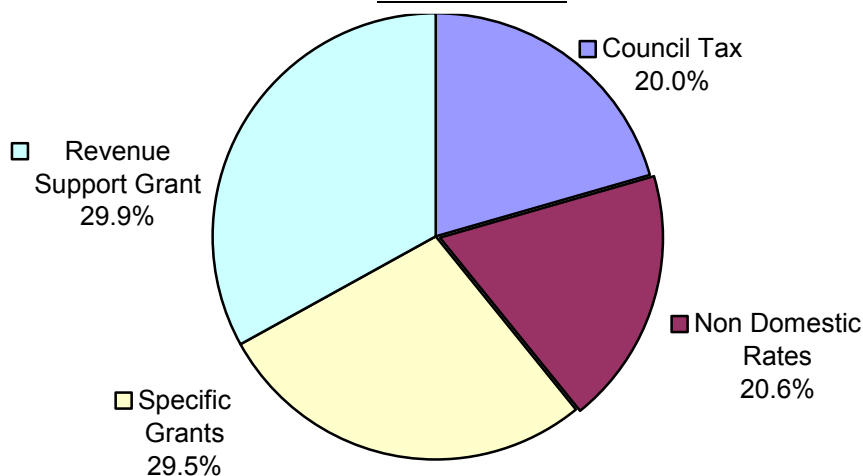
The MTFP for 2005-06 to 2009-2010 includes indicative allocations of resources to services which reflect the Council's priorities to increase funding for Education and Social Services. From 2005-06, over the following three years, spending on Education is planned to increase by £9.6M (17%) and on Social Services by £2.6M (11%). The Council has also decided to increase resources for 2005-06 in line with citizens priorities identified via consultation.

**The Council's Revenue Budget 2004/05**

<u>Department</u>	Net Expenditure £000's	Specific Grants £000's	Total Net Expenditure £000's	Notional Capital Charges £000's	Total Cost £000's
Education	55,734	12,140	67,874	8,648	76,522
Social Services	24,334	4,395	28,729	290	29,019
Community Services	9,830	28,567	38,397	1,972	40,369
Development & Environment	9,389	1,721	11,110	2,448	13,558
Corporate Services & Chief Executive	7,987		7,987	652	8,639
Joint Bodies	548		548		548
Financing Costs	2,947		2,947		2,947
PFI affordability gap	40		40		40
Headroom	1,600		1,600		1,600
Contribution to/(from) revenue balances	-1,236		-1,236		-1,236
Service Planning	370		370		370
Development Fund	325		325		325
	<b>111,868</b>	<b>46,823</b>	<b>158,691</b>	<b>14,010</b>	<b>172,701</b>

**Financed By:**

	£000's
Council Tax	31,683
Non Domestic Rates	32,728
Specific Grants	46,823
Revenue Support Grant	47,457
	<b>158,691</b>



**NOTES**

1: Net expenditure includes income from rents, fees and charges but excludes income from government grants. Central Government provides general grant (Revenue Support Grant) and service specific grants.

2: Local Authorities are required to account for the cost of capital employed in providing services and depreciation of assets. Though these costs are notional and do not impact on Council Tax levels, they are important in determining the true total cost of providing services.

### Revenue Budget 2003/04

In March 2004 the Council approved a budget for 2004/05 of £105.5 million. Financial performance compared to budget is reported regularly to Cabinet and Resources Scrutiny Committee. The financial results for the year 2004/05 are to be reported to Cabinet on 12th July 2005.

The Council's financial reserves at 31st March 2005 were £11.024million.

### Trading Activities

	2003/04		2004/05	
	Turnover £000	Surplus £000	Turnover £000	Surplus £000
Open & Covered Markets	646	(2)	598	24
Shops & Offices	175	67	172	41
Building Control	369	85	397	70
Car Parks	1,691	616	1,969	827
Building Cleaning	1,309	84	1,468	140
Construction	7,884	561	8,401	605
Catering	1,297	20	1,332	5
Ground Maintenance	2,602	221	2,704	162
Housing Management	1,152	5	1,252	6
Highways & Sewerage	3,321	89	4,115	214
Leisure Management	1,816	97	1,838	26
Building Maintenance	7,932	197	8,305	279
Other Cleaning	1,895	145	1,913	57
Refuse Collection	1,985	122	2,130	88
School Meals	1,239	14	1,176	(57)

In addition, Support service to school may be regarded as operating on a trading basis, being required to cover their costs by the income that they generate by selling services to school with delegated budgets. The total value of these services in 2004/05 was £1.23 million.

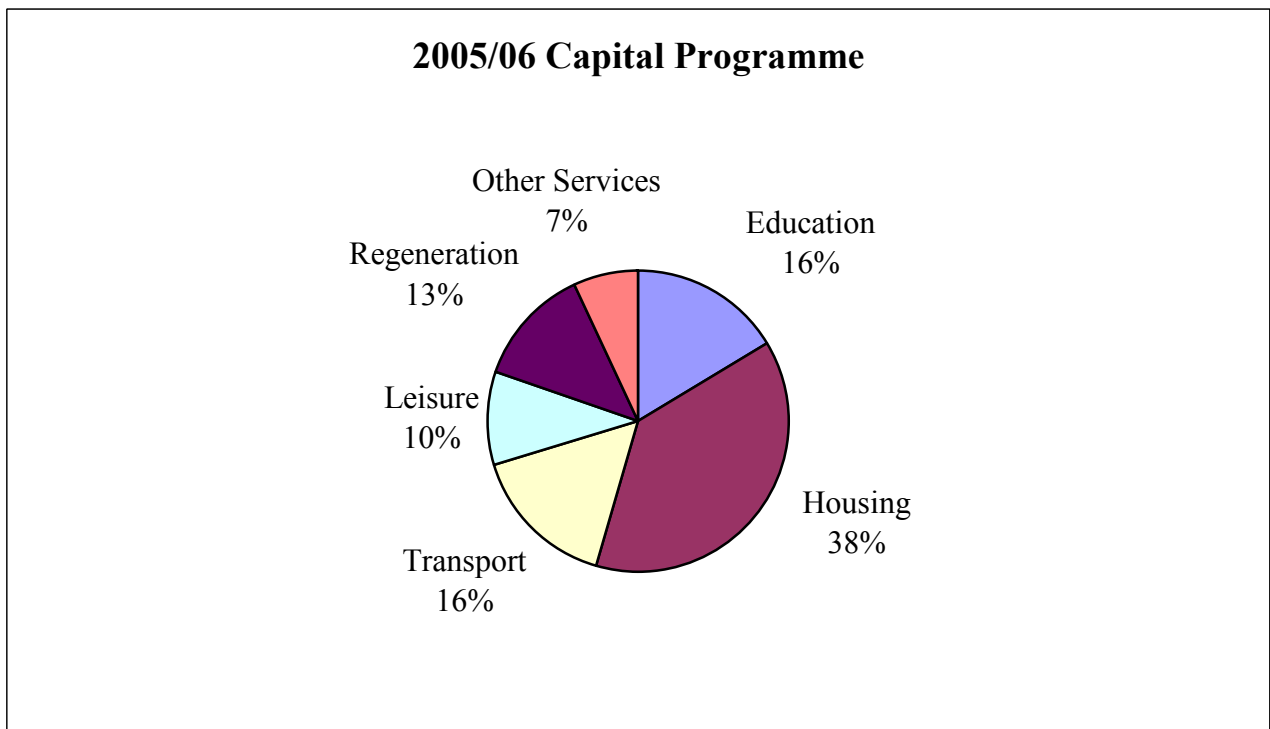
### Capital Expenditure

The Council's capital investment plans are an important part of delivering both the needs of the community and supporting Council services. The Council's forward spending plans are contained in the Capital Strategy and the Asset Management Plan. These in turn are informed by other council plans including the Housing Investment Plan, the Local Transport Plan and the Education Asset Management Plan.

Capital investment of £29.9 million was expended in 2004/05 spread over Education £7.4 million, Housing £6.6 million, Transport £5.0 million, Social Services £0.7 million and other services £10.2 million.

2004/05 was the first year of the prudential code, which involves new freedoms for capital investment and borrowing. Local authorities are now able to borrow without Government approval subject to affordable, prudent, sustainable limits. The Capital Medium Term Financial Plan has embraced the additional freedoms and as a result has brought Capital and Revenue financial planning much closer. Prudential Borrowing has financed two spend to save schemes and has also been used to finance assets worth £0.7m which previously would have been financed via Operating Leases.

The Council's spending plans for 2005/06 are £26.3 million in total, which includes Education £4.3 million, Transport £4.2 million and Housing £10.0million. Other capital schemes relate to Leisure £2.6 million, Regeneration £3.4million and other services £1.8 million. Schemes approved within this programme have been assessed against the Community Strategy and Corporate and Best Value Performance Plan and included in the Medium Term Financial Plan for Capital.



## Statement on Contracts

*ODPM Circular 03/2003* requires a brief statement that contracts awarded during the past year, which involved the transfer of staff complied fully with the 'Code of Practice on Workforce Matters in Local Authority Service Contracts'

[Details to be added on receipt from HRM]

<b>Nature of Contract</b>	
<b>Title of Contract</b>	
<b>Date of Contract</b>	
<b>Brief Detail</b>	

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<b>Brief Detail</b>	

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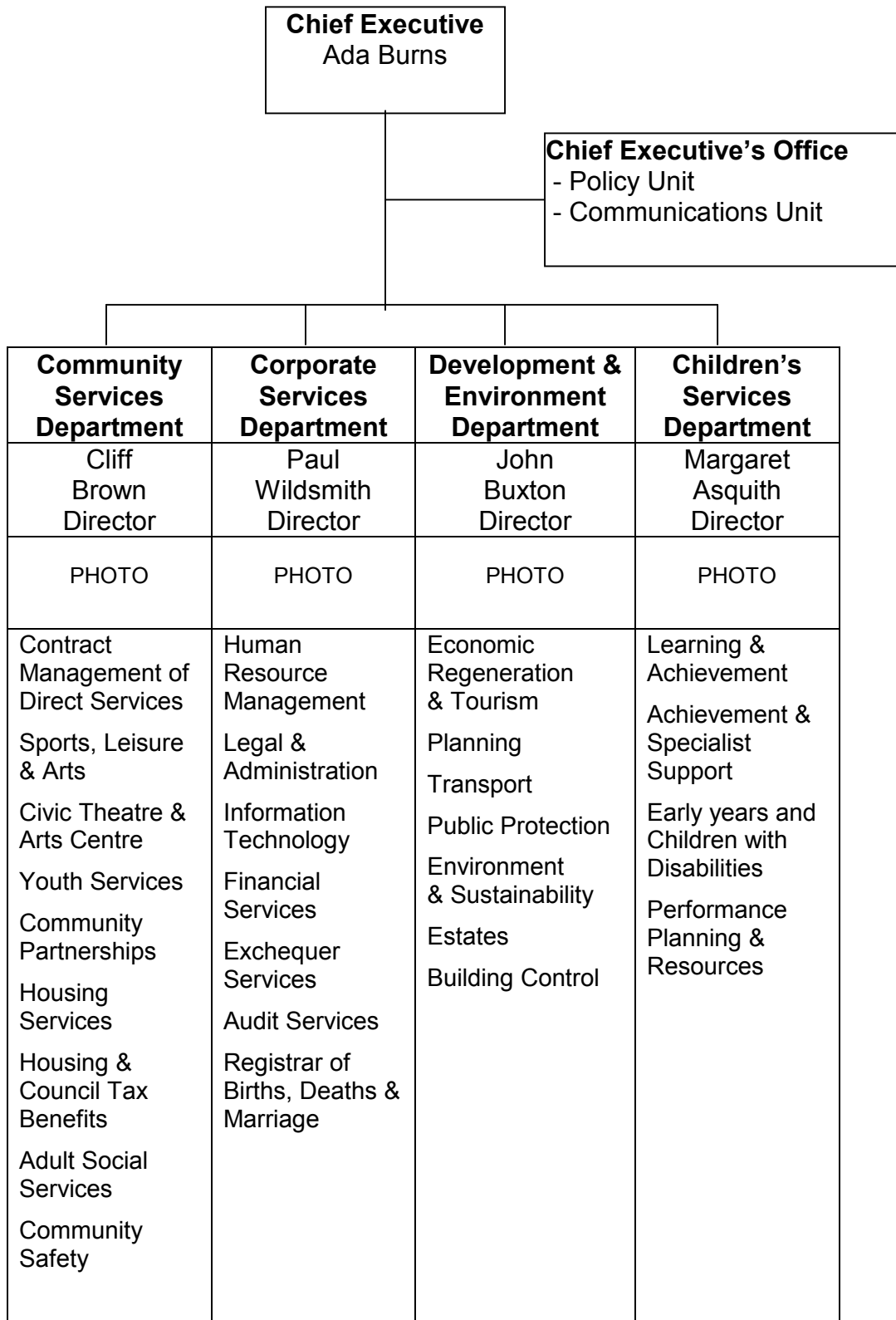
**The Cabinet  
and Portfolios**

**Chairs and Vice Chairs  
of Scrutiny Committees**

Photo	Leader of the Council Councillor John Williams	Photo	Environment Scrutiny Committee Chair Councillor Stella Robson
	Community & Public Protection/ Deputy Leader Councillor Bill Dixon		Environment Scrutiny Committee Vice Chair Councillor Jim Ruck
	Children's Services Councillor Chris McEwan		Resources Scrutiny Committee Chair Councillor Ian Haszeldine
	Resource Management Councillor Don Bristow		Resources Scrutiny Committee Vice Chair Councillor Geoff Walker
	Regeneration & Planning Councillor David Lyonette		Social Affairs & Health Scrutiny Committee Chair Councillor Marion Swift
	Highways & Transport Councillor Nick Wallis		Social Affairs & Health Scrutiny Vice Chair Councillor Veronica Copeland
	Adult Services Councillor Brian Thistlethwaite		Public Protection & Community Protection Scrutiny Committee Chair Councillor Doris Jones
	Consumer & Environmental Services Councillor Stephen Harker		Public Protection & Community Protection Scrutiny Vice Chair Cllr Eleanor Lister
	Leisure Services Councillor Lee Vasey		Lifelong Learning Scrutiny Committee Chair Councillor Cyndi Hughes
			Lifelong Learning Scrutiny Committee Vice Chair Councillor Andy Scott

## ORGANISATIONAL STRUCTURE

### Departmental and Service Structure



**PART THREE – APPENDICES**

Appendix 1	Best Value and Local Performance Indicators
Appendix 2	Best Value performance indicators with a 10% or more variance
Appendix 3	National Quality of Life performance indicators
Appendix 4	Local Public Service Agreement targets
Appendix 5	Glossary of abbreviations and key phrases
Index for PIs	Page references for performance indicators in Appendix 1



## Appendices Commentary

There are 5 appendices plus a look-up table for performance indicators. This look-up table is provided as an aid to locating page number of the indicator in Appendix 1.

### Appendix 1

This is a complete listing of 2004/05 and 2005/06 BVPIs and important local indicators that we include in the BVPP. An example frontispiece to the table briefly provides some explanation and more detail is provided here. The 2003/04 Actual performance is included to facilitate comparison. For the satisfaction indicators we have shown the base number (B) and confidence interval (C). The base number is the number of people who answered a particular question and the confidence interval is an indication of the accuracy of the result, and gives a range within which the expected result should lie for 95 such surveys out of a hundred. For example, for a specific survey result of 45% of residents satisfied, where B=500 and C=3%, 500 people answered that particular question and the satisfaction rate lies between 42% and 48% for 95% of the time. 2003/04 was the second time that these national satisfaction BVPIs have been collected. Targets have been set for these indicators for the next year of national collection, i.e. 2006/07. There are some local satisfaction indicators that we collect more frequently.

Performance indicators that the Council regards as key, in terms of priorities and operations are indicated by highlighting the description in the corporate colour (burgundy). Although this shows that they are of particular importance it does not mean that we regard other indicators as unimportant. The 'Performance Trend' column shows by the use of a coloured arrow whether performance has improved from 2003/04 or got worse. A horizontal line indicates that performance has remained unchanged.

The '2004/05 P+ target achieved' column indicates whether the target set for that particular indicator has been achieved (shown by a blue circle), exceeded as shown by a green star or not achieved as shown by a red triangle. In this analysis we have used the default tolerance as set up in *PerformancePlus*. This will be changed next year so that each indicator has its own tolerance and this will give better precision in monitoring and managing performance.

Three years worth of targets are shown in this document, although we maintain targets for a full five years ahead. Targets are reviewed on an annual basis as performance improves.

We use all English authorities to compare with as we have found this to be most challenging across the full range of BVPIs. The Best Quartile is the performance achieved by the best performing 25% of English authorities. It should be noted that we compare with the latest quartile data available, which is 2003/04. Such Best Quartile data is not available for local indicators but where an indicator has been deleted from the national set and kept as a local we have included the last quartile data that was available and indicated the year to which this applies. Darlington's performance against all English authorities is shown by reference to which quartile performance falls in for each BVPI.

This is illustrated by a coloured square and its position in a line of four squares. Left to right a red square indicates worst quartile performance, a yellow square middle worst quartile, a blue square middle best and a green square best quartile performance.

### **Appendix 2**

This appendix gives the reasons for variance from the 2004/05 actual compared to the previous year's (2003/04) actual and the 2004/05 target for the BVPIs. For the national satisfaction BVPIs the comparison is with 2003/04 in most cases.

### **Appendix 3**

For the past three years and reported in the BVPP we have collected the voluntary national set of Quality of Life indicators. This set is in recognition of the need to attempt to assess the economic, social and environmental well-being of an area. We have included a trend indication in the table, where a green upward arrow shows improving performance and downward red arrow that performance has got worse. As last year we have worked with Darlington Partnership to collect this data and the partnership have taken the set onboard as part of their performance management framework. This reflects the fact that there are many local organisations (as well as national) in the public, private and voluntary sectors that contribute to achievement against these indicators. Part of Darlington Partnership's work involves setting targets against these indicators, although it needs to be recognised that achievement of targets for some of the indicators requires many organisations being involved and the active co-operation of the public.

### **Appendix 4**

Appendix 4 shows the targets that the Council is committed to achieving in its Local Public Service Agreement with Government.

### **Appendix 5**

Glossary of abbreviations and key phrases.

### **Index for PIs**

This is a look-up table that references the PIs in the tabulation that lists PIs in Community Strategy theme to a page for ease of reference.