

DARLINGTON BOROUGH COUNCIL

BUDGET BOOK 2014-15

INTRODUCTION

The purpose of this book is to provide a single reference document containing key information relating to the Council's budgets for 2014-15 and medium term financial plans for 2014-15 to 2019-20.

There are two sections in the book:-

- 1. General Fund Revenue and Capital Budget**
- 2. Housing Revenue Account**

The book contains the following documents:-

Section 1

- Medium Term Financial Plan 2014-15 to 2019-20 and Revenue Budget 2014-15 – report of Chief Officers Executive to Council 27 February 2014.
- Capital Programme 2014-15 – report to Council 27 February 2014.
- Setting the Council Tax for 2014-15 – report to Council 27 February 2014.

Section 2

- Housing Revenue Account - Revenue Budget 2014-15
– Report to Cabinet 18 February 2014 and Council 27 February 2014.

General Fund Revenue Budget

The Council has a long established process of operating a medium term approach to its financial planning and in line with this it 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 this way.

The Council continues to face a significant financial challenge and since 2010 has reduced expenditure by £22.2M. The Local Government Finance Settlement for 2014/15 has given more certainty to the size of future financial reductions that need to be made by the Council, with the cumulative savings required amounting to £21.602M by 2017/18.

Past reductions have mainly been achieved by changing HOW we deliver services and WHO delivers them and despite some high profile service reductions only £4.1M of the total reductions relate to WHAT services we provide. This should be seen as a success as the majority of services continue to deliver the same or similar service levels for the public, however with the level of reduction needed in the next phase of austerity such success cannot be achieved without radical change.

The priorities of the Council are set out in the Community Strategy – One Darlington Perfectly Placed (ODPP), developed in partnership with public services, business and the voluntary and community sector. It is proposed that the focus needs to be on putting in place the conditions that will enable the ODPP ambitions to be achieved in a climate of significantly reduced public spending. The three conditions are:

1. Building Strong Communities – enabling people to live fulfilling lives with less involvement from public services.
2. Spending Wisely – maximising value for all public expenditure.
3. Growing the economy – generate income streams, employment and opportunities.

In addition to the proposed spending reductions, annual council tax increases of 1.94% have been included in the MTFP as this is the limit by which council tax can be increased without a referendum.

Taking account of the above the Council's General Fund balance at 1st April 2014 is projected to be £17.473M.

The Council has set a revenue budget of £85.591M for 2014-15 which is summarised at group level below:-

	£M
People	48.200
Economic Growth	10.652
Neighbourhood Services and Resources	22.690
Financing costs	4.428
Council wide Pressures/(savings)	(0.924)
Contingencies	0.705
Contribution to/(from) revenue balances	(0.160)
Total net revenue budget	85.591

The budget is funded by:-

	£M
Council Tax	37.541
Revenue Support Grant	24.730
Top Up Grant	3.904
Business Rates Scheme	18.075
New Homes Bonus	1.271
Additional New Homes Bonus	0.070
Total	85.591

A detailed report prepared by the Chief Officers Executive (COE) was presented to Cabinet on 13 November 2013 for consultation.. The views of Efficiency & Resources Scrutiny Committee were fed back to Cabinet on 18 February, 2014. The results of the consultation and other updates were considered at the meeting and amendments were made to the budget that was recommended to Council on 27 February 2014.

Capital Programme

As with the revenue budget in recent years the Council has developed a medium term financial plan for Capital. Local authorities' new freedoms in capital investment and borrowing came into force on 1st April 2004 and under this system councils are able to borrow subject to affordable and prudent limits. This has ensured that there is even closer linkage between capital and revenue financial planning.

The MTFP includes planned capital investment of £66M from 2014-18

The capital investment requirements of Transport and Education services are largely funded by government programmes, which typically have a system of bids and/or assessments whereas the Housing Programme is funded from the Housing Revenue Account. The plans of these services are reviewed and updated on an annual basis and they contribute to the longer term view on financial planning for capital investment. The capital report also includes indicative allocations

of future funding for the main areas of the capital programme, the majority of these being funded by capital grants and contributions from the Housing Revenue Account.

As a result of the implementation of the government's self-financing initiative introduced from April 2012 and savings delivered in the Capital Works fund it has been possible to create a HRA Investment Fund. It is proposed that this will be primarily used to deliver the regeneration of Red Hall and a new build programme. From 2014 to 2017 a total of £16Mm is available for the development of new council housing, leading to approximately 160 new homes.

The Council can and has supplemented Government Capital Funding from its own resources such as capital receipts and prudential borrowing, although, in such challenging financial times the ability to fund from the Council's resources is limited. When preparing the Revenue MTFP an allowance has been made to fund £1M of capital investment each financial year during the MTFP. For 2014/15 it is estimated that £1.253M of capital receipts will also be available meaning the Council will have up to £2.253M available to meet capital priorities in 2014/15.

Borrowing to fund capital expenditure and the investment of money that the Council holds to meet future costs is managed in accordance with a Treasury Management Strategy, which is approved annually by the Council. The Strategy for 2014-17 was approved at the Council meeting on 27 February 2014 after being considered at a special Audit Committee on 31 January, 2014. The management of the Council's borrowing and investments is an integral part of the MTFP for both revenue and capital.

Council Tax

In setting the budget the Council has regard to public expectations and demands for services and the impact on Council Tax. Government support in the form of Formula Grant is determined by national formulae and does not vary with local spending decisions. In this way, nearly half of the Councils non-schools net budget funding is fixed which means that the Council's expenditure decisions impact very significantly on Council Tax.

Council Tax is calculated by dividing the part of the council tax requirement to be met from Council Tax by the tax base (the number of Band D equivalent dwellings):-

$$\frac{\underline{£37,541,247}}{30,308.4} = £1,238.64$$

This is the amount paid to the Borough Council for band D properties excluding the average Parish Precept. This represents an increase of 1.94% in Council Tax levels from 2013/14.

Properties are categorized in eight valuation bands (based on estimated market values as at 1st April 1991). The Council Tax for each band is calculated as a proportion of Band D.

Band	Valuation range £	Proportion of Band D	D B C Council Tax 2014-15 £
A	Up to 40,000	6/9	825.76
B	40,001 to 52,000	7/9	963.39
C	52,001 to 68,000	8/9	1,101.01
D	68,001 to 88,000	9/9	1,238.64
E	88,001 to 120,000	11/9	1,513.89
F	120,001 to 160,000	13/9	1,789.15
G	160,001 to 320,000	15/9	2,064.40
H	More than 320,000	18/9	2,477.28

In addition to the Council's own requirements, Council Tax bills include the Police Authority precept (£159.57 for Band D), Durham and Darlington Fire and Rescue Authority precept (£92.16 for Band D) and in parish areas the Parish Council's precept (ranging from £0.00 to £36.63 for Band D).

Housing Revenue Account

Local authorities are required to maintain a Housing Revenue Account (HRA) which records revenue expenditure and income relating to an authority's own council housing stock. The main items of expenditure in the HRA are loan charges and management & maintenance costs and the main items of income are from tenants in the form of rents and service charges.

From April 2012, the HRA subsidy system was abolished and replaced with "self-financing." For a one-off payment of £33m, the Council has bought itself out of the old subsidy system and from now on will be able to retain all rental income to use locally. This will bring greater certainty and stability to the HRA so that future plans can be made with more confidence.

The HRA is ring-fenced to ensure that rents paid by local authority tenants accurately and realistically reflect the cost of providing the housing service and thus is required to carry its own working balance. The balance at 31st March 2015 is projected to be £7.5m.

Forward planning for Housing in service and financial terms is important and is carried out via the Housing Business Plan process which projects demands and resources up to 30 years ahead. Quite obviously, there is greater uncertainty as projections reach further into the future but the abolition of the HRA subsidy system has removed some of this uncertainty. The process of keeping a business plan is valuable to anticipate and plan future needs and ensure the sustainability of the service.

The main objective of the Government's policy on rent restructuring is that rents should be fair and affordable for tenants in the social rented sector. The policy sets out a common basis on which all rents in the social sector should be set. This means that the rent for a house or flat is linked to its capital value, size, location, condition and local earnings so that tenants can make a proper choice between how much they pay and the size and quality of the property they live in. The Council has determined rents for 2014-15 in accordance with this system.

Paul Wildsmith
Director of Neighbourhood Services & Resources
April 2014

The report to Council on 27 February 2014 in Section 1 of this book contains the following key information:-

	Page No.
• Foreword by Councillor Bill Dixon – Leader of the Council	1
• Section 1 – A vision for Darlington and for Public Services	8
• Section 2 – Update information and changes to the draft MTFP	9
• Section 3 – Financial Information and analysis – Income	11
• Section 4 – Financial Information and analysis - Expenditure	15
• Section 5 – Financial Information and analysis - Revenue Balances	17
• Section 6 – Financial Information and analysis – Initial Revenue Budget Projections	17
• Section 7 – Government Consultation of Financial matters	18
• Section 8 – Budget Advisory Panels and the Public Services	18
• Section 9 – Taking Forward a vision for Darlington and Public Services	19
• Section 10 – Developing a 2 year budget within a 6 year planning horizon	20
• Section 11 – Delivering the vision and financial sustainability	21
• Appendix 1 – Key Assumptions used in setting MTFP	30
• Appendix 2 – Pressures included in the MTFP	31
• Appendix 3 – Schedule of Fees & Charges	33
• Appendix 4 – Assessment of risk balances	68
• Appendix 5 – Projected Revenue Outturn 2013/14	69
• Appendix 6 – Consultation Response – Local Government Settlement	70
• Appendix 7 – Analysis of Council expenditure	103
• Appendix 8 – Savings Proposals	104
• Appendix 9 – Proposed MTFP 2014 to 2020	105
• Appendix 10 – Detailed Estimates	106
• Appendix 11 – Consultation results	111
• Appendix 12 – Fire and Rescue Authority consultation feedback	113
• Appendix 13 – Efficiency and Resources Scrutiny consultation feedback	114
• Appendix 14 – Equality Impact Assessment activity undertaken	118

Section 1

General Fund Revenue and Capital Budget

- 1.1 Medium Term Financial Plan (incorporating The Revenue and Capital Medium Term Financial Plans 2014-15 to 2019-20 and Revenue Budget 2014-15

-report of Chief Officers Executive to Council 27 February 2014

- 1.2 Setting the Council Tax for 2014-15

-report to council on 27 February 2014

Section 1.1

General Fund Revenue and Capital Budget

1.1 Medium Term Financial Plan (incorporating The Revenue and Capital Medium Term Financial Plans 2014-15 to 2019-20 and Revenue Budget 2014-15

- report of Chief Officers Executive to Council 27 February 2014

**MEDIUM TERM FINANCIAL PLAN
2014/15 TO 2019/20**

**Responsible Cabinet Member - Councillor Bill Dixon,
Leader and all Cabinet Members**

Responsible Director - Chief Officers Executive

**FOREWORD BY COUNCILLOR BILL DIXON
LEADER OF THE COUNCIL**

Darlington has an enviable track record of achievement, evidenced with data showing that its population is growing, by a community survey that shows continued high satisfaction with the borough as a place to live, as well as with Council services. Notwithstanding the impact of the recession on employment, there are signs of confidence that manifest in the forthcoming new leisure development, incoming businesses and continued growth in sectors such as Subsea Engineering and in building commencing at Central Park.

Nevertheless the Single Needs Assessment recently presented to the Health and Well-Being Board clearly demonstrates on-going inequalities in life expectancy and life outcomes, while the impact of the recession and welfare reforms have further depressed incomes and resulted in a rise in poverty.

The Council, as community leader, a major employer and a provider and commissioner of services plays a vital role in facilitating action that tackles inequalities and enables the borough to thrive. However, as is being experienced across the north east, Darlington is no longer receiving the levels of funding support from Government it needs to undertake its agreed priorities.

During the period 2010/11 to 2013/14 the Council's government funding has reduced by £13.9m (19.9%) and in response has reduced expenditure by £22.2m leading to workforce reductions of 496. The reductions have mainly been achieved by changing HOW we deliver services and WHO delivers them, despite some high profile service reductions only £4.1m of the total reductions relate to WHAT services we provide. This should be seen as a success as the majority of services continue to deliver the same or similar levels for the public however with the level of reduction needed in the next phase of austerity such success cannot be achieved without radical change; this is something that was strongly advocated in our recent Peer Challenge.

It is predicted that Government grant will reduce by a further £22m by 2020 in addition to the £13.9m already lost since 2010. These reductions are unprecedented. The Council's main sources of income going forward are Council Tax and Business Rates. The ability to increase income to protect services and offset the loss of government grant is limited by the Government. Unless a referendum is held the Council may only increase tax by 1.94% each year. The level of business rates is set by the Government. In simple terms the only way we can collect more tax is to build more houses and attract more business to the Borough.

The challenge Cabinet faces when proposing a Medium Term financial Plan (MTFP) is how to retain the services the public value whilst ensuring sufficient funding for services to keep the public safe. Darlington Council was ahead of others in making savings over the last few years which gives us some time now to consider what was said at our Money Talks events and what needs to happen for us to continue to deliver our vision. At the events we suggested that we could stop doing things the law does not require. If this was the route we chose to go down we would have no sports facilities, no parks, limited street cleaning and care for our environment, no theatre, no museums, limited libraries and no children's centres amongst other cuts. This felt like a place heading for decline not growth and with loss of jobs and businesses. A place people would choose not to visit and not to live. We knew that this was not our vision for Darlington and from what was said at the Money Talks events it's not what other people want either.

"Culture - if the theatre goes, we will go. One of the reasons for moving here was that it has a bit more culture than other towns in the region" – "Economy – support high quality jobs and infrastructure investment"

"I am writing to 'have my say' regarding Darlington Council Services and in particular the provision of services for children and young people. As a mother of an 8 month old son I have found the Sure Start Centres (in particular Haughton and McNay Street) absolutely invaluable"

"Local leisure facilities should be available to all and it is important that the council encourages and invests in such initiatives and keeps investing in the wellbeing of all users, this will lead to a healthier, happier and more productive group"

We have to do everything we can to cut our costs. The Council's Cabinet is setting out proposals for spending £13.8m less in the short term. But there is a limit to how much we can cut spending without risking the growth we need. It is not possible to meet demands for services at their current level we simply do not have enough money to pay for them and demands are continuing to rise. There are two dimensions to future strategy; being very clear about the Council's priorities, and then establishing the conditions that give us the best prospect of delivering against our priorities.

It is critical that the Council is very clear about its priorities. These are set out in the Community Strategy - One Darlington Perfectly Placed (ODPP), developed in partnership with public services, business and the voluntary and community sector. For example, evidence suggests that a child's early years are fundamentally important to its life prospects, in education, employment and general well-being. Working to shift focus and spending from "cure" to giving every child the best start in life would be the right thing to do, and the most efficient way to spend scarce resources.

It is not proposed that the core ambitions or vision are re-visited. However, what is required is to decide, within the host of interventions and actions currently being delivered, which are the most vital to make the biggest impact on the long term goal. For example, evidence suggests that a child's early years are fundamentally important to its life prospects, in education, employment and general well-being.

It is proposed that the focus then needs to rest on putting in place the conditions that enable these ambitions to be achieved in a climate of significantly reduced public spending. If the following conditions were a description of what Darlington was like, then success would be more assured.

Building Strong Communities

Every one of us can take responsibility for our own family and friends. Many of us are happy to look out for our neighbours and to look after the place around us. There is already a lot of good work going on. The Good Friends Scheme helps volunteers befriend the elderly and vulnerable. Foundation for Jobs has enabled 100 new apprentice jobs for young people to be created. The Darlington Cares project helps employees of companies donate their time. Creative Darlington enables Arts following the closure of the Arts Centre. Many people already devote time helping young people in sports and activity clubs; helping neighbours with shopping and joining litter picks. All this helps to build strong communities. They bring benefits to those who volunteer as well as the people they help. They also avoid the need for services paid for by Council Tax.

Spending Wisely

We will continue to spend money on services but we want to use every pound we have wisely. It sounds simple but all public bodies in Darlington are facing cuts. We can reduce our costs if we work better together, we can use other bodies such as businesses or voluntary bodies to help us too. We will also improve our efficiency in the way we provide services currently but this is limited as we have already challenged all our services and made significant cuts. National analysis shows that Darlington is a very low cost Council.

Growing the Economy

We want to create more jobs and grow successful business in Darlington. Business helps to provide jobs, which means more money in the Darlington economy. Businesses also pay rates and new homes bring financial benefits. Creating our own wealth reduces our dependency on the declining grant we receive from government.

Cabinet has set out a budget using the resources we have in the short term to enable us to make these changes. Over the coming months we will work with the community so that solutions can develop. For example in 2015/16 we will close the Head of Steam Museum and Cockerton Library. But if local residents and others want to keep them open they have time to put together a plan to raise money and recruit volunteers to do so.

We propose that we can reduce our spending by driving down demand. Some ways in which we can do this include preventing some children from coming into care through getting help in earlier; by measures to help older residents to stay healthy longer and if we stop people dropping litter we can spend less and still have clean streets.

The proposals we are setting out enable us to continue to provide services until 2016/17. After that we need to have found ways to reduce spending by a further £10m by 2019/20. This concerns every one of us. Everyone who lives or works in Darlington will suffer if we allow spending cuts to drive our Borough into decline. We will all benefit if a thriving Darlington brings new facilities, opportunities and prosperity.

SUMMARY REPORT

Purpose of the Report

1. To approve a Medium Term Financial Plan for 2014/15 to 2019/20 including setting a budget for 2014/15.

Summary

2. Darlington Borough Council has to date been proactive and successful in adapting to an environment of significant service pressure and resource reductions. The majority of spending reductions to date have been achieved without direct impact on the public, although it is regrettable that a significant number of jobs have been lost in the process. The approach was commended within the recent Corporate Peer Challenge and credit paid to the Council and its workforce for their response to an extremely difficult environment. As available resources continue to decline and following the Budget Advisory Panel process last summer, this report sets out a forward strategy for the Council, including its resource plans.
3. It is recommended that the Council focus its planning and resources in three key areas that offer the best prospects of being in a position to continue to serve the public well into the long term; Building strong communities, Spending every public service pound well, and Growing our economy. These themes and the financial implications around them are detailed in the main report and propose plans to reduce spending by £13.752m and these rely on input from key partners and the public. The proposals, use of revenue balances and a proposed 1.94% Council Tax increase will deliver balanced budgets for 2014/15, 2015/16 and 2016/17 but beyond this period further cost reductions will be needed.

Recommendation

4. Council are asked to:-
 - (a) Approve the Revenue MTFP as summarised in **Appendix 9** including the following:-
 - (i) A 1.94% Council Tax increase for 2014/15 and subsequent years.
 - (ii) Schedule of charges as set out in **Appendix 3**
 - (iii) Spending reduction proposals and plans totalling £13.752m by 2016/17.
 - (iv) Use of £8.550m of revenue balances to fund revenue expenditure.
 - (v) Additional resources for shop mobility services of £3,000 and £16,000 in 2014/15 and 2015/16 respectively.
 - (vi) Additional resources of between £46,000 and £70,000 for paying a supplement up to Scale Point 10 for employees earning below that threshold

- (vii) A delegation for Cabinet to vary the Revenue budget for 2014/15 by up to £0.5m without further Council Approval

Reasons

5. The recommendations are supported by the following reasons :-
- (a) To enable the council to continue to plan services and finances over the medium term.
 - (b) To set the 2014/15 budget and Council Tax in compliance with statutory requirements and the council's constitution.

Chief Officers Executive

Background Papers

No background papers were used in the preparation of this report

Ada Burns/Paul Wildsmith : Extension 2010/2301
TAB

S17 Crime and Disorder	The report contains proposals to continue to allocate resources in support of the Council's Crime and Disorder responsibilities
Health and Well Being	The report contains proposals to continue to allocate resources in support of the Council's Health and Well Being responsibilities
Carbon Impact	The proposals in the report seek to continue to support the Council's responsibilities and ambitions to reduce carbon impact in the Council and the Borough.
Diversity	There are no specific proposals that impact on diversity issues.
Wards Affected	All wards are affected
Groups Affected	All groups are affected by the Council Tax increase. Individual groups will be affected by specific proposals as they develop. In each case impacts will be considered before a decision is made to implement the proposal.
Budget and Policy Framework	The MTFP, Budget and Council Tax must all be decided by full Council-
Key Decision	The MTFP, Budget and Council Tax must all be decided by full Council
Urgent Decision	The MTFP, Budget and Council Tax must all be decided by full Council
One Darlington: Perfectly Placed	Within the constraints of available resources it is necessary for the Council to make decisions involving prioritisation. The proposals contained in this report are designed to support delivery of the Sustainable Community Strategy, within those constraints.
Efficiency	Efficiency savings have been included in the MTFP and future proposals are being developed as to how the Council operates.

MAIN REPORT

SECTION ONE - A VISION FOR DARLINGTON AND FOR PUBLIC SERVICES

6. It is critical that the Council is very clear about its priorities. These are set out in the Community Strategy - One Darlington Perfectly Placed (ODPP), developed in partnership with public services, business and the voluntary and community sector.
7. It is not proposed that the core ambitions or vision is re-visited. The goal of achieving a borough which is thriving economically, that offers opportunities for all and, that is an attractive place to live, and is environmentally sustainable remain well evidenced by data on needs, and interim consultation since the ODPP strategy was first agreed.
8. However, what is required is to decide, within the host of interventions and actions currently being delivered, which are the most vital to make the biggest impact on the long term goal. For example, evidence suggests that a child's early years are fundamentally important to its life prospects, in education, employment and general well-being. Working to shift focus and spending from "cure" to giving every child the best start in life would be the right thing to do, and the most efficient way to spend scarce resources.
9. It is proposed that the focus then needs to rest on putting in place the conditions that enable these ambitions to be achieved in a climate of significantly reduced public spending. If the following conditions were a description of what Darlington was like, then success would be more assured.

Building Strong Communities - Enabling people to live fulfilling lives with less involvement from public services

10. (a) People take personal responsibility
 - (b) People live in communities with strong social capital and where people look out for each other
 - (c) Communities come together to take ownership and responsibility for the neighbourhood they live in or care about
11. In essence this describes a rebalancing of what the state (in this case, the local authority) can offer to do for people and communities, and what people could do or organise for themselves, with leadership and support from their Council. Coupled with this is a growth in the relationships and networks that make people feel that they belong, feel able to ask for, or offer help or support to others, and invest in their community. Stronger social capital means less demand on services we can no longer afford, but it also offers significant well-being benefits.

Spending Wisely - maximising value for all public expenditure

12. (a) Public services are planned and where sensible commissioned together.
 - (b) Every pound spent is spent well on the things that make most impact.

13. What is needed here is a combined effort across public service organisations, within Darlington and amongst neighbours, to think together about how to spend the resources we still have (rather than what we will have cut) to maximise the impact.
14. For example, collaboration with the NHS or schools and colleges bring people together across organisational boundaries to re-design services and processes from the perspective of the citizen or user. Person centred public services focussed on enabling independence can ensure that people receive just enough help when they need it, for only as long as they need it. While there may not be significant cash savings here in the short term this approach can enable resources to go further and deal with changing demography.
15. Coupled with this is a continuing sharp focus on identifying and capturing efficiencies in the way in which we work – using evidence to guide service development, using assets and procurement effectively and re-designing processes to add value to users.
16. The Peer Challenge team noted that the Council had a range of opportunities and ideas in play, including cross-Tees Valley options, but recommended a faster pace to bring these to a conclusion.

Growing the economy - generate income streams, employment and opportunities

17. (a) We have a strong and vibrant economy.

(b) We achieve growth in the economy.
18. The outcome we would look for here will be more business rates and council tax income, reduced unemployment and worklessness, and higher incomes, it will be critical within this to see economic growth benefiting everyone, and contributing to narrowing inequalities.
19. These conditions do not apply comprehensively at present within Darlington. There are examples where they can be seen – the social capital at play in the creation of the Sunday People’s Market, in the Foundation for Jobs, in Darlington for Culture, but it is not widespread that community-led models or integrated public service planning are the norm. We have collaborations with other bodies and jointly commission with others however it is not as widespread as it could be. In terms of the economy Darlington is bearing up but the focus on growth needs to intensify if we are to achieve financial benefit from growth in the economy.
20. The following sections outline the financial context to this strategy, pick up issues related to implementation and note the changes made from the Draft MTFP.

SECTION TWO- UPDATED INFORMATION AND CHANGES TO THE DRAFT MTFP

21. As a result of updated information since the draft MTFP was approved for consultation last November a number of changes have been made to this proposed

MTFP. These changes along with references to where they appear in the report are shown below:-

	Change	Effect	Para.	App.
1	Revised assumptions for RSG	Improved income projections for 2016/17 onwards	25, 40, 50	9
2	New homes bonus top slice to LEP removed	Improved income projections from 2015/16 onwards.	25, 40, 50	9
3	New Homes Bonus projections reduced due to change in settlement criteria	Reduction in income projections although offset by increased RSG above	25, 40, 50	9
4	Council tax base projections increased by 0.5%.	Improved income projections	29, 30, 40, 50	9
5	NNDR projections improved, small business rate relief extended and updated intelligence.	Increase income projection	37, 40, 50	9
6	Collection fund deficit - NNDR	Reduces level of balances available.	32, 33, 48	9
7	Pension revaluation figures received	Reduction in contingency for the deficit	41, 43, 50	2
8	Salary Scale point 5 – 9 proposal	Increase in expenditure	41, 43, 46, 96	2
9	Single pension starting in 2016/17	Contingency rises by £1m in 16/17, future years already accounted for.	41, 43, 50	2
10	Projected Outturn for 2013-14 has been updated to include latest projections. Projected balances at 31 March 2014 have increased by £2.775m to £17.473m.	Higher level of balances available.	48	9
11	Invest to save fund Contingency for upfront resource required to achieve savings targets.	Increased contingency level of £150,000	41, 43, 47	9
12	Revised Homelessness savings target.	Reduced savings target of £50,000	72	8, 9
13	Other Grants	Confirmation of grants received and included in 14/15 Estimates	38	10
14	Small Business Rates Relief Grant – 13/14 Payment	Increase level of balances available	34, 48	9
15	Council Tax increase of 1.94% due to further guidance on referendum principles	Reduced level of resources	4, 27, 30, 40, 50	9
16	Final Grant settlement for 2014/15 is £0.006m higher than anticipated	Minor changes to resources	25, 40, 50	9

SECTION THREE - FINANCIAL INFORMATION AND ANALYSIS - INCOME

22. The Council has to be income led in terms of its high level financial planning, income is finite and diminishing so the Council must understand what income is at its disposal in the short to medium term and this section explains income projections.

Core Government Funding to Local Government

23. The Comprehensive Spending Review for 2014/15 and 2015/16 was announced on 25 July 2013 setting out the government plans for spending overall and local government. The finance settlement proposals were announced on the 18 December 2013 and did not change the position significantly. The key headlines are set out below :-

- (a) Revenue Support Grant will reduce by 28% between 2014/15 and 2015/16. This is much higher than previously anticipated.
- (b) The Government are to hold back an additional £95m of business rates to meet their potential costs of applying the safety net within the new business rates reduction system. If this is not used, it will be returned to Local Government.
- (c) The capitalisation fund which currently stands at £100m is to be reduced to zero and has been distributed back to councils.

24. The first two changes have a detrimental impact on our existing MTFP. In addition to the 2014/15 and 2015/16 settlement detail, further projections of Local Government Funding go beyond 2015/16 and although indicative are the best information available and represent a continuation of the existing austerity measures. The production of the income projections in future years are based on information provided by the Local Government Association (LGA) and confirmed by LG Futures a well renowned consultancy working in the area of Local Government finance. Consequently, the projections in the following paragraphs represent a sound projection for up to 2020 however they could change if Government policy changes.

25. Set out in the table below is the analysis of government funding from the current financial year to 2019/20 which demonstrates an expected reduction in the region of a further 64% (£22m).

	2013/14 £m's	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Revenue Support Grant	30.080	24.730	17.746	13.157	9.249	6.937	5.203
Top up Grant	3.830	3.904	4.012	4.145	4.294	4.461	4.635
New Homes Bonus	1.019	1.341	1.803	2.288	2.315	2.580	2.679
TOTAL	34.929	29.975	23.561	19.590	15.858	13.978	12.517

26. What happens to Local Government funding beyond 2020 is unknown, the Government is committed to a “reset” of the system which will take account of local needs and ability to raise local taxation however there is no detail about how this will happen, it is essential that this is explained as soon as possible to enable better financial planning as we near 2020.

Council Tax Income

27. Council Tax is now the largest single funding stream and it will become an increasing percentage over the coming years as it represents 41% of all income in 2013/14 increasing to 55% by 2019/20, this is due to reducing government funding and planned annual increases of 1.94%, the maximum allowed without a referendum. The ongoing increases reflect the Cabinet’s continued view that income from Council Tax must increase to protect key services. Members will recall that a 1% increase in Council Tax increases annual revenue by £360,000 and that Darlington has the second lowest Council Tax in the North East Region. The Government has again offered Councils a Council Tax freeze grant equivalent to a 1% increase which the government has agreed to build into baseline funding. In developing Cabinet’s approach to Council Tax this offer has not been included in the plans as it would reduce council tax income by £300,000 in 2014/15 and £300,000 plus each year after therefore removing total funding of £2.2m for this plan.

28. Members will recall that w.e.f. 1 April 2013 the Council took over responsibility for the funding of and the setting of a scheme for council tax support. Funding from the Government was initially reduced by 10% for 2013/14 and subsequently the funding continues to reduce in line with Revenue Support grant for 60% of previous funding whilst the other 40% is funded by business rates collected. To make the new scheme affordable all people in receipt of Council Tax support were asked to pay 20% of their Council Tax with the exception of pensioners who are protected by Government legislation. As a result of the change, Council agreed to reduce Council Tax collection rates from the established 99% to 97.5% to reflect the risk of collecting from people on council tax support. After nine months of operation of the CTS scheme and taking into account general income collection levels a collection rate of 98% is recommended for future years. The impact of this is additional annual income of approximately £180,000.

29. Under the local government funding regime that commenced on 1 April 2013, all increases and reductions in the Council Tax base are attributed to the Council and not reflected in the government grant received. Over the period of this plan net growth is expected in housing numbers at a rate of 150 (0.5%) per annum based on recent completion levels. Clearly should this be any different income levels will differ. See later in the report with regard to options to increase income in this area.

30. Taking the above into account Council Tax income over the period of this plan is estimated as follows :-

	2014/15 £m’s	2015/16 £m’s	2016/17 £m’s	2017/18 £m’s	2018/19 £m’s	2019/20 £m’s
Council Tax Income	37.541	38.460	39.402	40.366	41.351	42.360

National Non Domestic rates (NNDR)

31. The new financial regime means the Council retains 49% of NNDR collected and can gain or lose depending on whether the net tax collected increases or decreases. The Government via the valuation office sets rateable values and the rate paid in the pound is increased each year in line with the Retail Price Index (RPI). The business taxbase is far more volatile than the council tax base and requires very close monitoring. In addition to the potential to “lose” income due to business closures the Council also carries the risk of losing appeals by business against valuations. The Council is currently facing 212 appeals and has an annual provision of £1.511m (4.4% of rates collectable) to allow for backdating payments and ongoing reductions in amounts collectable.
32. Due to the new regulations the Council has to maintain a collection fund that includes NNDR as well as Council tax. The latest NNDR projection is showing a potential deficit of £1.701m mainly due to successful appeals to the Valuation Office by businesses against the rateable value of their property as well as the Council awarding more reliefs including small business rate relief, charitable relief, community amateur sports relief and relief for empty properties to businesses than had been forecast. It also contains a provision for outstanding appeals that the Council feel could be successful based on previous experience.
33. The Council’s proportion of the deficit is £0.834m as it is now shared proportionally with Central Government and the Fire and Rescue Authority. The deficit will be funded from revenue balances.
34. In the Autumn Statement the Chancellor announced that the Small Business Rates relief scheme would be extended and that the government would fully reimburse Councils for the amount of additional relief granted. It is being paid in the form of a Grant and although the NNDR projections for future years include this element there was uncertainty on the receipt of the amount for 2013/14. The Government have recently announced that the outstanding amount will be paid on account in 2013/14 and £0.486m is therefore being added to general fund balances.
35. The ability to increase NNDR is a key tool to improve the Council’s financial position, proposals later in this report relate to that potential. Currently however the majority of major planned increases have been used to either pay for upfront investment required or to fund subsequent need e.g. the new Multi Storey car park so despite some significant investment in the town centre at the current stage the additional funding is not available to fund services.
36. The in-year collection rate target for NNDR is 97.2% and as at the end of December 2013 the actual collection figure is 85.75% as opposed to the equivalent figure in 2012 of 84.24%. At this stage it is not suggested that any amendments are made to the projected outturn income.
37. Taking the above into account the projections of NNDR are shown below

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m’s	£m’s	£m’s	£m’s	£m’s	£m’s
NNDR	18.075	18.647	19.247	19.936	20.716	21.527

Other Grants

38. Set out below are details of other grants receivable these are included in service budgets to offset the specific expenditure for which they are granted the most significant being the public health grant of £7.184m which although shown as continuing is subject to a distribution review and provisionally there have been suggestions that a redistribution may be detrimental to the North East region. Members will also note that all these grants are subject to change in the short term so represent a risk going forward for the financial plan.

	2014/15
	£m
Public Health Grant	7.184
PFI	3.200
Troubled Families Grant	0.436
Discretionary Housing Payments	0.209
Youth Justice Board	0.296
Local Reform & Community Voices	0.090
Social worker Grant	0.027
Family Initiative Childrens Health (FISCH)	0.031
Local Sustainable Transport Funding	0.730
Social Fund Administrative Funding	0.079
ERDF	0.036
Housing & Planning Delivery Grant	0.168
Adoption Reform Grant	0.248
Adult & Community Learning	1.234
Local Welfare Provision Grant	0.407
Community Right to Challenge	0.009
Council Tax support – New Burdens	0.093
Community Right to Bid	0.008
Total	<u>14.485</u>

New Homes Bonus (NHB)

39. The current financial projections are included in the Government grant section as the funding has come from top slicing RSG therefore £2bn of government funding will be distributed based on new housing numbers and as Members will be aware this has a negative distributional impact on the North East region, see consultation responses for more details. Despite the overall negative impact the Council can work to offset the estimated loss by increasing housing numbers, the financial rewards in terms of NHB is £1,444 per band D property with an additional £350 for affordable housing. A note of caution, the income is payable on net increases so any demolitions reduce income. Proposals to increase income are detailed later in the report.

Total Income

40. The table below shows the Council's estimated income for the period of this plan which shows a cash reduction of £10.6m however after allowing for annual inflation of 2% this would represent a real term loss of £21.6m.

Resources - Projected and assumed	2013/14 £m's	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Council Tax	36.061	37.541	38.460	39.402	40.366	41.351	42.360
Business rates retained locally	16.234	18.075	18.647	19.247	19.936	20.716	21.527
Top Up	3.830	3.904	4.012	4.145	4.294	4.461	4.635
RSG	30.080	24.730	17.746	13.157	9.249	6.937	5.203
NHB	1.019	1.341	1.803	2.288	2.315	2.580	2.679
Total Resources	87.224	85.591	80.668	78.239	76.160	76.045	76.404

SECTION FOUR - FINANCIAL INFORMATION AND ANALYSIS - EXPENDITURE

41. As in previous years officers have prepared base budgets on existing policy and service levels and set out in **Appendix 1** are the assumptions used. The cost of providing current services has increased due to price and demand pressures and reduced income from fees and charges, set out below is a summary of such pressure and **Appendix 2** contains more detail.

	Estimate 2014/15 £m's	Estimate 2015/16 £m's	Estimate 2016/17 £m's	Estimate 2017/18 £m's	Estimate 2018/19 £m's	Estimate 2019/20 £m's
Summary of Pressures						
Service Demand	0.249	0.167	0.200	0.220	0.220	0.220
Price Inflation	0.045	0.058	0.058	0.509	0.509	0.509
Reduced Income	0.888	0.953	0.975	0.996	0.996	0.996
Other shortfalls	0.411	0.708	1.035	0.943	0.947	0.870
Contingencies	0.070	0.070	1.120	0.160	0.210	0.260
Additional Savings offsetting pressures	(1.296)	(1.066)	(1.128)	(0.878)	(0.878)	(0.878)
Total	0.367	0.890	2.260	1.950	2.004	1.977

42. The Council raises income from fees and charges and these are reviewed each year. **Appendix 3** proposes revision to existing levels and if approved these will increase income by £35k and estimates have been prepared assuming their approval. The increase expected is lower than previous years as account has been taken of price resistance and the economic climate.

43. Taking the above into account projected expenditure based on current service levels and policy is set out in the table below :-

	2013/14 £m's	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
People	48.663	50.230	51.488	52.594	53.527	54.332	55.149
Place	17.579	18.727	20.448	21.086	21.853	22.160	22.472
Resources	15.318	15.036	15.405	15.637	15.911	16.143	16.378
Financing costs	3.794	4.428	4.403	4.601	4.604	4.607	4.529
Council Wide	0.020	0.073	0.073	0.073	0.073	0.073	0.073
Contingencies	1.255	0.705	0.705	1.755	1.795	1.845	1.895
Contribution to/(from) revenue balances	0.595	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenditure	87.224	89.199	92.522	95.746	97.762	99.160	100.497

44. In addition to current policy Cabinet wish to propose additional funding for three areas Shopmobility, a Fair wage for our lowest paid staff and an Invest to Save Fund to pump prime savings initiatives.
45. Shopmobility supports people to visit the town centre independently and helps contribute to the economy of the town centre. There are over 1,000 registered users of the service. Before 2010 the Council provided both grant and rent subsidy to DAD to help them provide this service; in total a financial input of about £60,000. The grant was withdrawn by the Council and DAD are being moved onto a full commercial rent on a phased basis, in line with previous decisions of Council and Cabinet. There was an expectation that it may be possible to run Shopmobility as a charged service. DAD have worked hard to earn income from the service and creatively improved the efficiency of operations, but officers agree with DAD that in the current premises there does not seem to be an option that allows Shopmobility to continue without subsidy. It is therefore proposed to re-instate a grant of £3,000 in 2014/15 and up to £16,000 in 2015/16, as an interim solution to enable Shopmobility to continue whilst officers work with DAD on the potential for Shopmobility to move to more cost effective premises.
46. Salary Scale Point 5 – 9 proposal. The three year wage freeze followed by the 1% pay award for Council workers last year will have particularly impacted on our lowest paid staff. Cabinet are therefore proposing the lowest hourly rate paid being at Salary Scale point 10 - £7.26 per hour, an increase of £0.82p from the current lowest rate of £6.44. This is almost £1 higher per hour than the current National Minimum Wage of £6.31ph, set by government. Although budgets are under pressure there is evidence produced by the National Living Wage Foundation to show that increasing wages to the lowest paid enhances the quality of work of staff, improves loyalty and customer services and reduces absenteeism. Statistics also show that the lowest paid people in the country spend a high proportion of their income in the local economy, so this will assist our local businesses. The estimated cost of this proposal fall between £46,000 and £70,000 and is dependent upon the number of casual hours worked. This proposal will increase the hourly rate of up to 287 employee contracts permanent and casual held with the Council.

47. Invest to save fund. The Council has some significant savings to make over the coming years and will need funding to resource the projects required to ensure they are delivered. It is proposed that £150,000 is set aside in contingencies to be called upon as and when required.

SECTION FIVE - FINANCIAL INFORMATION AND ANALYSIS - REVENUE BALANCES

48. Revenue balances are available to cover financial risks and to meet one off expenditure which includes bridging budget gaps in financial years to assist with implementing cost reductions in a planned and sustainable way. Each year an estimate is made of the amount that should be retained to cover risks and this is set out at **Appendix 4**. Taking the assessment into account and the latest financial projections for 2013/14 (see **Appendix 5** for detail), the balances position is set out below :-

	£m's
Revenue Balances at 1 April 2013	17.030
Less Planned Usage	(4.414)
Add Projected in year savings	4.857
Closing Balances at 31 March 2014	17.473
Less Risk Balances	(5.800)
Add grant for Small Business Rate Relief	0.486
Less NNDR Collection Fund deficit	(0.834)
Balances Available to use	<u>11.325</u>

49. It is proposed that £8.550m of the available balances are used as follows to assist in funding the transitions the Council must make to reduce budgets.

	£m's
2014/15	0.160
2015/16	4.635
2016/17	<u>3.755</u>
	<u>8.550</u>

SECTION SIX- FINANCIAL INFORMATION AND ANALYSIS - INITIAL REVENUE BUDGET PROJECTIONS

50. Set out in the table below is the estimated costs and income for the Council up to 2019/20 assuming no changes to current services and demand levels.

	2013/14 £m's	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Estimated Expenditure	87.224	88.832	91.632	93.486	95.812	97.156	98.520
Add Pressures / Additional savings		0.367	0.890	2.260	1.950	2.004	1.977
	87.224	89.199	92.522	95.746	97.762	99.160	100.497
Less							
Estimated Income	(87.224)	(85.591)	(80.668)	(78.239)	(76.160)	(76.045)	(76.404)
Use of Revenue Balances		(0.160)	(4.635)	(3.755)			
Budget Deficit	0.000	3.448	7.219	13.752	21.602	23.115	24.093

51. The above table demonstrates the significance of the financial challenge the Council faces. Section nine and beyond of this report seeks to address the challenge.

SECTION SEVEN- GOVERNMENT CONSULTATION OF FINANCIAL MATTERS

52. The government have consulted on a number of financial issues over the past year including the draft Local Government Finance Settlement, New Homes Bonus and Local Growth Fund and the Use of Capital receipts from Asset Sales. The Association of North East Councils (ANEC) has responded to all consultation and included in **Appendix 6** is the final response submitted to the most recent consultation on the provisional Local Government Finance Settlement.:-

53. Whilst the details are included in the appendix the key issues are in regard to the fairness of and the inequitable re-distributional impacts of the proposals, the move from a needs base to an incentive based funding scheme, the top slicing of core grants to fund the safety net and New Homes Bonus and the implications of further grant cuts in a period of increasing demand and cost pressures.

SECTION EIGHT - BUDGET ADVISORY PANELS AND THE PUBLIC SERVICES ANALYSIS

54. The BAP's set out to answer the very challenging question "can the Council fund its legal obligations at current service levels in the future given its decreasing resource base". The aggregated analysis set out below gives us the answer and it is very clearly a NO unless whole scale change can be achieved.

	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Cost of legally required services ⁽¹⁾	84.6	86.4	88.1	89.8	91.6	93.5
Total Council revenue	85.6	80.7	78.2	76.2	76.0	76.4
DEFICIT	(1.0)	5.7	9.9	13.6	15.6	17.1

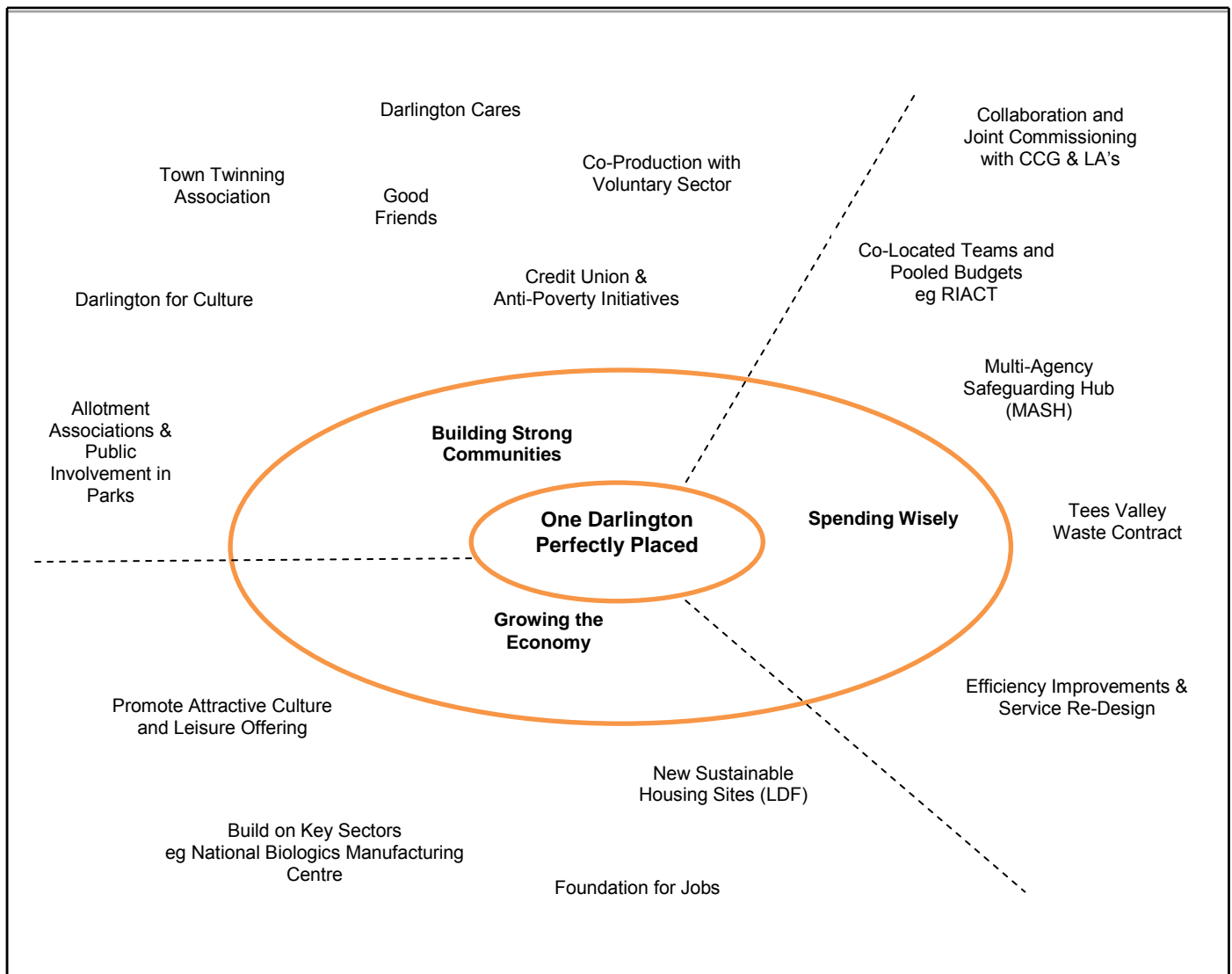
(1) Increased annually by 2% to represent inflation and demand

55. Analyses of the budgets estimated discretionary service spend in 2013/14 at £5.5m. The high level analysis is set out in **Appendix 7**.

56. The analysis shows that the MTFP could not simply be balanced by ceasing all discretionary service spends. It requires radical change to legally required services. The Borough depends highly on discretionary services to create the conditions for growth and prosperity which will be key to a thriving future for the Borough therefore plans must include the continued provision of some discretionary services. In short, the Council needs to address how it delivers legally required services and to what level it provides them as well as looking at what and how it delivers discretionary services and all such considerations need to be taken against the top priorities of One Darlington Perfectly Placed (ODPP) and the legal framework within which Local Government operates.

SECTION NINE – TAKING FORWARD A VISION FOR DARLINGTON AND PUBLIC SERVICES

57. The early part of this report sets out a proposal for how Darlington could thrive against a background of diminished resources. In summary it is proposed that we:-
- (a) Determine, within the context of the One Darlington Perfectly Placed long term strategy, which are the most vital outcomes necessary to give confidence that as a place we can be where we want to be by 2020. For example, evidence would suggest that if every child has the best start in life, then a host of other outcomes become more likely, from better adult health to participation in the labour market. If this were therefore one of the small number of priority interventions then investment and action would follow, and de facto other priorities would receive reduced investment.
 - (b) Construct programmes to bring about the conditions; building strong communities, growing the economy, and spending wisely. The Council, as a body corporate and in its elected Members, will have a pivotal role in bringing them about and will need to work quite differently. Much of the effort will be long term, particularly in terms of changes in people's expectations, wider social conditions, and economic growth.
58. It is hard to underestimate the scale of change required; enquiries to Members and complaints all demonstrate the extent to which people believe that for their Council tax they can expect the Council to undertake a broad range of functions that could arguably be done by people themselves or with their neighbours. There will be new partnerships to be forged, with communities, with the NHS, the voluntary sector and a stronger focus on co-production of strategies within these.
59. For this reason the consultation on the budget proposals has been wider than the specific elements of the budget and has included wider discussion about the way forward.
60. The following diagram illustrates, with some current examples and some proposals, how the conditions can drive activity:



SECTION TEN- DEVELOPING A TWO YEAR BUDGET WITHIN A 6 YEAR PLANNING HORIZON

61. The Council is quite rightly thinking about its planning horizon at the present time as 2020 which in the eyes of many commentators represents the earliest time at which austerity measures may ease. This planning horizon establishes a financial context for the Council to plan but given the size of the challenge and potential uncertainties it is proposed that a phased approach is taken to the MTFP for a number of reasons:-

- (a) New approaches can be tested in the initial period to assist in gaining evidence for what is possible in the second phase of the plan.
- (c) Financial resource planning is relatively firm to 2015/16 beyond this policy changes may be made that impact on Council finances.
- (d) A further two years of operating within the new Local Government Finance system should afford Council's greater understanding of the system giving

more certainty about projections and hopefully the Government will indicate how the funding “reset” in 2020 will happen so we can assess the impacts leading up to 2020 and beyond.

- (e) The sheer size of change required over the period to 2020 means a staged approach is needed given the Council’s capacity and the public’s capacity to engage and understand the change required in the Borough.

62. As set out earlier in the report it is felt that as community leaders, the Council can deliver and/or facilitate a set of conditions within the Borough and there is an opportunity for the borough to emerge from the austerity decade as a thriving community but the transition from the current to the future will be an exceedingly challenging period

63. The approach proposed is to use the two year period to achieve cultural and service design changes which will mean that there will not be large scale service reductions in year one of the plan. Using Cockerton Library as an example, closure will not happen immediately in 2014/15 it will remain open until 2015/16. The period up to 2015/16 will allow all interested parties to express an interest in “saving “ the library but if a viable option cannot be delivered the library will have to close. Public engagement and consultation will therefore be around solutions not about whether the Council could stop closure.

SECTION 11 - DELIVERING THE VISION AND FINANCIAL SUSTAINABILITY

64. As explained above, the initial phase of delivery relates to the period 2014/15 to 2015/16 and will involve reducing expenditure by £7.219m after allowing for usage of revenue balances. The proposals in this report will lead to annual savings of £13.752m by 2016/17 which will contribute significantly to the budget gap identified moving forward in the MTFP. There is no one simple straightforward solution to meeting the financial challenge and new techniques and approaches will have to be tried and tested and some may not deliver so the Council have to adapt and change during the delivery period. The approach will have higher financial risks than previous plans as we become more reliant on others to achieve expenditure reductions where in the past delivery was far more dependent on changes within the Council’s control.

65. Set out below are the high level proposals to deliver £13.752m reductions, the final implementation plans will be subject to further detailed reports in many cases and ongoing Member, Public and Partner engagement so that final proposals will be co-produced with key stakeholders.

BUILDING STRONG COMMUNITIES

A - TRANSFER OF RESPONSIBILITY FOR SERVICES TO OTHERS - HEAD OF STEAM MUSEUM AND COCKERTON LIBRARY - £300k

66. The proposal allows for a two year period of engagement with interested parties to take over the operation of these two facilities at a nil cost to the Council. No funding will remain in the budget for these services after March 2016. It is thought

that potential partners exist and may be able to take on these services.

B - PUBLIC INVOLVEMENT AND DEMAND REDUCTION IN STREET CLEANSING AND PARKS AND OPEN SPACES - £600k

67. The proposed reduction would be achieved by members of the public and businesses taking greater responsibility for their environment by for example reducing the amount of litter dropped and by volunteering for litter picks and by adopting parcels of land to maintain. There are already many good examples from small scale one off projects through to regular programmed involvement from a range of organisations which can be built upon. The challenge will be expanding the programmes borough wide, if such involvement and support cannot be achieved, service standards will be reduced. There is a two year period over which the Council will reduce input to these services gradually therefore allowing time for involvement to grow. Whilst we expect to make significant progress over two years, this will just be the start of long term change programmes. For example, stopping people dropping litter will require long-term behaviour changes in society. So in the first few years Darlington may have more litter and less well maintained open space.

C - VOLUNTARY SECTOR - CO PRODUCTION OF SERVICES - £200k

68. The proposal relies on closer working with the sector to reduce Council financial input in terms of grants by working together to :-

- (a) Identifying which outcomes are priorities for Darlington
- (b) Reviewing and improving how the Council partners and contracts with the sector.
- (c) Working with the sector to achieve better value for money for all concerned including reviewing how the Council provides services
- (d) To work with the sector to identify new funding sources, match funding and to maximise existing funding
- (e) To identify ways to reduce costs for the sector and the Council.

GROWING THE ECONOMY

D - ECONOMIC GROWTH - £1.5m

69. This requires either the building of additional new homes over and above those already anticipated or significant additional business rates from new business within the borough. To put it into context the delivery of £1.5m will require approx. 565 additional band D homes to be built above the 696 already anticipated in the MTFP for this period or two new large business distribution centres being opened in the borough or 12 new office blocks or a combination of these. This target will be a real challenge and need commitment, focus and innovative approaches. To achieve this we must strengthen our approach to create new business and jobs and

key to attracting new business will be our ability to maintain an attractive borough for investors including maintaining key cultural and leisure facilities.

SPENDING WISELY

E - PUBLIC SECTOR COLLABORATION AND JOINT COMMISSIONING - £1.3m

70. The Council will strive to reduce overall expenditure by working and commissioning with others. This will include potential partnerships with Tees Valley Councils around waste collection and disposal, the Darlington Clinical Commissioning Group and services generally with other Councils. This target will mean potentially significant changes to how services are delivered requiring different governance models and may lead to the Council having reduced control in the future on certain areas of spend relying more on influence than outright control to deliver good outcomes at lower levels of cost. There is a real opportunity to improve customer outcomes if services can be jointly commissioned and designed.

F - INTERNAL EFFICIENCY IMPROVEMENTS AND RESTRUCTURING - £800k

71. The Council has delivered £18.1m from efficiency since 2010; further delivery without impacting on service delivery will be a real challenge however realistic given the size of financial challenge.

G - SERVICE REDESIGNS - £1.602m

72. The budget advisory panels identified that some statutory areas redesign could achieve the same outcomes and likewise the cost of some key discretionary services could be further reduced whilst ensuring their continuation, these are :-

- (a) Refuse Collection - Revised alternate weekly Refuse/Recycling Service - £400,000
- (b) Dolphin & Eastbourne Leisure Facilities - Reshaping services delivered and maximising income through sales and partnerships with a health focus - £440,000
- (c) Homelessness Service - Recommissioning and Design - £300,000
- (d) Lifeline Services - removal of subsidy by redesign/fees/partner contributions - £337,000
- (e) CCTV - Fees, partner contributions and service redesign - £80,000
- (f) Crown Street Library – Management Restructure (this replaces the original proposal to reduce opening hours) - £45,000

H - ADULT SOCIAL CARE - £3m

73. The achievement will require a variety of elements such as :-

- (a) Reduced demand for costly services by increasing low level support, the Good Friends scheme will assist.
- (b) New Contracts for Services such as Domiciliary Care
- (c) Reviews of existing support arrangements
- (d) Working with Partners
- (e) Increasing the use of direct payments to reduce the costs of some maintained services

74. There is no doubt this is a very challenging target and detailed reports on how the target will be achieved including full impact assessments will be presented to Cabinet when fully developed.

I - CHILDREN'S SOCIAL CARE - £1.75m

75. The controllable spend in children's social care is the number of children looked after at any one time. As the number increases (average of £50,000 per child per year) then so do other costs such as legal costs, travel etc. The proposal is to continue to provide an effective preventative service, closely aligned to partners and to social work teams, to provide early support for families where there is a risk the child may come into care.

76. Work will be undertaken to reduce the cost of placements, through reviewing the fostering service and making greater use of brokerage of placements.

J- PUBLIC HEALTH RECOMMISSIONING OF SERVICES - £2.7m

77. The Council currently receives a grant of £6.989m rising to £7.184m in 2014/15 to fund Public Health. The responsibility for public health transferred to Local Authorities on 1 April 2013, it was previously the responsibility of the Primary Care Trust. On 1 April 2013 the Council also inherited commitments against the grant. A full review of how the public health grant is used to achieve the wider determinants of health is being undertaken against the background of the changing face of public services and funding. The proposal anticipates that the grant will be used to commission services in different ways including the use of in-house Council services where these, such as sports facilities, which make a vital contribution to improving health.

78. The phasing of the proposals against the required savings targets is set out in **Appendix 8** with a summary below :-

	Estimate 14/15 £M	Estimate 15/16 £M	Estimate 16/17 £M	Estimate 17/18 £M	Estimate 18/19 £M	Estimate 19/20 £M
Budget Deficit (after use of balances)	3.448	7.219	13.752	21.602	23.115	24.093
Less proposed Savings	(3.448)	(7.219)	(13.752)	(13.752)	(13.752)	(13.752)
Gap to be bridged in future years	0.000	0.000	0.000	7.850	9.363	10.341

79. Subject to the approval of the contents of this report at **Appendix 9** is the proposed MTFP and at **Appendix 10** are the supporting detailed estimates.

Update on the Tri borough Collaboration

80. During 2012 extensive work was carried out, with funding from the LGA, to develop a model for collaborative working for children's services and for adults' services across Darlington, Hartlepool and Redcar and Cleveland Borough Councils. A Business Case was completed and agreed by the three Cabinets respectively.

81. Following the Chancellors announcement in December 2012 of further reductions in funding for local authorities each of the three participating Councils completed a review of their Medium Term Financial Plans. Following the reviews, and following public consultation, Darlington Borough Council has identified £4.75M saving from children's and adults' services and a further £1.3m from collaboration and partnership working noted above. These savings targets supersede the £1.4 million saving originally identified by the collaboration Business Case.

82. In addition, since the Business Case was developed and agreed, significant changes have been made in national policy and local service configuration. In particular, national policy has introduced the Better Care Fund (BCF) and local service configuration has introduced Clinical Commissioning Groups. Both changes have placed an emphasis on joint working between local authorities and their health partners operating within the local authority boundary.

83. The savings target for children's and adults' services proposed in this report assume that there will still be collaborative working with the Tees Valley local authorities and that these collaborations will deliver quantifiable efficiencies. The only area of savings originally proposed in the Business Case and now removed from the savings strategy proposed in this report is the proposal to have a shared Director and Assistant Director team across the three local authorities. This would have generated a saving of up to £100,000 but would have required significant changes to management arrangements, to supervision, to governance and to lines of accountability. The original proposal would have also reduced the ability of the Council to form a partnership with the Darlington Clinical Commissioning Group which is likely to lead to much greater benefits for Darlington residents.

84. The collaborative working has delivered real savings for each of the local authorities already and these savings and future projected savings are embedded in the current Medium Term Financial Plan. Savings for Darlington achieved to date through the collaboration are approximately £300,000 (for example, through school improvement support and placement brokerage) and further savings are planned through joint commissioning, through framework agreements and through adoption work. The planned savings are already included in the savings target proposed in the MTFP.

Conclusion

85. The Council continues to face financial challenges and this plan has put in place a three year sustainable plan and proposals that will significantly contribute to bridging the budget gap in years three and beyond, however, best financial

projections show that the Council will need to deliver either more income or further expenditure reduction by 2016/17. The next two years give the Council, its partners and the public the opportunity to test out new approaches and build learning and capacity to deliver financial sustainability beyond 2016/17.

Consultation

86. Cabinet launched a public consultation on the budget proposals at their meeting on 13 November. The consultation asked residents which of the budget proposals they would support, had no opinion on or would not support and was available online on the Council's website and in paper format from the Town Hall Reception. The consultation was publicised through the Darlington Together magazine, via our social media channels and on the Council's website, the consultation closed on 10 January.
87. 200 residents responded from a population of over 100,000, therefore the analysis of results is limited and it is not possible to draw statistically significant conclusions from the responses. The lack of response could possibly indicate that residents are not yet fully aware of the Council's financial position and that significant service reductions are not yet visible. A table of results is included at **Appendix 11**
88. A response was also received from the Fire and Rescue Authority and is attached in Appendix 12.
89. The Efficiency and Resources Committee met on the 30 January to consider the draft MTFP. The minutes are shown in **Appendix 13** however in summary there was general support for the overall strategy and direction of travel and along with the conditions of Building Stronger Communities, Spending Wisely and Growing the Economy.

Equalities/Impacts and Inequalities

90. The Public Sector General Equality Duty set out in the Equality Act 2010 requires the Council to 'have due regard' to the duty to eliminate discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations. In making financial decisions it must have regard to the impact on nine 'protected characteristics': age, disability, race, religion/ sex, sexual orientation, gender reassignment, pregnancy and maternity; and marriage and civil partnership.
91. In addition to these statutory requirements, the appraisal includes additional local characteristics or priorities that result in inequalities,,: unemployed/low income, people with criminal convictions and geographical impacts.
92. The outcomes of the consultation and impacts are provided to Members to consider when making their decision. It will however be important to continue to monitor post decision to ensure that the mitigation is working and that there are no unforeseen impacts that have arisen.

93. The impacts are being considered in three stages:-

- (a) The first is to consider the potential impact of the overall budget on protected characteristic communities and groups. This year the majority of budget proposals are of savings envelopes rather than specific budget savings proposals therefore it is not possible to assess the individual impacts in their entirety at the present moment. There will however be consideration of which groups may be affected by the proposals and what impacts can be identified now. This will need to be further considered throughout the budget process. Where the specific decisions will be taken after the budget envelope has been set there will be consultation in relation to individual impacts. This work has been facilitated through a survey that has been completed and the responses have been analysed to understand any equality impact assessment issues.
- (b) Secondly there are some specific proposals within the proposed budget that have detail behind them and therefore where detailed Impact Assessment has been undertaken to inform the decision process. These proposals are:
 - (i) Alternate Weekly Collection (completed)
 - (ii) Extra Care Proposals (completed)
 - (iii) Lifeline (desktop work and work with providers)
 - (iv) Health Improvement Services
 - (v) Strategic Grant (desktop work only at this stage)
- (c) Thirdly there is a need to ensure that Members are aware of the other impacts either those which have occurred already or those (so far as they are known) which will result from the decisions yet to be made within the budget to consider the cumulative impact on individuals of the budget as a whole. The timing of some proposals has made this challenging, for example 35 people affected by the Extra Care proposals will also be affected by the Lifeline proposals. Initially the idea was to seek impact assessment information jointly but the level of detail on the lifeline proposal meant this was not possible. Instead the cumulative impact on these 35 people will be picked up as the Lifeline EIA progresses.

94. **Appendix 14** outlines EIA activity that has been undertaken to date

Staffing Implications and Consultation

- 95. Employees directly affected by proposals contained within this report will be consulted in line with the Council's agreed procedures, at this stage due to the medium term approach of the proposals it is not possible to aggregate accurately the number of potential staffing reductions.
- 96. If the Salary Scale Point 5 – 9 proposal is approved the staff who are paid below Scale Point 10 £7.2632 per hour will receive a supplement on their salary up to this point from the 1 April 2014. This has been discussed with union representatives and is in line with their representations to increase the salaries of our lowest paid workers.

Comments of the Director of Neighbourhood Services and Resources

97. As the Council's Statutory Chief Financial Officer I must advise Council on the robustness of the budget and adequacy of reserves. The budget presented to Members in this report has been based on the most accurate information available therefore I can be confident that they are an accurate reflection of the Council's financial position. General Reserves are adequate however the Council is carrying a very significant risk in terms of the need to reduce expenditure, it is essential that cost reductions are delivered on time otherwise reserves will very quickly become inadequate in future financial years. The Council will need to put plans in place to make further cost reductions for 2017/18 and beyond to ensure its continued financial sustainability as by this time it will have minimum levels of reserves.

APPENDICES

Appendix 1	Assumptions used to prepare estimates
Appendix 2	Budget Pressures
Appendix 3	Fees & Income Proposals
Appendix 4	Assessment of Risk Balances
Appendix 5	Projected Revenue Outturn 2013/14
Appendix 6	Consultation Response - Local Government Finance Settlement
Appendix 7	Analysis of Council expenditure
Appendix 8	Savings Proposals
Appendix 9	Proposed Medium Term Financial Plan 2014 to 2020
Appendix 10	Detailed Estimates
Appendix 11	Consultation results
Appendix 12	Fire and Rescue Authority consultation feedback
Appendix 13	Efficiency and Resources Scrutiny consultation feedback
Appendix 14	Equality Impact Assessment activity undertaken.

**KEY ASSUMPTIONS USED IN PROJECTED
RESOURCES, EXPENDITURE AND INCOME 2014-2020**

Factor	Assumption
Resources	
Council Tax base	0.5% growth in Council Tax base in each year.
Council Tax	1.94% increase in each year
Council Tax collection	98% collected
Government Grants	Government grants for 2014-15 as indicated in settlement, confirmed December 2013.
	Increase in Business Rates Scheme and Top Up Grant of 1.95% 2014-15, 2.8% 2015-16, 3.3% 2016-17, 3.6% 2017-18, 4% 2018-19 & 2019-20 (projected RPI).
	Reduction in Revenue Support Grant of 28% in 2015-16, 26% in 2016/17, 30% in 2017/18 and 25% thereafter.
Expenditure	
Pay inflation	2014-15 1%; 2015-16 onwards 2.0%.
Price inflation	Only contractual inflation on running costs
Local Government Pension Scheme	Employers contributions 18.5% of pensionable pay – the current rate
Financing Costs	
Interest rates payable	Average rate on existing debt 2014-15, 4.24%, 2015-16, 4.19%, 2016-17, 4.18% & 2017-18, 4.17%.
Interest rates payable	2014-15, 4.40%, 2015-16, 4.95%, 2016-17, 5.08% & 2017-18, 5.40%.
Interest rates receivable	2014-15, 0.50%, 2015-16, 0.50%, 2016-17, 0.75% & 2017-18, 2.25%.
New Borrowing	2014-15 £9.3m for Public Sector Hub, £5m Multi-Storey Car Park (MSCP), £1m General Capital spend, 2015-16 £1m MSCP, £1m General Capital spend, 2016-17 £1m General Capital spend, 2017-18 £1m General Capital spend, £0.75m Civic Theatre Refurbishment.
Income	
Inflationary increases	Various based on individual service considerations

APPENDIX 2

Pressures	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m
Service Demand						
Additional staff in Customer Services	0.073	0.040	0.000	0.000	0.000	0.000
General running costs	0.028	0.032	0.034	0.034	0.034	0.034
Election costs	0.050	(0.050)	0.000	0.000	0.000	0.000
Maintenance of former Blackwell golf course grounds	0.005	0.005	0.005	0.005	0.005	0.005
Electoral Registration costs	0.000	0.025	0.025	0.025	0.025	0.025
Childrens' Transport costs	0.080	0.102	0.123	0.143	0.143	0.143
Other Service demand	0.013	0.013	0.013	0.013	0.013	0.013
	0.249	0.167	0.200	0.220	0.220	0.220
Price Inflation						
Audit fees	0.010	0.018	0.018	0.018	0.018	0.018
Concessionary Fare Inflation (6%)	0.000	0.000	0.000	0.164	0.164	0.164
Coroners increase	0.009	0.010	0.010	0.010	0.010	0.010
Waste Disposal Inflation (3%)	0.000	0.000	0.000	0.056	0.056	0.056
Street Lighting electricity inflation (5%)	0.000	0.000	0.000	0.027	0.027	0.027
Other Inflationary rise above 1.5% RA	0.000	0.000	0.000	0.064	0.064	0.064
Staffing pay award @ 2% against RA 1.5%	0.000	0.000	0.000	0.082	0.082	0.082
Central House NNDR	0.003	0.007	0.009	0.012	0.012	0.012
Other inflationary increases	0.023	0.023	0.021	0.076	0.076	0.076
	0.045	0.058	0.058	0.509	0.509	0.509
Reduced Income						
Building Design Services - Turnover reduction	0.138	0.138	0.139	0.139	0.139	0.139
Trade Waste Loss of Business	0.199	0.219	0.240	0.261	0.261	0.261
Pollution & Clear Air - income not achievable	0.016	0.016	0.016	0.016	0.016	0.016
Construction - Turnover reduction	0.350	0.350	0.350	0.350	0.350	0.350
Reduced Income due to changes in DSG	0.100	0.100	0.100	0.100	0.100	0.100
Troubled Families reduced grant	0.014	0.000	0.000	0.000	0.000	0.000
Eastbourne Gym complex reduced Income	0.005	0.005	0.005	0.005	0.005	0.005
Building Control reduced Income	0.015	0.015	0.015	0.015	0.015	0.015
Commercial Licence fees loss of business	0.001	0.001	0.001	0.001	0.001	0.001
Environmental Health reduced Income	0.010	0.010	0.010	0.010	0.010	0.010
Libraries reduced income	0.020	0.020	0.020	0.020	0.020	0.020
Sustainable Transport loss of funding	0.000	0.035	0.035	0.035	0.035	0.035
CCTV reduction in Income	0.000	0.024	0.024	0.024	0.024	0.024
Reduced Income 14-19 service	0.020	0.020	0.020	0.020	0.020	0.020
	0.888	0.953	0.975	0.996	0.996	0.996

Pressures	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m
Other						
Estates Officer - budget duplication	0.045	0.046	0.047	0.048	0.049	0.050
Beehive - occupancy until mid to late May 2014	0.040	0.000	0.000	0.000	0.000	0.000
HR restructure shortfall	0.023	0.018	0.018	0.018	0.018	0.018
Financing Costs due to reduced investment interest	0.377	0.332	0.638	0.641	0.644	0.566
Emergency Planning budget shortfall	0.000	0.016	0.016	0.017	0.017	0.017
Other pressures / (savings)	(0.074)	0.296	0.316	0.219	0.219	0.219
	0.411	0.708	1.035	0.943	0.947	0.870
Contingencies						
Pension Fund Deficit (decrease) / increase	(0.150)	(0.100)	(0.050)	(0.010)	0.040	0.090
Invest to save fund	0.150	0.100	0.100	0.100	0.100	0.100
Salary scale point 5 – 9 proposal	0.070	0.070	0.070	0.070	0.070	0.070
Additional NI implementation date b/fwd	0.000	0.000	1.000	0.000	0.000	0.000
	0.070	0.070	1.120	0.160	0.210	0.260
Additional Savings offsetting pressures						
Recycling - leasing & borrowing not needed	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)
Street Lighting electricity saving	(0.050)	(0.064)	(0.077)	(0.091)	(0.091)	(0.091)
Concessionary Fares partnership	(0.060)	(0.064)	(0.067)	(0.071)	(0.071)	(0.071)
Section 17 payments	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)	(0.104)
Through Care/After care staff changes	(0.028)	(0.028)	(0.028)	(0.028)	(0.028)	(0.028)
Family Support Running costs	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)	(0.006)
Adults various	(0.473)	(0.425)	(0.463)	(0.178)	(0.178)	(0.178)
Resources Restructure	(0.350)	(0.150)	(0.164)	(0.181)	(0.181)	(0.181)
Highways Increased turnover	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)
Mayoral support	(0.015)	(0.015)	(0.008)	(0.008)	(0.008)	(0.008)
Town Hall Committee Rooms – ICT equipment	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)	(0.009)
	(1.296)	(1.066)	(1.128)	(0.878)	(0.878)	(0.878)
Total Pressures	0.367	0.890	2.260	1.950	2.004	1.977

Contingencies (from previous years)						
Adult Packages	0.235	0.235	0.235	0.235	0.235	0.235
Employers pension increase	0.400	0.400	0.400	0.400	0.400	0.400
Increase in National Insurance				1.000	1.000	1.000
Total Contingencies	0.635	0.635	0.635	1.635	1.635	1.635

SCHEDULE OF CHARGES 2014/15

Description	Existing Charge £	New Charge £	Financial Effect £
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LEARNING SKILLS – LEARNING FOR LIFE

Standard Fee is £50 per course per term

Full Fees (including enrolment and tuition fees) per hour	2.50	2.50	NIL
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Accredited Learning

Full accreditation fee (if applicable) - if the course has a qualification there will be additional fees to pay for registration and certification.

No fees will be charged for publicly subsidised courses where:

Learners are aged 16-18 (on 31 August 2013)

Learners are aged 19-24 (on 31 August 2013) with a learning difficulty and/or disability

Learners are aged 19 or older where the learning aim is up to and including level 2, and the learner is studying English or maths

Learners are aged 19 or older where the learning aim is up to and including level 2, the skills training will help them into work, and the learner is receiving:

- Jobseeker's Allowance (JSA) - this includes the partner where the claim is joint, or
- Employment and Support Allowance (ESA) and the learner is in the work-related activity group (WRAG), or
- Universal Credit because they are unemployed and are required (mandated) to undertake skills training

Evidence required: Letter of entitlement from Job Centre Plus indicating the date and claim.

Learners are aged 19-23 (on their first day of study) and are studying their first 'full' level 2 or level 3 qualification

Courses with no public subsidy

For learners aged 24 or above and where the learning aim is level 3 or above, learners will need to take out an Advanced Learning Loan, subject to funding availability. Further details can be found at: www.gov.uk/advanced-learning-loans

Asylum Seekers – individuals will be assessed for eligibility in conjunction with SFA

Special Fees – some courses have special fees, cost on application

FE course – NVQ etc price on application

The following courses are free:

Family Learning, Functional Skills, Elev8 and courses which are funded through external projects

Additional Learning Support (ALS) is intended to enable disadvantaged learners to achieve their learning goal by providing funding, on top of programme funds, to help them overcome their barriers to learning. The funding is intended to be flexible and to help support learners who have a range of learning difficulties and / or disabilities.

Description	Existing Charge £	New charge £	Financial Effect £
<p>REGISTRATION OF BIRTHS, DEATHS, MARRIAGES AND CIVIL PARTNERSHIPS</p> <p>The following fees do not incur VAT</p> <p>Marriages Entering a Notice of Marriage or Civil Partnership For a Registrar to attend a Marriage at the Register Office Civil Partnership Registration Incumbents for every Entry Contained in Quarterly Certified Copies of Entries of Marriage Registrars fee for attending a marriage at a registered building or for the housebound or detained Superintendents Registrar fee for attesting a notice of marriage away from his office for housebound or detained Superintendents Registrar fee for attending the marriage of the housebound or detained</p> <p>Certification for Worship and Registration for Marriages Place of Meeting for Religious Worship Registration of Building for Solemnisation of Marriage</p> <p>Certificates issued from Local Offices Standard Certificate (SR) Standard Certificate (RBD) (at time of Registration) Standard Certificate (RBD) (after Registration) Short Certificate of Birth (SR) Short Certificate of Birth (RBD) Certificates of Civil Partnership (at time of Ceremony) Certificates of Civil Partnership (at later date) General Search fee Each Verification</p>		<p>These charges set nationally by Statute and will be charged at the advised rate for 2014/15</p> <p>These Charges set nationally by Statute and will be charged at the advised rate for 2014/15</p>	

Description	Existing Charge £	New Charge £	Financial Effect £
Civil Funerals			
All Ceremonies – Backhouse Hall			
Monday to Thursday	150.00	150.00	
Friday	150.00	150.00	
Saturday	200.00	200.00	
Sunday and Bank Holidays	250.00	250.00	
All Ceremonies – Approved Premises			
Application Fee (3 years)	1,700.00	1,700.00	
Fee for Attendance Monday to Friday	300.00	300.00	
Fee for Attendance Saturday	400.00	400.00	
Fee for Attendance Sunday	500.00	500.00	
Fee for Attendance Bank Holidays	500.00	500.00	
Certificates			
Walk in Certificates	15.00	15.00	
REGISTER OF ELECTORS – SALE			
The following fees do not incur VAT.			
Register – Printed Form	10.00	10.00	
Per 1,000 Names – Printed	5.00	5.00	
Register – Data Form	20.00	20.00	
Per 1,000 Names – Data	1.50	1.50	
TOWN HALL			
Hire of Committee Rooms – all charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate.			
All rooms are to be charged by the hour, rather than by session			
Committee Rooms per hour	24.00	24.00	
Emergency Planning	16.92	16.92	

Description	Existing Charge £	New Charge £	Financial Effect £
LAND CHARGES			
The following fees do not incur VAT			
Search Fees			
Standard Search - Residential Property (post or DX)	79.00	79.00	
Standard Search – Residential Property (electronic)	77.00	77.00	
Standard Search – Commercial Property (post or DX)	119.00	119.00	
Standard Search – Commercial Property (electronic)	117.00	117.00	
Con 29 Required			
Residential Property			
One Parcel of Land	64.00	64.00	
Several Parcels of Land – Each Additional Parcel	20.00	20.00	
Commercial Property			
One Parcel of Land	104.00	104.00	
Several Parcels of Land – Each Additional Parcel	20.00	20.00	
Con 29 Optional			
Each Printed Enquiry	5.00	5.00	
Own Questions	5.00	5.00	
Official Search – LLCI	15.00	15.00	
Official Search – NLIS (National Land Information Service) or email	13.00	13.00	
Expedited Search	140.00	140.00	
Personal Search	No charge	No charge	
Additional Written Enquiries received after a Search has been Completed	5.00	5.00	
The following fees are inclusive of VAT at 20%			
Faxing Searches – A4 copy per page	0.10	0.10	
Requesting Photocopy of Search – A4 copy per page	0.10	0.10	
Copy Documents (each) – A4 copy per page	0.10	0.10	
 Review of Land Charges – Additional Income Overall			NIL

FINANCIAL PROTECTION SERVICES				
Category	Description	Existing Charge £	New Charge £	Financial Effect £
1	Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	670.00	670.00	
II	Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order: - for the first year - for the second and subsequent years where the net assets are below £16,000, the local authority deputy for property and affairs will take an annual management fee not exceeding 3% of the net assets on the anniversary of the court order appointing the local authority as deputy Where the court appoints a local authority deputy for health and welfare, the local authority will take an annual management fee not exceeding 2.5% of the net assets on the anniversary of the court order appointing the local authority as deputy for health and welfare up to a maximum of £500.	700.00 585.00	700.00 585.00	
III	Annual property management fee to include work involved in preparing property for sale, instructing agents, conveyancers, etc or the ongoing maintenance of property including management and letting of a rental property	270.00	270.00	
IV	Preparation and lodgement of an annual report or account to the Public Guardian	195.00	195.00	
V	Conveyancing Costs Where a deputy or other person authorised by the court is selling or purchasing a property on behalf of P, the following fixed rates will apply except where the sale or purchase is by trustees in which case, the costs should be agreed with the trustees: A value element of 0.15% of the consideration with a minimum sum of £350 and a maximum sum of £1,500, plus disbursements	See Description	See Description	
				NIL

SERVICES FOR PLACE

Description	Existing Charge £	New Charge £	Financial Effect £
LIBRARIES			
Fines On Overdue Items			
Adults – per day	0.15	0.15	
Maximum charge per book	5.10	5.10	
Senior Citizens – per day	0.10	0.10	
Maximum charge per book	3.10	3.10	
Children – per day	No charge	No charge	
Loan Charges for Audio Materials (1 week)			
CD's	1.00	1.00	
DVD's	1.50	1.50	
Reservation Fees for books and Audio Materials			
Adults	0.50	0.50	
Senior Citizens	0.25	0.25	
Children/Unemployed	0.25	0.25	
Reservation Fees for Books Obtained from Outside the Authority			
Single charge for all books obtained from other libraries	5.00	5.00	
Repeat Fee for Renewal of Books from Outside the Authority			
Single Charge for all books obtained from other local authorities	2.50	2.50	
Replacement Tickets			
Adults	1.20	1.20	
Senior Citizens	1.20	1.20	
Children/Unemployed	0.60	0.60	

Description	Existing Charge £	New Charge £	Financial Effect £
Spoken Word			
Cassettes & CDs (3 Week Loan)			
Adults (<i>who are not exempt</i>) each	1.50	1.50	
Children each	No charge	No charge	
Language Courses (per element)			
Subscription for whole course to be paid in advance	1.35	1.35	
Local History Research			
Standard charge	5.00	5.00	
Specialist Research – per hour	30.00	30.00	
Photocopies			
A4 B&W	0.15	0.15	
A3 B&W	0.55	0.55	
Printing			
Text Printouts			
A4 B&W	0.15	0.15	
A3 B&W	0.55	0.55	
Image Printouts			
A4 B&W	0.80	0.80	
A4 colour	1.60	1.60	

Description	Existing Charge £	New Charge £	Financial Effect £
Reproduction of Images from Stock			
Digital copies for Private/Study purposes - per photo	5.50	5.50	
Digital copies for small local commercial use – per photo	5.50 + 2 copies of publications	5.50 + 2 copies of publications	
Digital copies for local commercial use - per photo	10.50 + 2 copies of book	10.50 + 2 copies of book	
Digital copies for national/international commercial	110.00	110.00	
Scan and e-mail Service			
First sheet	1.00	1.00	
Each subsequent sheet	0.50	0.50	
Hire of Locker			
	0.50	0.50	
Internet Use			
First half hour free within one day – per hour	2.00	2.00	
Lost & Damaged Items			
	Full current Replacement Cost (non- refundable)	Full current Replacement Cost (non- refundable)	
Fax			
Outgoing Transmission			
United Kingdom – per sheet	1.45	1.45	
Europe – per sheet	2.30	2.30	
USA/Canada – per sheet	2.80	2.80	
Rest of the World – per sheet	3.80	3.80	
Incoming Transmission – per sheet	0.45	0.45	

Description	Existing Charge £	New Charge £	Financial Effect £
Fax by Satellite			
Atlantic Ocean/Indian Ocean/Pacific Ocean – per sheet	12.50	12.50	
Room Hire			
Not for profit organisations per hour	10.00	10.00	
Commercial organisations per hour	15.00	15.00	
			NIL
PLANNING FEES			
Planning fees are set nationally* The Government is currently undertaking a consultation on the future setting of planning fees which may lead to fees being set			
PLANNING – PRE APPLICATION ADVICE			
All charges include VAT at 20%			
Large Scale Major Development for a written response, including up to 2 meetings	480.00	480.00	
Small Scale Major Developments for a written response, including up to 2 meetings	480.00	480.00	
Minor Developments for a written response to include a meeting if necessary	240.00	240.00	
Other Developments			
Minerals Processing	Based on areas above	Based on areas above	
Change of use for a written response to include a meeting if necessary	120.00	120.00	
Householder developments	24.00 to 36.00	24.00 to 36.00	
Advertisements	60.00	60.00	
Listed Building consents (to alter/extend)	Free	Free	
Listed Building consents (to demolish)	Free	Free	
Conservation area consents	Free	Free	
Certificates of lawful development	Pre - Application advice not appropriate	Pre - Application advice not appropriate	
Telecommunications Notifications	120.00	120.00	
Other Charges			
Pre-Application meeting involving Planning Committee Members	600.00	600.00	

Description	Existing Charge £	New Charge £	Financial Effect £
PLANNING – SUPPLEMENTARY ITEMS			
Items inclusive of VAT at 20%			
Letter confirming exemption	25.00	25.00	
Letter confirming completion	25.00	25.00	
Letter confirming enforcement action will not be taken	25.00	25.00	
Site inspection to determine info.	25.00	25.00	
A4 Photocopy (ex plans) – first page	0.10	1.10	
Subsequent pages	1.10	0.10	
A3 Photocopy (ex plans) – first page	0.20	1.20	
Subsequent pages	0.20	0.20	
A2 Photocopy (ex plans) – first page	1.50	1.50	
A1 Photocopy (ex plans)	2.00	2.00	
A0 Photocopy (ex plans)	3.00	3.00	
O.S. Sheets – up to 6 copies	15.00	15.00	
Items outside the scope of VAT			
Local plan	18.00	18.00	
Local plan – postage	4.00	4.00	
Local plan – alterations	2.00	2.00	
Invoicing	9.00	9.00	
			NIL
LICENSING <i>The following fees do not incur VAT</i>			
General Licensing			
Pavement Café Licence	190.00	190.00	
Pavement Display Licence	155.00	155.00	
Pet Shops	120.00	120.00	
Animal Boarding	120.00	120.00	
Dog Breeding	120.00	120.00	
Riding Establishments	230.00	230.00	
Sex Shop Grant	3,700.00	3,700.00	
Sex Shop Renewal	1,200.00	1,200.00	
Sex Shop Transfer	1,200.00	1,200.00	
Sexual Entertainment Venue (SEV) Grant	3,700.00	3,700.00	
SEV Variation	3,700.00	3,700.00	
SEV Renewal	1,200.00	1,200.00	
SEV Grant / Variation / Renewal – Club Premises			
Certificates	750.00	750.00	
Skin Piercing (Premises) Grant	280.00	280.00	
Skin Piercing (Personal) Grant	65.00	65.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Motor Salvage Operators (3 years)	70.00	70.00	
Street Trading			
November / December - Full Calendar Month	975.00	975.00	
- Week	385.00	385.00	
- Day (minimum 4)	85.00	85.00	
January / October - Full Calendar Month	660.00	660.00	
- Week	270.00	270.00	
- Day (minimum 4)			
Note- The above to apply to Itinerant traders. For regular all year round traders the individual days and differential months to be removed and replaced with fees as follows	60.00	60.00	
Annual Consent	7,000.00	7,000.00	
If Paying Monthly	620.00	620.00	
If Paying Weekly	170.00	170.00	
Buskers selling CD's – Half Day	25.00	25.00	
Full Day	45.00	45.00	
Mobile vehicles (moving or lay-by)	260.00	260.00	
New Vendor Permits	35.00	35.00	
Duplicate licenses	15.00	15.00	
Administration Charge per hour or part there of	35.00	35.00	
Skip Hire Licence	15.00	15.00	
Hoarding/Scaffold Licence	50.00	50.00	
Statutory Fees- The following gambling fees are set within statutory bands and will be revised as changed nationally.			
Adult Gaming Centres – Annual Fee	600.00	600.00	
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	1,200.00	1,200.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	1,200.00	1,200.00	
Betting Shops - Annual Fee	550.00	550.00	
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	1,200.00	1,200.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	1,300.00	1,300.00	
Bingo Halls - Annual Fee	600.00	600.00	
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	1,200.00	1,200.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	1,200.00	1,200.00	

Description	Existing Charge £	New Charge £	Financial Effect £
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	950.00	950.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	950.00	950.00	
Betting (tracks) – Annual Fee	550.00	550.00	
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	950.00	950.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	950.00	950.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<i><u>Permit Type – The following fees are set by statute and will be revised as changed nationally</u></i>			
FEC gaming machine – Application fee	300.00	300.00	
FEC gaming machine – Renewal fee	300.00	300.00	
FEC gaming machine – Change of name	25.00	25.00	
FEC gaming machine – Copy permit	15.00	15.00	
Prize gaming – Application fee	300.00	300.00	
Prize gaming – Renewal fee	300.00	300.00	
Prize gaming – Change of name	25.00	25.00	
Prize gaming – Copy permit	15.00	15.00	
Application Fee	100.00	100.00	
Variation Fee	100.00	100.00	
Transfer Fee	25.00	25.00	
Annual Fee	50.00	50.00	
Change of name	25.00	25.00	
Copy Permit	15.00	15.00	
Notice of intent to 2 or less gaming machines available	50.00	50.00	
Club Premises cert (S 72f Licencing Act 2003) application fee	100.00	100.00	
Club Premises cert (S 72f Licencing Act 2003) renewal fee	100.00	100.00	
Other applicants - application fee	200.00	200.00	
Other applicants - renewal fee	200.00	200.00	
Variation fee	100.00	100.00	
Annual fee	50.00	50.00	
Copy permit	15.00	15.00	
Initial fee	40.00	40.00	
Annual fee	20.00	20.00	
Temporary use notice	500.00	500.00	
Copy/replacement/endorsed copy of notice	25.00	25.00	
< 2,500 litres	41.00	41.00	
2,500 – 50,000 litres	57.00	57.00	
> 50,000 litres	118.00	118.00	
Transfer / variation	8.00	8.00	
Band A (RV £0 - £4,300) - Initial fee	100.00	100.00	
- Annual fee	70.00	70.00	
Band B (RV £4,301 - £33,000) - Initial fee	190.00	190.00	
- Annual fee	180.00	180.00	
Band C (RV £33,001 - £87,000) - Initial fee	315.00	315.00	
- Annual fee	295.00	295.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Band D (RV £87,001 - £125,000) - Initial fee	450.00	450.00	
- Annual fee	320.00	320.00	
Band E (RV > £125,001) - Initial fee	635.00	635.00	
- Annual fee	350.00	350.00	
Band D Premises - Initial fee	900.00	900.00	
- Annual fee	640.00	640.00	
Band E Premises - Initial fee	1,905.00	1,905.00	
- Annual fee	1,050.00	1,050.00	
5,000 to 9,999 - Initial fee	1,000.00	1,000.00	
- Annual fee	500.00	500.00	
10,000 to 14,999 - Initial fee	2,000.00	2,000.00	
- Annual fee	1,000.00	1,000.00	
15,000 to 19,999 - Initial fee	4,000.00	4,000.00	
- Annual fee	2,000.00	2,000.00	
20,000 to 29,999 - Initial fee	8,000.00	8,000.00	
- Annual fee	4,000.00	4,000.00	
30,000 to 39,999 - Initial fee	16,000.00	16,000.00	
- Annual fee	8,000.00	8,000.00	
40,000 to 49,999 - Initial fee	24,000.00	24,000.00	
- Annual fee	12,000.00	12,000.00	
50,000 to 59,999 - Initial fee	32,000.00	32,000.00	
- Annual fee	16,000.00	16,000.00	
60,000 to 69,999 - Initial fee	40,000.00	40,000.00	
- Annual fee	20,000.00	20,000.00	
70,000 to 79,999 - Initial fee	48,000.00	48,000.00	
- Annual fee	24,000.00	24,000.00	
80,000 to 89,999 - Initial fee	56,000.00	56,000.00	
- Annual fee	28,000.00	28,000.00	
> 90,000 - Initial fee	64,000.00	64,000.00	
- Annual fee	32,000.00	32,000.00	
Personal Licence (10 years)	37.00	37.00	
Provisional Statement	315.00	315.00	
TEN	21.00	21.00	
Theft / Loss of Licence / Notice	10.50	10.50	
Variation of DPS	23.00	23.00	
Transfer of Premises Licence	23.00	23.00	
Interim Authority	10.50	10.50	
Change of Name / Address	10.50	10.50	
Freeholder / Leaseholder Register of Interest	21.00	21.00	
Administration Charge (per hour or part thereof)	35.00	35.00	
			NIL

Description	Existing Charge £	New Charge £	Financial Effect £
HACKNEY CARRIAGES			
The following fees do not incur VAT			
Taxi Licencing			
Driver Licence (single)	70.00	70.00	
Driver Licence (combined)	110.00	110.00	
Hackney Carriage Vehicle Licence (excluding plate fee)	410.00	410.00	
Private Hire Vehicle Licence (excluding plate fee)	375.00	375.00	
Operator Levy	35.00	35.00	
Private Hire Operator Licence (operating levy in addition to vehicle licence fee)	300.00	300.00	
<i>Additional Charges</i>			
Knowledge / Regs test (re-sits only)	30.00	30.00	
Taxi Meter test	20.00	20.00	
Plate (rear)	15.00	15.00	
Plate (front)	10.00	10.00	
Door Discs (each)	5.00	5.00	
Tariff Card	2.00	2.00	
Duplicate Driver Badge	10.00	10.00	
Administration Charge (per hour or part – all applicants)	35.00	35.00	
Refer to drawer	15.00	15.00	
			NIL

Description	Existing Charge £	New Charge £	Financial Effect £
ENVIRONMENTAL HEALTH			
Pest Treatment Charges – All charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate			
Insects – per Treatment	58.50	58.50	
Rodents in Industrial Premises – per Treatment	68.00	68.00	
Rodents in Private Premises**	10.00	10.00	
**Awaiting software upgrade which will see this service become chargeable			
Prosecution Costs			
Hourly Rate for Preparation of Case Reports	39.50	39.50	
			NIL
TRADING STANDARDS			
Measures			
Linear measures not exceeding 3m or 10ft each scale	13.50	13.50	
Not exceeding 15kg or 34lb	38.00	38.00	
Exceeding 15kg (34lb) but not exceeding 100kg (224lb)	58.00	58.00	
Exceeding 100kg (224lb) but not exceeding 250kg (650lb)	80.00	80.00	
Exceeding 250kg (650lb) but not exceeding 1 tonne (2,240lb)	139.00	139.00	
Exceeding 1 tonne (2,240lb) but not exceeding 10 tonnes (22,400lb)	223.00	223.00	
Exceeding 10 tonnes (22,400lb) but not exceeding 30 tonnes (67,200lb)	468.00	468.00	
Exceeding 30 tonnes (67,200lb) but not exceeding 60 tonnes (134,400lb)	696.00	696.00	
Charge to cover any additional costs involved in testing instruments Calibrated to weigh in both metric and imperial units or incorporating remote display	101.00	101.00	
Measuring Instruments for Intoxicating Liquor			
Not exceeding 5fl oz or 150ml	22.00	22.00	
Other	25.00	25.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Measuring Instruments for Liquid Fuels and Lubricants			
Container Type (un-subdivided)			
Multi-grade (with price computing device):	96.00	96.00	
Single Outlets	132.00	132.00	
Solely Price Adjustment	241.50	241.50	
Otherwise			
Other Types – Single Outlets			
Solely Price Adjustment	106.00	106.00	
Otherwise	144.00	144.00	
Other Types – Multi Outlets:			
1 Meter Tested	154.00	154.00	
2 Meters Tested	253.00	253.00	
3 Meters Tested	345.50	345.50	
4 Meters Tested	440.00	440.00	
5 Meters Tested	532.50	532.50	
6 Meters Tested	625.00	625.00	
7 Meters Tested	706.00	706.00	
8 Meters Tested	816.50	816.50	
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 1/2 hour)	106.00	106.00	
Special Weighing and Measuring Equipment			
For all specialist work undertaken by the department which is not included above a charge per man per hour on site (minimum charge 1/2 hour) plus cost of provision of testing equipment	106.00	106.00	
Licensing – VAT not applicable			
Poisons Act			
Initial Registration	41.50	41.50	
Re-registration	22.00	22.00	
Change in Details of Registration	12.00	12.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<p>Explosive Act (Statutory Fee) Registration of Premises Licencing of Explosive Stores Sale of Fireworks – Licensing</p> <p>Prosecution Costs Hourly rate for Preparation of Case Reports ** these are statutory rates that are set centrally in April</p> <p><u>Discounts</u> 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 NB – Where different fees are involved the highest fee will be charged in full and any discounts calculated from the remaining lesser fees</p>	<p>**See Note **See Note **See Note</p> <p>39.50</p>	<p>**See Note **See Note **See Note</p> <p>39.50</p>	<p></p>
			NIL

Description	Existing Charge £	New Charge £	Financial Effect £
PARKING – all charges inclusive of VAT at 20%			
Chesnut Street Lorry Park			
Per day	2.00	2.00	
Per week	7.50	7.50	
Overnight	4.00	4.00	
Car Parks – Premium Rate			
Abbotts Yard up to one hour	1.00	1.00	
Abbotts Yard each additional hour	1.50	1.50	
Car Parks (Short Stay) – Per Hour			
Barnard Street / Winston Street	1.00	1.00	
Beaumont Street	1.00	1.00	
Commercial Street	1.00	1.00	
Town Hall	1.00	1.00	
Covered Market (30 minutes only)	0.50	0.50	
Car Parks- Mixed Charges			
Archer Street	per hour	1.00	1.00
	per day	4.00	4.00
	per week	16.00	16.00
Garden Street	per hour	1.00	1.00
	per day	4.00	4.00
	per week	16.00	16.00
Kendrew Street East	per hour	1.00	1.00
	per day	4.00	4.00
	per week	16.00	16.00
Kendrew Street West	per hour	1.00	1.00
	per day	4.00	4.00
	per week	16.00	16.00
Car Parks – Long Stay			
Park Place East / West			
	Per hour	1.00	1.00
	Per day	4.00	4.00
	Per week	16.00	16.00
Hird Street			
	Per hour	1.00	1.00
	Per day	4.00	4.00
	Per week	16.00	16.00
St Hildas			
	Per hour	1.00	1.00

Description	Existing Charge £	New Charge £	Financial Effect £
Per day	4.00	4.00	
Per week	16.00	16.00	
Park Lane			
Per day	5.00	5.00	
Central House (Saturday and Bank Holidays)			
Per day	4.00	4.00	
Car Parking – On Street			
Per half hour	0.50	0.50	
Car Parks – Contract Car Parking			
Four Riggs per Calendar Month	60.00	60.00	
Beaumont Street West Per year one space	950.00	950.00	
Per year two space	900.00	900.00	
Per year three spaces	860.00	860.00	
Per year four spaces	830.00	830.00	
Per year 5 or more spaces	800.00	800.00	
Car parks- Staff and Members Passes per year	173.00	173.00	
All Car Parks parking bays Sundays- flat rate charge per day	1.00	1.00	
			NIL
BUILDING CONTROL			
Items inclusive of VAT at 20%			
Letter confirming exemption	3.00	3.00	
Letter confirming enforcement action will not be taken	3.00	3.00	
Decision/Approval Notice (Building Control)			
Letter confirming completion	3.00	3.00	
Site inspection to determine information	14.50	14.50	
Responding to request for historical information from electronic databases (email response)	4.20	4.20	
Responding to request for historical information from electronic databases (letter response)	5.20	5.20	
Responding to request for historical information from manually recorded data (email response)	12.50	12.50	
Expediting search for historical information	10.00	10.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Copy Documents - Monochrome			
A4 Photocopy (excluding plans) – first page	1.00	1.10	
subsequent pages	0.10	0.10	
A3 Photocopy (excluding plans) – first page	1.20	1.20	
subsequent pages	0.20	0.20	
A2 Photocopy (excluding plans) – first page	1.50	1.50	
A1 Photocopy (excluding plans)	2.00	2.00	
A0 Photocopy (excluding plans)	2.50	3.00	
Copy Documents - Colour			
A4 Photocopy (excluding plans) – first page	2.00	2.00	
subsequent pages	1.00	1.00	
A3 Photocopy (excluding plans) – first page	3.00	3.00	
subsequent pages	2.00	2.00	
A2 Photocopy (excluding plans) – first page	6.00	6.00	
A1 Photocopy (excluding plans)	10.00	10.00	
A0 Photocopy (excluding plans)	12.00	12.00	
The Building (Local Authority Charges) Regulations 2010 Plus VAT at 20%			
Officer hourly rate	55.00	55.00	
			Minimal
DOLPHIN CENTRE			
Swimming			
Adult Swim	3.40	3.60	
Concession	2.55	2.70	
Junior Swim	2.40	2.40	
Concession	1.80	1.80	
Family Swim (up to 4 children accompanying 1 adult)	1.80	1.80	
Under 5 years	1.00	1.00	
Under 12 months	Free of Charge	Free of charge	

Description	Existing Charge £	New Charge £	Financial Effect £
Fitness Areas			
The Gym	4.10	4.10	
Concession	3.10	3.10	
Junior Gym	3.25	3.25	
Concession	2.50	2.50	
Health & Fitness Classes			
Health & Fitness Classes	3.75	3.75	
Concession	2.80	2.80	
Multi Activity Sessions			
Badminton Daytime Session	3.55	3.55	
Concession	2.65	2.65	
Half Main Hall			
Adult	42.00	42.00	
Junior (1 hour courts only)	28.50	28.50	
Weekday lunchtime	35.10	35.10	
Badminton/ Short - Tennis Court			
Adult	7.35	7.35	
Concession	5.50	5.50	
Junior (1 hour courts only)	3.75	3.75	
Concession (1 hour courts only)	2.80	2.80	
Squash Courts			
Adult	6.60	6.60	
Concession	4.95	4.95	
Junior (up to 5.00pm on weekdays only)	3.55	3.55	
Concession (up to 5.00pm on weekdays only)	2.65	2.65	

Description	Existing Charge £	New Charge £	Financial Effect £
Equipment Hire			
Footballs	Free	Free	
Footballs - Deposit	5.00	5.00	
Badminton	2.00	2.00	
Badminton - Deposit	5.00	5.00	
Squash Racquets	2.00	2.00	
Squash Racquets - Deposit	5.00	5.00	
Table Tennis Bats	1.40	1.40	
Table Tennis Bats - Deposit	5.00	5.00	
Pram Lock	Free	Free	
Pram Lock – Deposit	5.00	5.00	
Children's Activities			
Crèche	2.80	3.00	
Soft play admissions Monday to Friday	3.45	3.75	
Soft play admissions Weekends	3.45	3.75	
Sensory Room Monday to Friday	3.45	3.75	
Sensory Room Weekends	3.45	3.75	
Parent/toddler (Soft play)	3.45	3.75	
Other Activities			
Climbing Wall	4.25	4.25	
Concession	3.20	3.20	
Junior Climbing Wall	3.45	3.45	
Concession	2.60	2.60	
Showers	1.50	1.50	
Fit 4 Life Packages			
12 month Full Membership	299.40	299.40	
12 month Gym Only	264.00	264.00	
12 month Seniors	228.00	228.00	
12 month Student	180.00	180.00	
6 Month gym only	175.00	175.00	
6 Month Full	195.00	195.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Swimming Pools			
Main Pool - per hour	76.75	80.00	
Diving Pool - per hour	43.50	45.00	
Teaching Pool - per hour	43.50	45.00	
Gala - per hour			
Swimming Galas - whole complex			
Normal opening hours - per hour	248.65	255.00	
Outside normal opening hours - per hour	130.50	135.00	
Swimming Galas - Schools, Junior Clubs and Organisations			
Main Pool - Peak	177.50	180.00	
Main Pool - Off Peak	120.50	125.00	
Main Pool and Teaching Pool - Peak	144.60	150.00	
Main Pool and Teaching Pool - Off Peak	153.40	155.00	
Electronic Timing	68.00	75.00	
Dry Sports Hall			
Main Sports Hall - per hour	84.90	84.90	
Special Events - per hour Weekends	268.40	268.40	
Preparation - per hour Weekends	144.60	144.60	
Special Events - Schools - per hour off peak	39.50	39.50	
Meeting Room	20.00	28.50	
Seminar Room/Stephenson Suite	28.50	28.50	
Central Hall			
All Events (except commercial, exhibitions and local societies)	88.00	88.00	
Exhibitions - commercial - per hour	115.00	115.00	
Local Societies event - per hour	60.00	60.00	
			Minimal

Description	Existing Charge	New Charge	Financial Effect
	£	£	£
PARKS			
Bowls Season Ticket	37.00	37.00	
Concession	28.00	28.00	
Football - Hire of Hundens Park Pitch Seniors' Match	35.80	36.00	
Juniors Match	20.00	20.00	
			Minimal
EASTBOURNE SPORTS COMPLEX			
Adult Track	3.25	3.25	
Concession	2.45	2.45	
Junior Track	1.95	1.95	
Concession	1.50	1.50	
Adult Artificial Pitch 1/3 (45 mins)	39.70	39.70	
Junior Artificial Pitch 1/3 (45 mins)	23.60	23.60	
Adult Full Artificial Pitch	70.80	70.80	
Junior Full Artificial Pitch	39.70	39.70	
Pulse 3	3.95	3.95	
Concession	3.00	3.00	
Junior Pulse Suite	3.15	3.15	
Concession	2.35	2.35	
Function Room/Community Pavilion - per hour	18.50	18.50	
			NIL

Description	Existing Charge £	New Charge £	Financial Effect £
MARKETS			
Covered Market			
Butchers stalls }	Five year	Five year	
Fruiterers and perishable food stalls }	Lease	Lease	
Other Stalls }	In	In	
Cellars }	operation	operation	
Shops }	Three -	Three -	
	Five year	Five year	
	leases	leases	
Trade Refuse Removal (per week including VAT)	15.00	15.00	
Cattle Market			
Tolls			
Cattle	13.30	13.30	
Sheep, pigs, calves	4.35	4.35	
Levies			
Cattle	10.64	10.64	
Sheep, pigs, calves	3.48	3.48	
Rent	4,000.00	4,000.00	
Other Markets			
Per 3m x 4.5m Gazebo January - March (13 weeks)	21.00	21.00	
Per 3m x 4.5m Gazebo April - December (39 weeks)	33.00	33.00	
Per 3m x 3m Gazebo January - March (13 weeks)	14.00	14.00	
Per 3m x 3m Gazebo April - December (39 weeks)	22.00	22.00	
Horsemarket- Per 3m x 4.5m Gazebo January - March (13 weeks)	17.50	17.50	
Horsemarket- Per 3m x 4.5m Gazebo April - December (39 weeks)	27.50	27.50	
All the above to include lighting when supplied			
Car Boot Licence (for more than 30 stalls) Per stall	5.00	5.00	
Council operated Car Boot Sale - vehicle entrance fee	10.00	10.00	
Council operated Car Boot Sale - pedestrian entrance fee (10 years & over)	1.00	1.00	
Charitable per day (or part day) (charge per market) - subject to a maximum of 30 stalls -	55.00	55.00	
Non Charitable			
1 - 10 stalls (minimum charge)	90.00	90.00	

Description	Existing Charge £	New Charge £	Financial Effect £
11 - 30 stalls (per stall) - subject to a maximum of 30 stalls Large scale market events i.e. Summer Spectacular. Subject to negotiation with the Operator(s)	9.00	9.00	
Craft Market – Per 3m x 3m Gazebo	25.00	25.00	
Farmers Market – Per 3m x 3m Gazebo	25.00	25.00	
Food Fayre – per 3m x 3m Gazebo	25.00	25.00	
N.B. Craft, Food and Farmers Market charges include lighting when supplied + tables			
			NIL
HEAD OF STEAM			
Entrance Fees			
Adults	4.95	4.95	
Concessions	3.75	3.75	
Children (6-16 years old)	3.00	3.00	
Children (under 6)	No charge	No charge	
Single Membership per annum	10.00	10.00	
Family Day Pass (2 adults, 2 children)	10.00	10.00	
Family Membership per annum (2 adults, 4 children)	15.00	15.00	
Organised School Visits	No charge	No charge	
Lectures per person	2.55	2.55	
Live Darlington			
Live Darlington - 25% discounts for eligible persons (discount also applies to members of the Friends of Darlington Railway Museum and the Darlington Railway Preservation Society, and FREE admission to their committee members)			

Description	Existing Charge £	New Charge £	Financial Effect £
<p>Family History Research</p> <p>Family/Railway History Research (for personal use only) via letter, email or phone</p> <p>20.00 (first hour) 20.00 per additional hour.</p> <p>Personal Visits to the Ken Hoole Study Centre are at no charge</p> <p>30.00 (first hour) 30.00 per additional hour</p> <p>Family/Railway History Research Agents</p>	<p>20.00 (first hour) 20.00 per additional hour.</p> <p>Personal Visits to the Ken Hoole Study Centre are at no charge</p> <p>30.00 (first hour) 30.00 per additional hour</p>	<p>20.00 (first hour) 20.00 per additional hour.</p> <p>Personal Visits to the Ken Hoole Study Centre are at no charge</p> <p>30.00 (first hour) 30.00 per additional hour</p>	
<p>Historical Research</p> <p>Current Affairs and Documentaries - per hour</p> <p>TV Dramas and Films - per hour</p>	<p>60.00</p> <p>122.55</p>	<p>60.00</p> <p>122.55</p>	
<p>Photocopying</p> <p>A4</p> <p>A3</p>	<p>0.20</p> <p>0.45</p>	<p>0.20</p> <p>0.45</p>	
<p>Personal photographic reproduction</p> <p>Photographic reproduction: max size A4 - per hard copy image (excluding postage)</p> <p>- digital copy (excluding postage)</p> <p>Plan Copies - per metre</p>	<p>4.60</p> <p>6.65</p> <p>6.15</p>	<p>4.60</p> <p>6.65</p> <p>6.15</p>	
<p>Commercial photographic reproduction</p> <p>Regional newspapers</p> <p>National newspapers - per image</p> <p>Specialist Journals, Newsletters and Magazines -per image</p> <p>Magazines per image, nationals, journals, newsletters and magazines – per image</p> <p>Television and film productions – per image</p>	<p>Free</p> <p>35.75</p> <p>15.35</p> <p>25.55</p> <p>51.10</p>	<p>Free</p> <p>35.75</p> <p>15.35</p> <p>25.55</p> <p>51.10</p>	

Description	Existing Charge £	New Charge £	Financial Effect £
Photographic reproduction in Books			
Less than 6,000 runs - per image	20.45	20.45	
Less than 6,000 runs (cover image) - per image	25.55	25.55	
Over 6,000 runs - per image	40.85	40.85	
Over 6,000 runs (cover image) - per image	61.30	61.30	
Discount for 10 images or more	0.10	0.10	
Filming Fees			
Student Productions (interiors/exterior)	Free but donation welcome	Free but donation welcome	
Small Productions (interiors/exterior) e.g. TV shows and Documentaries - per day (including setting up and de-rigging days)	306.40	306.40	
Large Productions (interiors/exterior) e.g. Films - per day (including setting up and de-rigging days)	510.65	510.65	
Conference Facilities (use of room and access to facilities but excludes Catering)			
During Opening Hours – per hour	25.00	25.00	
Outside Opening Hours – per hour	32.50	32.50	
Use by Museum Friends, DRPS, NELPG, NERA, A1 Trust, DMRC and GLAD – During Opening Hours (with an understanding that paying users have priority booking)	No charge	No charge	
Use by Museum Friends – Outside Opening Hours (providing nominated persons are responsible for securing premises when vacated)	No charge	No charge	
Use of Museum Field			
Caravan Users - per Caravan per night	7.70	7.70	
Educational Use	No charge	No charge	
Corporate Events	Negotiated on an individual basis	Negotiated on an individual basis	

Description	Existing Charge £	New Charge £	Financial Effect £
Paranormal Investigation Groups			
Non-commercial organisations	200.00	200.00	
Commercial organisations	510.65	510.65	
			NIL
REFUSE COLLECTION AND DISPOSAL			
Refuse sacks (per 25) (Exclusive of VAT)	82.40	83.20	
Garden waste sacks (Non-Vatable)	7.85	7.95	
			Minimal
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	
Stillborn or child not exceeding 12 months	No Charge	No Charge	
Person over 12 months up to 18 years	190.00	195.00	
Person over 18 years	586.00	605.00	
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	
Child not exceeding 12 months	No Charge	No Charge	
Person over 12 months up to 18 years	190.00	195.00	
Person over 18 years	588.00	605.00	
Cremated remains	116.00	120.00	
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)	600.00	620.00	
Exclusive burial rights for a bricked grave	1,200.00	1,240.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Other charges			
Scattering of cremated remains	43.00	45.00	
Indemnity form (to produce duplicate grant)	43.00	45.00	
Use of Cemetery Chapel	80.00	85.00	
After post mortem remains	116.00	120.00	
Evergreens (including grass mats)	65.00	65.00	
Exhumation of a body (excl. re-interment)	985.00	1,000.00	
Exhumation of cremated remains (excl. re-interment)	210.00	220.00	
Grave Maintenance (inclusive of 20% VAT)			
Initial payment	44.00	45.00	
Annual Maintenance	34.00	35.00	
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)	185.00	190.00	
Provision of kerbs – traditional sites only)	90.00	90.00	
Vases not exceeding 300mm	70.00	75.00	
Additional inscription	70.00	75.00	
Total financial effect for Cemeteries			4,900

Description	Existing Charge £	New Charge £	Financial Effect £
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	
Hospital arrangement – foetal remains	100.00	105.00	
Stillborn or child not exceeding 12 months	No charge	No charge	
Person over 12 months up to 18 years	190.00	195.00	
Person over 18 years	588.00	605.00	
After post mortem remains	116.00	120.00	
Other charges			
Environmental Surcharge	50.00	50.00	
Postal Carton	12.50	12.50	
Metal Urn	34.00	35.00	
Wooden Casket	45.00	45.00	
Baby Urn	10.00	10.00	
Crematorium Chapel	80.00	85.00	
Scattering of remains at reserved time	43.00	45.00	
Medical Referee Fee	20.00	20.00	
Book of Remembrance (inclusive of 20% VAT)			
Single Entry (2 lines)	62.00	64.00	
Double Entry (3 or 4 lines)	110.00	114.00	
Additional lines	23.00	24.00	
Crest or floral emblem	110.00	114.00	
Memorial Cards (inclusive of 20% VAT)			
Single entry card (2 lines)	18.00	19.00	
Double entry card (3 or 4 lines)	25.00	26.00	
Additional lines	5.00	5.00	
Crest of floral emblem	40.00	50.00	
Personal photographs – set up	23.00	25.00	
Additional photographs – after set up	12.00	12.00	
Memorial Books (inclusive of 20% VAT)			
Single entry book (2 lines)	44.00	50.00	
Double entry card (3 or 4 lines)	52.00	60.00	
Additional lines	5.00	5.00	
Crest of floral emblem	40.00	50.00	
Personal photographs – set up	23.00	25.00	
Additional photographs – after set up	12.00	12.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Triptych (inclusive of 20% VAT)			
Single entry card (2 lines)	28.00	45.00	
Double entry (3 or 4 lines)	36.00	55.00	
Additional lines	5.00	5.00	
Crest or floral emblem	40.00	50.00	
Personal Photographs – set up	23.00	25.00	
Additional Photographs – after set up	12.00	12.00	
Other Memorial Schemes			
Replacement kerb vase plaque	228.00	235.00	
Replacement flower holder	5.00	5.00	
Wall plaques from £190	228.00	235.00	
Planter plaques from £285	340.00	350.00	
Lease of space for memorial plaques (per annum)	23.00	24.00	
Total financial effect for Crematorium			30,000
ALLOTMENTS			
Rent per year	50.05	52.00	
Rent per year for Leisuresavers	25.05	26.00	
			Minimal
SOUTH PARK RESOURCE CENTRE			
Educational Events (£/child for a full day)	4.00	4.00	
Educational Events (£/child for half day)	2.50	2.50	
			NIL
HIGHWAYS			
Private apparatus in the Highway (new installations)	300.00	300.00	
Private Road Openings (repair existing)	77.50	77.50	
Vehicle Crossings (plus actual construction costs)	77.50	77.50	
Vehicle Crossings if planning permission required on a classified road (plus actual construction costs)	150.00	150.00	
Temporary Road Closure Notices	100.00	100.00	
Temporary Road Closure Orders (plus advertising)	200.00	200.00	
Emergency Road Closures	100.00	100.00	
Street Naming Royal Mail Income (per address, Nationally agreed price LGIH)	1.00	1.00	
Street Naming & Numbering of Properties:			
• Developments with new roads			
- Per road name +	150.00	150.00	
- Per plot	10.00	10.00	
Description	Existing	New	Financial

	Charge £	Charge £	Effect £
Street Naming & Numbering of Properties:			
• Developments with existing roads			
- Per plot or renaming of a property	30.00	30.00	
Rechargeable Works	Actual cost + 10%	Actual cost + 10%	
Temporary Traffic Light Applications	Actual staff costs	Actual staff costs	
Section 116 Stopping Up of the Highway	Actual Costs	Actual Costs	
NRSWA Defect Charges	Nationally set scale of charges	Nationally set scale of charges	
NRSWA Road Opening Inspection Charges (sample)	Nationally set scale of charges	Nationally set scale of charges	
Section 74 – charges for overstays	Nationally set scale of charges	Nationally set scale of charges	
	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 38 Road Adoption agreement	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 278 Highway works agreement	No charge	No charge	
Access protection markings	£75.00 + VAT	£75.00 + VAT	
Tourist Sign (plus actual cost of sign)	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests			
Traffic Count Data	75.00	75.00	
	Individually priced based on charge out rate	Individually priced based on charge out rate	
Street Lighting Design Service			
Oversailing Licence	No charge	No charge	
Banner Licence	No charge	No charge	

Description	Existing Charge £	New Charge £	Financial Effect £
Placing Goods on the Highway	155.00	155.00	
Deposits upon the Highway	No charge	No charge	
Temporary Development Signs – Admin Fee	200.00	200.00	
Temporary Development Signs – DBC undertake work on behalf of developer	Actual costs	Actual costs	
Switch off / on traffic signal / pelican crossings – per visit	150.00	150.00	
Unauthorised marks or affixing of signs to street furniture	No charge	No charge	
			NIL

COST OF REVENUE COLLECTION			
Council Tax – All Charges do not incur VAT			
Description	Existing Charge £	New Charge £	Financial Effect £
Issue of Summons for Liability Order	33.00	33.00	
Issue of Liability Order	44.00	44.00	
Issue of Summons for Committal Hearing	90.00	90.00	
Issue of Statutory Demand	157.50	157.50	
			NIL
Business Rates (NDR) – All Charges do not incur VAT			
Issue of Summons for Liability Order	37.00	37.00	
Issue of Liability Order	50.00	50.00	
Issue of Summons for Committal Hearing	90.00	90.00	
Issue of Statutory Demand	157.50	157.50	
			NIL

RISK RESERVE

	Risk	Consequence	Scale	Financial Loss £m	Likelihood %	Annual Risk £M	Period (Years)	Reserve Required £M
ECONOMIC	Economic Downturn	Reduced Revenue Income – Leisure, Parking, Planning, Property	£0.075M per 1% -assess risk of further 5%	0.4	15	0.060	2	0.120
		Failure of significant service provider contractors	£20M pa corporately – assess risk of 10% cost increase	2.0	15	0.300	2	0.600
	Adverse Changes in Interest Rates	Higher financing costs	Net Debt £120M – 1% = £1.2M	1.2	10	0.120	1	0.120
	Break Insurance Long Term Agreement	Increase in Revenue Costs		0.250	10	0.025	2	0.050
	Energy Costs Significant Increases	Higher Annual Revenue Costs		0.4	20	0.080	2	0.160
	General Price Inflation	Higher Annual Revenue Costs	£30M – assess risk of 3%	0.9	25	0.225	2	0.450
EMPL OYME NT	Single Status Potential Claims	One-off costs	£10M	10	20	2.000	1	2.000
	Pandemic or Similar Event	Increased employee absence requiring cover at extra cost	£0.5M per 1% of employee costs	0.5	20	0.100	1	0.100
SERVICES	New Children’s Care Packages	Higher Costs NB see “Key Assumptions” – Appendix 4	Average £0.1M per Case – 5 cases Average £0.02M per case – 10 cases	0.5	20	0.100	2	0.200
				0.2	20	0.040	2	0.080
	Social Care Increasing Demand	Higher annual Revenue Costs		0.5	20	0.100	2	0.200
	Capital Overspends	Fund from Revenue (no Capital Resources available)	One-off £5M funded over 10 years	0.6	10	0.060	2	0.120
GENERAL	Planned Savings Not Achieved	Higher annual Revenue Costs	£12M – assess risk of 25% shortfall	3.0	25	0.750	2	1.500
	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine	10.0	1	0.100	1	0.100
TOTAL GENERAL FUND RESERVE REQUIREMENT								5.800

REVENUE BUDGET MANAGEMENT 2013/14

<u>Projected General Fund Reserve at 31st March 2014</u>	
	2013-17 MTFP (Feb 2013)
Medium Term Financial Plan (MTFP) :-	£000
MTFP Planned Opening Balance 01/04/2013	15,382
Approved net contribution from balances	(4,414)
Planned Closing Balance 31/03/2014	10,968
 Increase in opening balance from 2012-13 results	 1,648
 Projected corporate underspends / (overspends) :-	
Council Wide (Pressures)/Savings	998
Financing Costs	105
People based savings	1,239
Place based savings	334
Resources based savings	95
Youth Offending Service Grant	250
Cabinet Approval - Arts Centre maintenance	(75)
Contingency - Employers pension costs	(320)
Additional non ring-fenced grant	203
 Projected General Fund Reserve (excluding Departmental) at 31st March 2014	 15,445
 Planned Balance at 31st March 2014	 10,968
Improvement	4,477

<u>Departmental projected year-end balances</u>	
	Improvement / (decline) compared with 2013-17 MTFP
	£000
People	1,468
Place	202
Resources	773
Less c/fwds to 14/15 *	(415)
 TOTAL	 2,028

<u>Summary Comparison with :-</u>	
	2013-17 MTFP
	£000
Corporate Resources - increase in opening balance from 12/13 results	1,648
Corporate Resources - in year Improvement / (Decline)	2,829
Departmental - Improvement / (Decline)	2,028
 Improvement / (Decline) compared with MTFP	 6,505
 Projected General Fund Reserve at 31st March 2014 *	 17,473

* GF balances assumes these c/fwds are approved

15 January 2014

Mr Andrew Lock
Department for Communities and Local Government
Zone 5/D2
Eland House
Bressenden Place
London
SW1E 5DU

Dear Andrew

Response to DCLG's Consultation on the Provisional Local Government Finance Settlement 2014/15

As you may be aware from our conversation with Brandon Lewis MP on 14 January, ANEC member authorities are keen to draw to Government's attention key issues for North East councils arising from the Provisional Local Government Finance Settlement for 2014/15.

As discussed, there are a number of areas included in DCLG's consultation document that we welcome including the overall reduction of the top-slice for the New Homes Bonus by £100 million and the decision not to top-slice and allocate the New Homes Bonus Grant in 2015/16 to Local Enterprise Partnerships. The return of the £28 million of hold-back for the Capitalisation Directive is also positively received, as is the announcement that the cost of Business Rates changes will be funded by extra money.

There are, however, a number of aspects of the Government's proposals that remain key issues for ANEC which form the basis of our response underpinned by illustrative examples and exemplifications highlighted in the attached document (Annex A):

- The principle of fairness and the inequitable re-distributional impacts of the funding proposals.
- The move from a needs based approach to an incentive based funding system.
- Higher than average reductions in spending power in the North East and the impacts of these for the wider economy and the ability for this area of the country to create the conditions for businesses to thrive.
- Withdrawal of Council Tax Resource Equalisation, which previously the Government agreed to build into the funding proposals, without which the unfairness in the current system will be compounded year on year.
- The amount of money being held-back or top-sliced from councils' core grant through Government holdbacks to fund, for example, the New Homes Bonus scheme.

Chair: Councillor Paul Watson
Vice Chairs: Councillor Simon Henig, Councillor Bill Dixon

- The implications of a further 7.2% cut in spending power over the next two years and the implications of this for local services at a time of increasing cost pressures and concerns about the longer term financial sustainability of councils – compounding reductions over the last 3 years.

ANEC's responses to specific questions raised in the DCLG consultation paper are appended to our submission in Annex B.

Fairness

ANEC member authorities have consistently raised with Government the issue of ensuring fairness and equity in funding decisions. This continues to be a key issue for us. Generally speaking, among other things, the response from Government has been that North East councils receive more money than councils elsewhere and have to take their fair share of the cuts. We accept that the Government has set a course of action to deal with the deficit and that we have to take our fair share of the pain. We feel that we have taken more than our share for a range of reasons and want to work with Government and partners on managing and mitigating what is a complex and demanding environment where money is increasingly short, needs and demands are increasing and the requirement for local government to place emphasis on building the conditions for growth is greater than ever.

In terms of cost pressures, for illustrative purposes and by way of context, we highlight the growing numbers of Looked After Children on page 7 of Annex A. We face a similar scenario in the North East in relation to adult social care cost pressures. People receiving care services are living longer but have more complex needs, which exacerbate these pressures. For example:

- In the North East, the history of deprivation, unemployment and long-term conditions has led to higher numbers of people accessing social care than in other regions. In terms of services provided per 100,000 of the population the North East is well above the national average – it is 29% above the national average for home care, 41% above for day care and 100% above for short-term residential care (RAP data for 2012/13).
- 17.1% of the North East's population is 65+ years compared with 16.1% for England.
- The population aged 65-79 is predicted to increase by 35% (from 321,000 to 432,000) by 2029.
- The population aged 80+ is predicted to rise over the same period by 82%, from 107,100 to 194,000.

Given these higher, more complex levels of need, we are concerned that as the proposals currently stand, in 2014/15 there will be a -11.2% cash cut to councils and by 2015/16 a -25.1% cut in general funding for services, including areas such as children's and adult social care where authorities have statutory responsibilities. It is difficult to see how these levels of cash cuts can be made without having a detrimental impact on services that are aimed at helping some of the most vulnerable people in communities. Evidence over the last 3 years of budget reductions has highlighted the difficulties facing North East councils in continuing to meet their statutory responsibilities in vital public services, whilst at the same time managing higher needs and increasing cost pressures.

We are concerned that the principles of equalisation and fairness to provide the same level of service to all areas of the country have been eroded and that successive funding settlements will result in a worsening situation in future years taking into account what we consider to be flaws inherent in the current funding system and an erosion of a needs based approach. The disproportionate cuts are creating significant re-distribution of funding across the country which we would ask the Government to undertake an independent review of in order to avoid a series of what can only be unintended consequences that will constrain our ability to maximise the potential of this area of the country, for the benefit of the regional and national economy.

Spending Power

In order to achieve growth, councils need to be in a position to continue the good work on creating the conditions for businesses to thrive. Without sufficient resources, this becomes much more difficult. We are deeply concerned, therefore, that 11 out of 12 councils in the North East will have higher than the English average reductions in spending power for 2014/15. The cumulative impact of such spending power reductions is a loss of over £109 million which equates to a reduction per dwelling of £91.93 for the North East. The English average reduction in spending power is 3.1%, equating to £71.58 per dwelling.

Contrasted with the North East, the provisional settlement represents a gain for more affluent authorities elsewhere in the country. As illustrative examples, Middlesbrough has a reduction of 5.3% equating to a reduction of £141.54 per dwelling in 2014/15. Epsom and Ewell has a 3% increase in its spending power which equates to an increase of £9.39 per dwelling. South Tyneside and Sunderland both see a reduction of 4.7% and Newcastle will have a reduction of 4.6% in 14/15. Uttlesford in Essex will see a 4.9% increase in its spending power, equating to a £15.07 increase per dwelling. Looking to 2015/16, Darlington's spending power falls below Wokingham's with a widening gap in future years (see graph on page 13 of Annex A). This is astonishing given the different socio-economic circumstances of these places.

The above average cuts in funding and spending power in 2014/15 and 2015/16 in cash and percentage terms – which are in addition to the reductions of the last 2 years – are also a major concern. The percentage spending power change over the next two years is illustrated in the heat-map (page 5, Annex A) which demonstrates the disproportionate changes across different areas of the country. People in the North East will see the spending power on services cut by 5% more than the England average. The cut in pound per dwelling will be almost 4.5 times the cut in the South East and the percentage cut is almost 4 times than that in the South East of England. In monetary terms, the cuts in the North East range from -£245 per dwelling to -£68- per dwelling, which amounts to a North East average of -£467 against an England average of -£300 and a South East average of -£105.

The critical point we wish to highlight is that these spending power differentials are clear and do not reflect the very different spending needs of councils in areas of the country with higher more complex levels of need and deprivation. The Government moving to a funding system which is essentially based the wealth of an area poses some significant challenges for us. Moving away from a needs-based to an incentive-based funding system raises some serious concerns for North East councils in the short, medium and long term and throws into sharp focus the importance of having in place monitoring and evaluation procedures. At the outset of the new funding system, the Government recommended that there should be a reset of support based on need. ANEC member authorities are keen to understand what will happen in the 2020 reset as this is fundamental to planning local government finance in terms of meeting local need and understanding how the impact of a 2020 reset will have on local councils' ability to utilise business rate growth to stimulate economic growth.

Councils have also made the observation that the spending power cut publicised in the provisional local government finance settlement is understated as it includes health monies which masks some of the losses and accounts for the green areas highlighted in the spending power heat-map. If health monies were excluded from the Government's spending power figures, the level of re-distribution across the country would be exacerbated. On this basis, we would recommend that health monies be outside spending power as they are not for councils to spend as other un-ring-fenced funding is.

We would also like to highlight the floors within spending power comparisons in terms of the other income streams not included which underpin service provision and vary significantly between areas. The level of self-funding for adult care, which is lower in the North East than the South East, illustrates this point. Our concern is that if these other income streams were included, it would demonstrate a greater detrimental impact on the spending power of the North East compared with other areas.

We are keen to explore with DCLG how we can work together on options and actions that would help rebalance the negative impacts of a system as it is now playing out. We are not alone in our concerns. Businesses, too, are highlighting the challenges in the provisional Local Government Finance Settlement, focusing on four key areas:

- The reduction of spending power in the economy as a whole through the impact on jobs and wages.
- The effect on local authorities as customers of North East businesses, both reducing their level of custom and pushing them in some cases towards more short-term approaches to procurement.
- The flexibility to tailor policies to the needs of the region, with local government facing greater reductions than many parts of central Government.
- The impact of services most directly affecting businesses, such as planning which has been targeted for a disproportionate share of cuts.

(Source: North East Chamber of Commerce position statement, 20 December 2013).

We have some proposals which we hope you will be able to consider and act upon that will help address some of the issues highlighted above. These are set out below.

Resource Equalisation

We would ask the Government to consider separately identifying, restoring and protecting Council Tax Resource Equalisation to its 2010/11 and 2013/14 level. As Ministers will recall, a Council Tax Resource Equalisation adjustment has been included as a core principle in Formula Grant since Council Tax was introduced in 1993 with councils with very high taxbases receiving a large negative grant adjustment and councils with low tax-bases (as is the case in the North East), received proportionately lower negative grant adjustments. By 2010/11 the level of the Resource Amount adjustment was -£6.55 bn. The grant approach adopted by this Government in 2011/12 and 2012/13 cut this adjustment significantly, which is one of the causes of disproportionate cuts in less affluent areas of the country in these years.

This was raised by ANEC and other local authority groupings as an issue in 2012 and the Secretary of State agreed to correct the position and restored the Council Tax Resource (equalisation) Amount to its 2010/11 cash level in the base funding level for 2013/14. The adjustment has now been embedded into upper and lower tier elements within the Settlement Funding Level and is no longer separately visible. We are concerned that it will now once again be cut and eroded each year. As these blocks receive no protection they are being cut by a higher average amount of around 11% in 2014/15 and by up to 25% over the next two years.

This represents a significant erosion of a core funding principle of resource equalisation which will be cut further each year under the new funding system. Since this issue is perhaps the single biggest cause of the disproportionate cuts in funding and spending power between poorer and wealthier areas of the country, we would ask the Government to restore and protect Council Tax Resource Equalisation. We would suggest that it would be relatively simple to separate this adjustment out of the amounts allocated for the tiers and to give it cash protection similar to that given to Council Tax Freeze Grant.

ANEC would be pleased to work with officials to undertake modelling to assess the potential impact of this change in resource equalisation in more detail to help inform the consultation.

Hold-backs and Top-slices

As Ministers will be aware, the issue of hold-backs and top-slices on local government funding was the subject of a Parliamentary Debate on 3 December, which elicited a range of views on this important issue. ANEC member authorities are firstly asking DCLG to reduce the level of hold-backs and top-slices because they are holding back funding previously approved by Parliament to fund core statutory services. Secondly, we are asking for hold-backs and top-slices where they are

made, to be distributed between councils in a more equitable way than is currently proposed. The detail is set out below.

New Homes Bonus

We very much welcome the fact that Government has listened to and responded to local government's request to reduce the New Homes Bonus top-slice by £100 million from £800 million to £700 million in 2014/15.

The area of focus, which we would ask the Government to address, however, is the distributional impact of the way that the New Homes Bonus is being top-sliced from funding previously approved by Parliament to fund statutory services.

We would ask Ministers as part of the current consultation to consider enabling councils to receive some of the cash grant returned early in 2014/15 if all of the money held-back is not paid out as New Homes Bonus. In estimated spending power for 2014/15, DCLG has, we understand, assumed NHB grant payments of £916 million and a refund of £38 million, giving a potential net top-slice of £668 million in 2014/15.

As Ministers will already be aware, ANEC has previously recommended alternative options for funding the top-slice, including the allocation of the grant top-slice between councils on the basis of their stock of dwellings as opposed to making a simple percentage cut in grant. We continue to hold the view that a more equitable allocation of the grant top-slice would reduce the re-distributional impact of the scheme and would mitigate the excessive adverse impacts on the most deprived areas of the country. A review into the New Homes Bonus is something we are continuing to ask you to consider.

Business Rate Safety Net

The proposal to continue with the top-slice for the Business Rate Safety Net of £120 million for 2014/15 and 2015/16 is something we would ask Ministers to re-consider – a move that would help all councils across the country. In the context of our earlier comments regarding our desire to work closely with business to secure economic growth and employment, we have concerns that the Business Rate Safety Net holdback to councils in 14/15 – equating to £120 million – would be damaging to local services. Based on our assessments, it could potentially result in the loss of over 4,000 jobs directly and with taking £120 million of further resources out of local economics, many more indirect job losses.

Our analysis, which we would be happy to share with the Government, also demonstrates that the grant holdback is implemented by a percentage reduction in grant, which has a much greater adverse impact on grant dependent authorities, including the most deprived areas in the country and those with the highest percentage of non-white populations. A national impact assessment is, we believe, critical.

Financial Sustainability of Councils

The National Audit Office (NAO) has recently acknowledged that 'local authorities now bear the financial risk of providing support, potentially contributing further to the overall pressures on their financial sustainability. The impact of this will vary widely depending on local authorities' financial situation and local factors, and the impact of other funding and welfare changes'. It has stated that 'the Department must satisfy itself that local authorities can manage the cumulative impact of funding changes, so that it can make informed decisions about future funding' (NAO Council Tax Support Report 13 December). The removal of the Local Welfare Provision Grant from 2015 is just one important example of funding and welfare changes that will exacerbate the pressure on local authorities in providing support to people and communities that are most in need.

Commenting on DCLG's funding announcement, CIPFA's Chief Executive has commented that 'it demonstrates yet again how desperately we need to take the see-saw of party politics out of the allocation of funding and instead base it upon objectivity, transparency and predictability. When

Government Ministers compare such different councils as affluent Windsor and metropolitan Newcastle in an attempt to justify the 'fairness' of the settlement it only serves to highlight how out of touch this process has become'.

ANEC would be pleased to provide DCLG, NAO and others with information and further detail with a view to helping Government achieve its stated aim of a funding settlement that is fair to North and South, urban and rural and to 'limit as far as possible the impact of reductions in spending on the most vulnerable in society and on those regions heavily dependent on the public sector'. The evidence, illustrations and examples we have gathered and relevant analysis undertaken to date is included within the attached Annex and we would be happy to discuss this further.

We hope that Government will find this body of work of value in considering options for future funding arrangements, which we would suggest, could form part of an Independent Review and comprehensive Equalities Assessment that addresses re-distributional impacts that currently produce anomalies across geographic areas that may not be intended and which will create significant challenges in future funding settlements and therefore for the long term sustainability of many councils across the country.

We welcome the current consultation, our engagement with Ministers and Civil Servants to date, and look forward to contributing to the dialogue as we move forward.

Yours sincerely

A handwritten signature in black ink that reads "Paul Watson". The signature is written in a cursive style with a large initial 'P' and a long horizontal stroke at the end.

Cllr Paul Watson
Chair

Enc



Annex A

Response to DCLG's Consultation on the Provisional Local Government Finance Settlement 2014/15: Key Issues for North East Councils



Some Good News

- Topslice for New Homes Bonus reduced by £100m to £700m.
- New Homes Bonus Grant in 2015/16 no longer to be topsliced and allocated to LEPs.
- £28m of holdback for Capitalisation Directive to be returned.
- Cost of Business Rate changes to be funded by extra money.



Key Issues

- The principle of fairness and the inequitable re-distributional impacts of the funding proposals.
- Government's move from a needs based approach to an incentive based funding system.
- Higher than average reductions in spending power in the North East and the impacts of these for the wider economy and the ability for this area of the country to create the conditions for businesses to thrive.
- Cut in Council Tax Resource Equalisation, which previously the Government agreed to build into the funding proposals, without which, the unfairness in the current system will be compounded year on year.

Key Issues

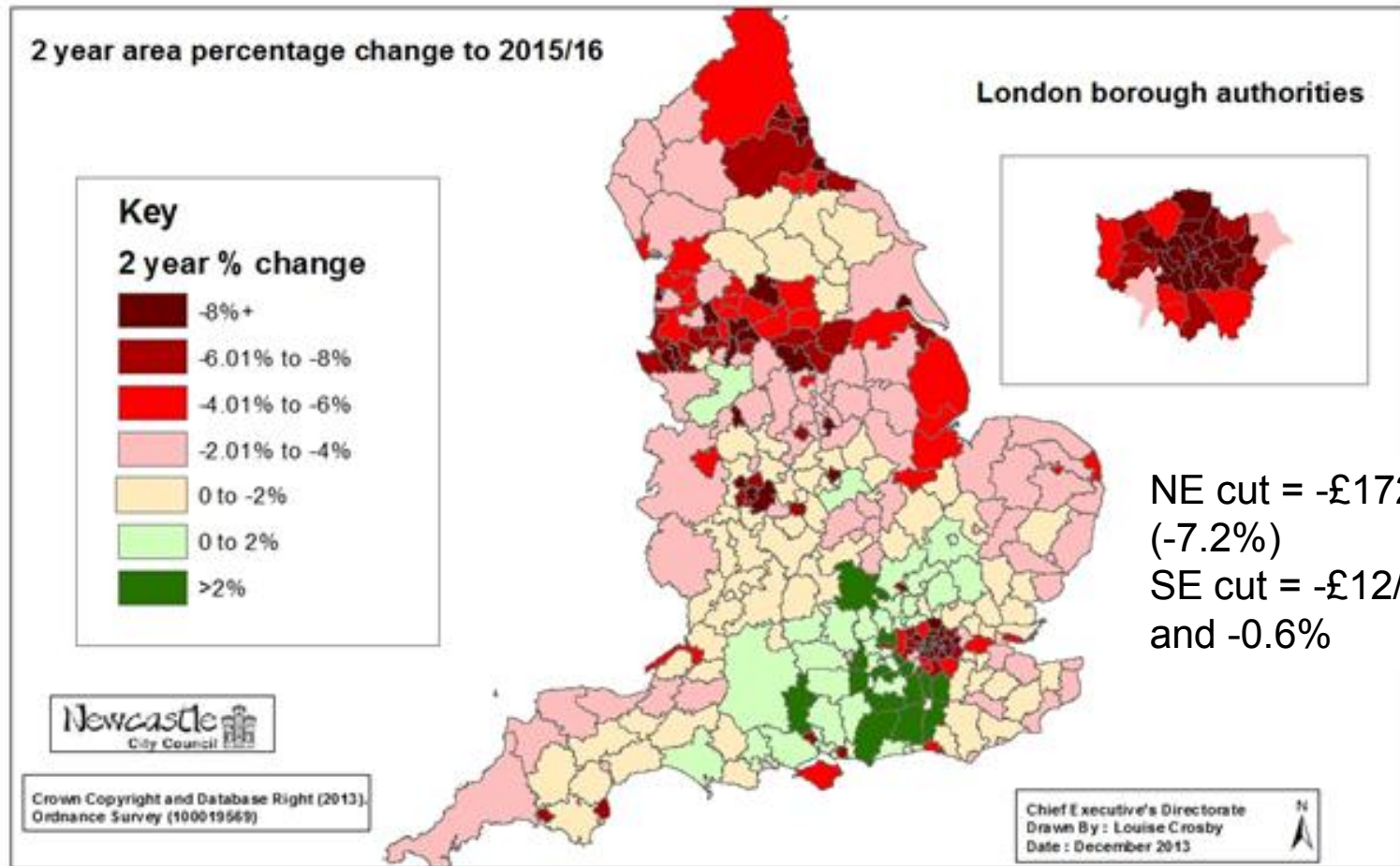
- The amount of money being held-back or top-sliced from councils' core grant through Government holdbacks to fund, for example, the Business Rate Safety Net and the New Homes Bonus scheme.
- The implications of a further 7.2% cut in spending power over the next two years and the implications of this for local services at a time of increasing cost pressures and concerns about the longer term financial sustainability of councils – compounding reductions over the last 3 years.
- Disproportionate cuts accelerate the challenge of funding statutory services and financial crisis facing councils. The North East with much higher cuts and lower reserves is particularly vulnerable.
- Constraint / Uncertainty of raising income from Council Tax.



Fairness

- ANEC member authorities have consistently raised with Government the issue of fairness and equity in funding decisions. This continues to be an key issue for us.
- We accept that the Government has set a course of action to deal with the deficit and that we have to take our fair share of the pain.
- But we feel that we have taken a disproportionate share of the cuts.

% Spending Power Change over the next two years



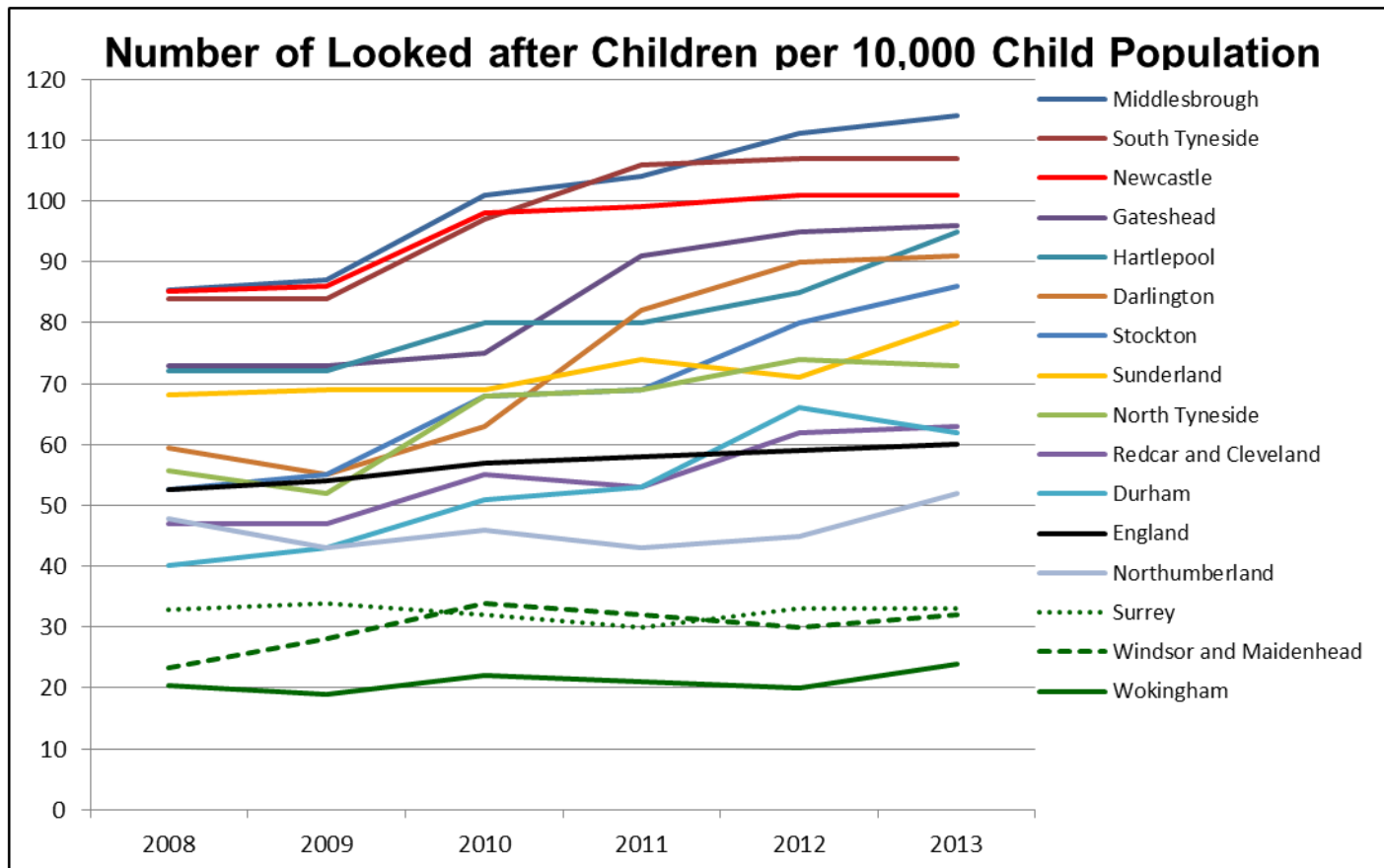
Demonstrates the disproportionate change in spending power over the next two years, with increases in South and cuts in London and the North.

Spending Power Cut /dwelling 2010/11 to 2015/16

The following chart shows the regional cuts in Spending Power per dwelling from 2010/11 to 2015/16. The biggest cuts are in London, North East and the North West. With the lowest cuts in the South East, South West and East



Higher Needs and Increasing Cost Pressures - Looked After Children per 10,000 pop



Example of Spending Pressure Differences

There are considerable spending pressures in different councils around, which have been accepted and recognised in funding allocations by successive Governments for decades.

	Darlington	Newcastle	Wokingham
Looked after Children per 10,000	91	101	24
Children Social Care Budget £/Dwelling	376	445	164
Adult Social Care Budget £/Dwelling	647	772	718
Statutory Concessionary Travel Costs £/Dwelling	65	85	14
Approved Capital Financing Debt¹ Charges £/Dwelling	95	140	97
Homelessness/ Supported Housing Costs £/Dwelling	84	145	48

One pressure which has been recognised is the very different cost of providing for Children's Social Care, where grant funding will have been cut by almost a half by 2015/16. Numbers and cost pressures in Darlington and Newcastle are much higher than in Wokingham.

Statutory Concessionary Travel and Housing Support Costs also vary significantly. As a City Newcastle has higher supported borrowing costs from past capital infrastructure projects. 8

Higher and More Complex Needs Adult Social Care

People receiving care services are living longer but have more complex needs, which exacerbate these pressures. For example:

- In the North East, the history of deprivation, unemployment and long-term conditions has led to higher numbers of people accessing social care than in other regions. In terms of services provided per 100,000 of the population the North East is well above the national average – it is 29% above the national average for home care, 41% above for day care and 100% above for short-term residential care (RAP data for 2012/13).
- 17.1% of the North East's population is 65+ years compared with 16.1% for England.
- The population aged 65-79 is predicted to increase by 35% (from 321,000 to 432,000) by 2029.
- The population aged 80+ is predicted to rise over the same period by 82%, from 107,100 to 194,000.



Given these higher, more complex levels of need, we are concerned that as the proposals currently stand:

- In 2014/15 there will be a -11.2% cash cut to councils and by 2015/16 a -25.1% cut in general funding for services, including areas such as children's and adult social care where authorities have statutory responsibilities.
- It is difficult to see how these levels of cash cuts can be made without having a detrimental impact on services that are aimed at helping some of the most vulnerable people in communities.
- We are concerned that the principles of equalisation and fairness to provide the same level of service to all areas of the country have been eroded and that successive funding settlements will result in a worsening situation in future years taking into account what we consider to be flaws inherent in the current funding system.
- The disproportionate cuts are creating significant re-distribution of funding across the country.



Spending Power

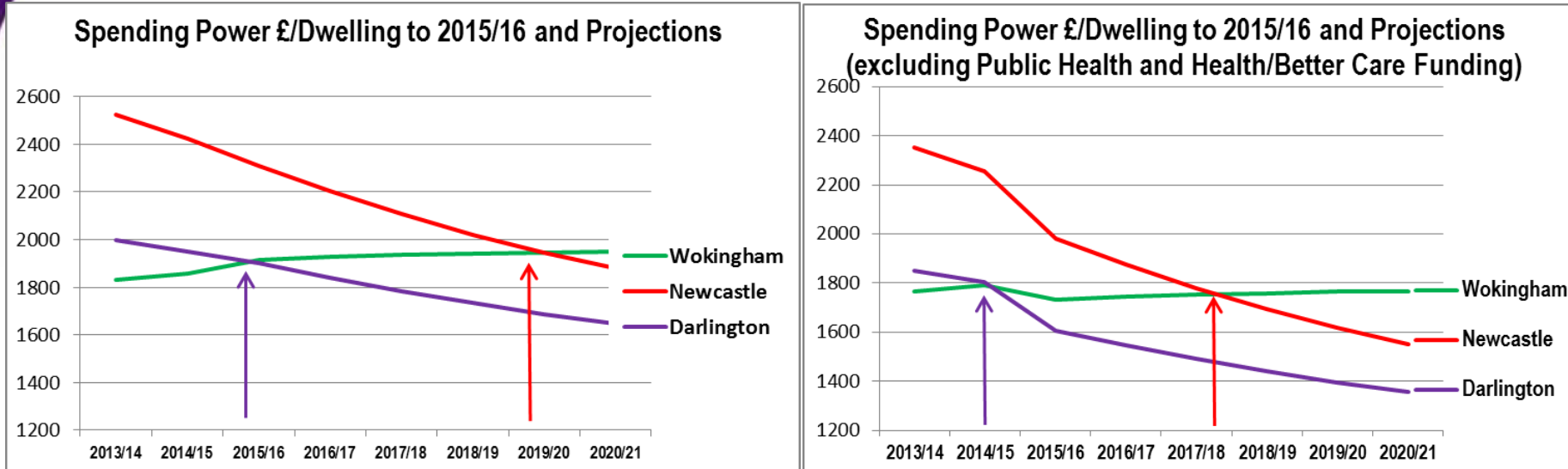
- In order to achieve growth, councils need to be in a position to continue the good work on creating the conditions for businesses to thrive. Without sufficient resources, this becomes much more difficult.
- We are deeply concerned therefore that 11 out of 12 councils in the North East will have higher than the English average reductions in spending power for 2014/15.
- The cumulative impact of such spending power reductions is a loss of over £109 million which equates to a reduction per dwelling of £91.93 for the North East.
- The English average reduction in spending power is 3.1%, equating to £71.58 per dwelling.

Change in Spending Power 2010/11 to 2015/16

People in the North East will see the spending power on services cut by 5% more than the England average. The cut in £/dwelling will be almost 4.5 times the cut in the South East and the % cut is almost 4 times that in the South East

CHANGE IN SPENDING POWER 2010/11 TO 2015/16			
	£m	%	£Dwelling
Darlington UA	-11.9	-12.3%	-£245
Durham UA	-91.2	-17.3%	-£385
Gateshead	-47.7	-20.1%	-£516
Hartlepool UA	-28.9	-24.5%	-£680
Middlesbrough UA	-41.2	-24.0%	-£676
Newcastle-upon-Tyne	-75.6	-22.1%	-£606
North Tyneside	-32.2	-15.5%	-£339
Northumberland UA	-45.8	-13.8%	-£310
Redcar & Cleveland UA	-31.8	-20.5%	-£509
South Tyneside	-46.5	-24.2%	-£664
Stockton-on-Tees UA	-31.0	-17.2%	-£369
Sunderland	-72.1	-22.4%	-£576
NORTH EAST	-556.0	-19.3%	-£467
ENGLAND	-7,002.9	-14%	-£300
Wokingham	1.3	1%	£20
Windsor and Maidenhead	-1.1	-1%	-£18
SOUTH EAST	-393.2	-5%	-£105

Spending Power Changes to 2015/16 and Future Projections



The chart on the left shows spending power changes to 2015/16 with projections to 2020/21, assuming a continuing 10% cut in funding, and the current funding system and approach.

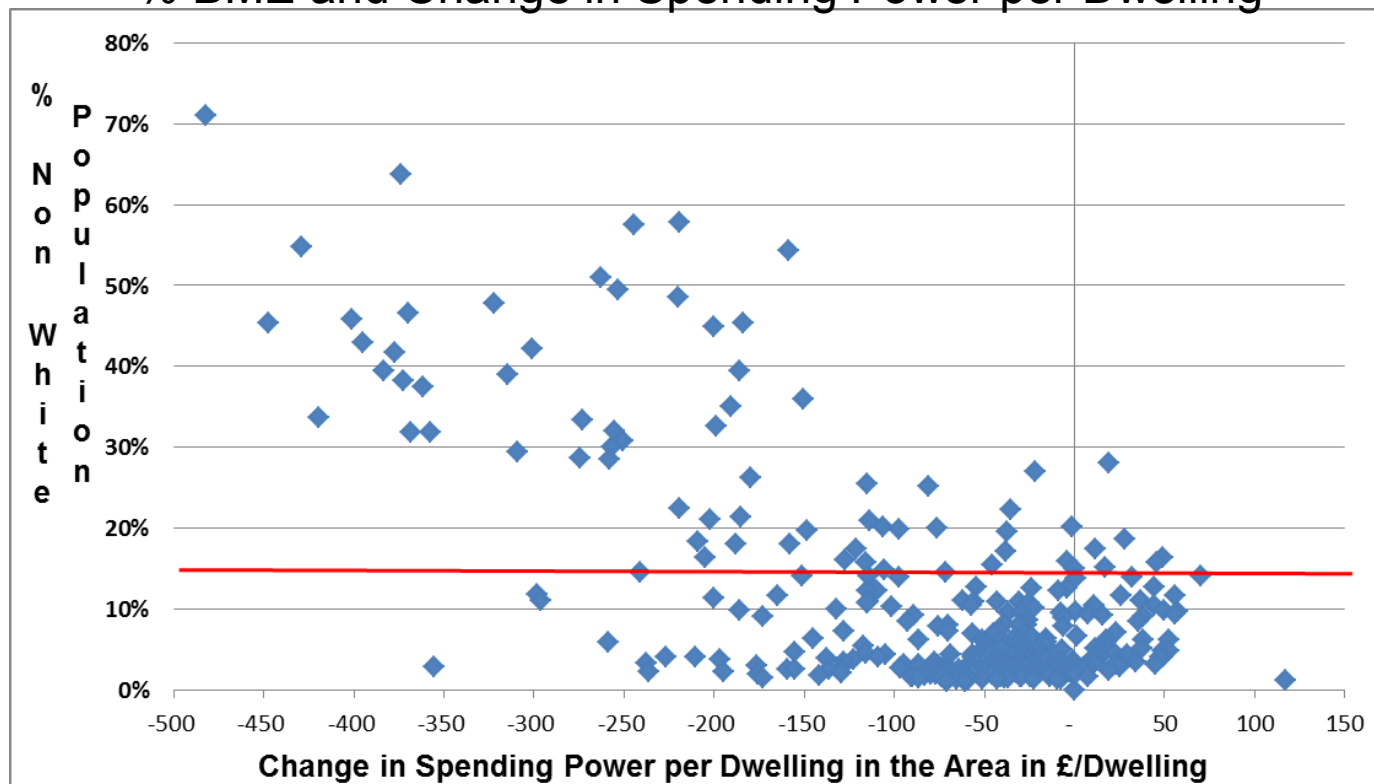
The chart on the right shows spending power changes but excludes the ring-fenced Public Health Grant and the assumed increase in funding from Health/Better Care Funding from 2015/16.

Spending power for Darlington will be similar to Wokingham's in 2014/15 (excluding health funding) and will fall every year, despite higher service pressures. Spending power for Newcastle will broadly match Wokingham's in 2017/18 and fall from 2018/19, despite higher service pressures.

The cut in spending power for poorer areas is accelerated due to the operation of the new funding system, with increases in spending power for the wealthiest areas like Wokingham.

Changes in Spending Power are disproportionate and discriminate against people in areas of the greatest poverty and deprivation, including areas with large BME populations

% BME and Change in Spending Power per Dwelling



Government does not recognise this in its equalities impact assessment, which we ask you to address.

Business in the North East is also highlighting the challenges in the Provisional Local Government Finance Settlement, focusing on four key areas:

- The reduction of spending power in the economy as a whole through the impact on jobs and wages.
- The effect on local authorities as customers of North East businesses, both reducing their level of custom and pushing them in some cases towards more short-term approaches to procurement.
- The flexibility to tailor policies to the needs of the region, with local government facing greater reductions than many parts of central Government.
- The impact of services most directly affecting businesses, such as planning which has been targeted for a disproportionate share of cuts.

Council Tax Resource Equalisation

- A council tax resource equalisation adjustment has been included in Formula Grant since Council Tax was introduced.
- Resource Amount was a negative adjustment in the formula grant calculation. This has previously caused distribution problems in terms of resulting in disproportionate cuts.
- It was cut in 2011/12 and 2012/13, but restored in total cash terms to - £6,323m (excluding police authorities) in the 2013/14 Revenue Support Grant base after lobbying.
- However, its inclusion in the general funding block which is being cut by 25% in the next two years (-£1.58bn), is the single main cause of higher cuts falling on areas with low taxbases including areas with high student exemptions.
- Indicative modelling has illustrated the impact, DCLG have been asked to exemplify the impact of this for each council.

Council Tax Resource Equalisation

The indicative additional cut that this causes in 2014/15 and 2015/16 appears to be very significant, as demonstrated in the table below. DCLG figures would help confirm the level of the impact of this change. The extra cut would grow each year.

Local Authority	Indicative Change	
	2014/15	2015/16
	£m	£m
Darlington	-0.3	-0.8
Durham	-3.9	-9.5
Gateshead	-2.1	-4.9
Hartlepool	-1.1	-2.5
Middlesbrough	-1.8	-4.3
Newcastle upon Tyne	-3.6	-8.4
North Tyneside	-1.0	-2.5
Northumberland	-0.1	-0.4
Redcar and Cleveland	-0.8	-1.9
South Tyneside	-1.6	-3.9
Stockton-on-Tees	-0.8	-1.8
Sunderland	-2.7	-6.6



Council Tax Resource Equalisation

- Council Tax Resource Equalisation could be separately identified and protected on a separate line in a similar way to Council Tax Freeze Grant. A simple illustration is given below – DCLG would need to allocate the amount accurately between tiers.
- The effect is to reduce the % cut in the needs assessment from -25.1% to -19.4% over the two years.

SETTLEMENT FUNDING ASSESSMENT							
	Adjusted 2013-14	Provisional 2014-15	Illustrative 2015-16	Change in 2014/15		Two Year Change	
	£m	£m	£m	£m	%	£m	%
Upper-Tier Funding	20,634.4	18,974.5	16,651.6	-1,659.8	-8.0%	-3,982.8	-19.3%
Lower-tier Funding	5,488.7	4,840.0	4,239.0	-648.7	-11.8%	-1,249.7	-22.8%
Isles of Scilly	2.7	2.6	2.7	0.0	-0.3%	0.0	1.3%
Fire & Rescue Funding	1,606.4	1,523.3	1,457.5	-83.1	-5.2%	-148.9	-9.3%
	27,732.1	25,340.5	22,350.8	-2,391.6	-8.6%	-5,381.3	-19.4%
COUNCIL TAX RESOURCE AMOUNT	-6,322.6	-6,322.6	-6,322.6	0.0	0.0%	0.0	0.0%
Separately Identified Items	4,846.9	4,764.6	4,622.6	-82.3	-1.7%	-224.3	-4.6%
Settlement Funding Assessment	26,256.4	23,782.5	20,650.8	-2,473.9	-9.4%	-5,605.6	-21.3%

- This should reduce the disproportionate cuts in funding.

Holdbacks and Topslices

Business Rate Safety Net Holdback

- £120m holdback from previously approved core funding to mainly deal with the fallout of appeals from the old system due to a loop hole utilised by a few councils.
- DCLG has already received Business Rates for the period of backdated appeals the holdback should be returned to councils, all councils would benefit from this decision.

Area Cost (Inc Fire Authority)	Share of £120m Holdback	
	£m	£/Dwelling
Darlington UA	-0.243	-4.98
Durham UA	-1.341	-5.66
Gateshead	-0.617	-6.67
Hartlepool UA	-0.303	-7.13
Middlesbrough UA	-0.486	-7.97
Newcastle upon Tyne	-0.948	-7.59
North Tyneside	-0.515	-5.43
Northumberland UA	-0.694	-4.70
Redcar and Cleveland UA	-0.386	-6.19
South Tyneside	-0.519	-7.41
Stockton on Tees UA	-0.431	-5.14
Sunderland	-0.903	-7.21
Surrey	-1.373	-2.87
Hampshire	-1.599	-2.81
Wokingham	-0.155	-2.44
Windsor & Maidenhead	-0.141	-2.27
England	-120.000	-5.15

- People in the North East will have £7.4m (£6.20 per dwelling) unnecessarily held back as their share of the £120m holdback due to the way holdbacks are taken from the Core Statutory Funding.
- A household in Middlesbrough will have to pay £7.97 compared with a household in Windsor & Maidenhead who will only have to pay £2.27.



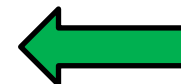
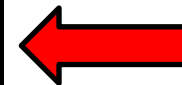
New Homes Bonus Review

- Limit scale of the New Homes Bonus to the £1 billion considered in the original consultation paper, given the impact on social care and other key services its impact needs to be scaled back.
- Reduce the level paid for 2014/15 Bonuses either to a cash sum per new house or by way of a % of a national budget allocation and cap the allocation e.g. to an extra £150m in 2014/15.
- Funding should be provided by way of a reduction in the central share of Formula Grant in the 2013/14 settlement so the cost is evenly distributed on a £/person basis around the country to avoid extremely unfair and significant redistributive effects.
- Fairer split between county and district level funding needs to be introduced to minimise the adverse impact on social care budgets.

Holdbacks and Topslices New Homes Bonus Topslice

- 11 of the 12 North East Councils are net losers, because they pay more than the average topslice of £30.03 to fund New Homes Bonus.
- Hartlepool loses -£11/dwelling (£0.5m), despite being more successful in securing New Homes Bonus than Richmond - which gains +£12/dwelling (£1m) by paying a low topslice.

	Topslice £m	NHB Grant £m	Net £m	Topslice £/dwelling	NHB Grant £/dwelling	Net £/dwelling
Darlington	-1.444	1.271	-0.173	-29.60	26.06	-3.54
Durham	-8.083	6.783	-1.300	-34.14	28.65	-5.49
Gateshead	-3.710	1.393	-2.318	-40.11	15.06	-25.06
Hartlepool	-1.808	1.333	-0.475	-42.59	31.40	-11.19
Middlesbrough	-2.901	1.545	-1.356	-47.57	25.34	-22.23
Newcastle upon Tyne	-5.728	3.629	-2.099	-45.88	29.07	-16.81
North Tyneside	-3.069	1.940	-1.129	-32.33	20.44	-11.89
Northumberland	-4.396	3.692	-0.703	-29.77	25.01	-4.76
Redcar and Cleveland	-2.273	1.379	-0.893	-36.39	22.09	-14.30
South Tyneside	-3.134	1.048	-2.087	-44.71	14.95	-29.77
Stockton-on-Tees	-2.500	3.080	0.580	-29.83	36.75	6.92
Sunderland	-5.441	2.226	-3.215	-43.43	17.77	-25.67
Windsor and Maidenhead	-0.821	2.152	1.331	-13.26	34.77	21.51
Richmond upon Thames	-1.457	2.440	0.983	-17.63	29.53	11.90
Wokingham	-0.890	2.730	1.840	-14.05	43.09	29.04
Hampshire	-9.498	19.664	10.166	-16.68	34.53	17.85
Surrey	-8.603	19.483	10.880	-17.96	40.66	22.71
England	-700.000	916.194	216.194	-30.03	39.30	





Financial sustainability of councils

The National Audit Office (NAO) has recently acknowledged that ‘local authorities now bear the financial risk of providing support, potentially contributing further to the overall pressures on their financial sustainability. The impact of this will vary widely depending on local authorities’ financial situation and local factors, and the impact of other funding and welfare changes’. It has stated that ‘the Department must satisfy itself that local authorities can manage the cumulative impact of funding changes, so that it can make informed decisions about future funding’ (*NAO Council Tax Support Report 13 December*).

North East councils face much higher funding cuts and have lower reserves, making the region more vulnerable to the impact of disproportionate cuts.

Commenting on DCLG’s funding announcement, CIPFA’s Chief Executive has commented that ‘it demonstrates yet again how desperately we need to take the see-saw of party politics out of the allocation of funding and instead base it upon objectivity, transparency and predictability. When Government Ministers compare such different councils as affluent Windsor and metropolitan Newcastle in an attempt to justify the ‘fairness’ of the settlement it only serves to highlight how out of touch this process has become’.



Actions Needed

- Reduce the level of hold-backs and top-slices.
- Where hold-backs and top-slices are made, to be distributed between councils in a more equitable way.
- Make no holdback for Business Rate Safety Net – helping all councils.
- New approach to topslicing New Homes Bonus, with a more equitable way of funding the scheme. Review the scheme to minimise impact of the topslice in future years.
- Separately identify, restore and protect Council Tax Resource Amount to its 2010/11 and 2013/14 level.



Actions Needed

- To separate this adjustment out of the amounts allocated for the tiers and to give it cash protection similar to that of the Council Tax Freeze Grant.
- Councils to have greater local flexibility and choice about Council Tax levels.
- Independent Review and comprehensive Equalities Assessment that address re-distributional impacts.
- Greater transparency about the funding system that highlights the scale of the cuts and financial challenges facing councils.

Helping Government to Achieve a Fair Funding Settlement

ANEC would be pleased to provide DCLG with information and further detail with a view to helping Government achieve its stated aim of a funding settlement that is fair to North and South, urban and rural and to 'limit as far as possible the impact of reductions in spending on the most vulnerable in society and on those regions heavily dependent on the public sector'.

Response to DCLG's Consultation Questions on the Provisional Local Government Finance Settlement 2014/15

Q1 Do you agree with the Government's proposal to remove the capitalisation holdback and reallocate the funding?

We agree with the proposal to remove the capitalisation holdback. We do not agree with the reallocation of the funding and would wish the money returned in full to councils.

Q2 Do you agree with the Government's proposal to reduce the New Homes Bonus holdback from £800m to £700m?

While we welcome this reduction, our response clearly highlights the need to completely change the way the holdback is top sliced from grant to make it more equitable and to review the level of the holdback in future years to minimise its impact on statutory services.

Q3 Do you agree with the Government's proposal to increase and roll in funding for rural authorities?

We recognise the importance of adequately funding differences in spending pressures and needs across all councils in the country including councils in rural areas. This is linked to the strong case that our response makes about the importance of the principle of allocating funding to reflect evidence based differences in need to provide statutory services.

Q4 Do you have any comments on the impact of the 2014-15 settlement on protected groups, as set out in the draft Equalities Statement?

Our response highlights our fundamental concern about the disproportionate distribution of cuts, which disadvantages the poorest most deprived areas of the country which face higher needs. This issue is not adequately identified, assessed or mitigated, despite the fact that there appears to be a statistically significant correlation between the level of cuts in both 2014/15 and 2015/16 and areas in the country with high levels of Black and Minority Ethnic populations. This indicates that a more detailed and thorough independent assessment of the impact of the disproportionate funding cuts needs to be undertaken.

APPENDIX 7

<u>Analysis for 'Money Talks'</u>		Statutory Minimum £000's	Business Case £000's	Discretionary Services £000's	Total MSL Budgets £000's
1	Adult Social Care & Housing	33,442	(362)	24	33,104
2	Leisure & Culture	927	(25)	2,141	3,043
3	Children & Young People	14,591	2,184	887	17,662
4	Highways & Design	6,139	(240)	0	5,899
5	Corporate Management & Democracy	7,300	76	278	7,654
6	Environmental Services	8,037	(941)	830	7,926
7	Corporate Support Services	5,410	6,494	309	12,213
8	Economy & Regeneration	1,677	(2,565)	797	(91)
9	Health & Working with others	508	314	278	1,100
		78,031	4,935	5,544	88,510
	Plus full year effect of the £3m in year savings				1,575
	MTFP expenditure 2013/14 as per MTFP				90,085

MEDIUM TERM FINANCIAL TERM 2014 TO 2020

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m
People	50.230	51.488	52.594	53.527	54.332	55.149
Place	18.727	20.448	21.086	21.853	22.160	22.472
Resources	15.036	15.405	15.637	15.911	16.143	16.378
Financing costs	4.428	4.403	4.601	4.604	4.607	4.529
Council Wide Pressures/(savings)	0.073	0.073	0.073	0.073	0.073	0.073
Contingencies	0.705	0.705	1.755	1.795	1.845	1.895
Proposed Savings	(3.448)	(7.219)	(13.752)	(13.752)	(13.752)	(13.752)
Contribution to/(from) revenue balances	(0.160)	(4.635)	(3.755)	0.000	0.000	0.000
Total Expenditure	85.591	80.668	78.239	84.010	85.408	86.745
Future Efficiency and savings programme	0.000	0.000	0.000	(7.850)	(9.363)	(10.341)
Total Net Expenditure	85.591	80.668	78.239	76.160	76.045	76.404
<u>Resources - Projected and assumed</u>						
Council Tax	37.541	38.460	39.402	40.366	41.351	42.360
Business rates retained locally	18.075	18.647	19.247	19.936	20.716	21.527
Top Up	3.904	4.012	4.145	4.294	4.461	4.635
RSG	24.730	17.746	13.157	9.249	6.937	5.203
NHB	1.271	1.624	2.001	2.129	2.247	2.404
NHB returned	0.070	0.179	0.287	0.186	0.333	0.275
Total Resources	85.591	80.668	78.239	76.160	76.045	76.404
<u>Balances</u>						
Opening balance	17.473	16.965	12.330	8.575	8.575	8.575
Collection Fund Deficit - NNDR	(0.834)					
Section 31 grant - SBRR	0.486					
Contribution to/(from) balances	(0.160)	(4.635)	(3.755)	0.000	0.000	0.000
Closing balance	16.965	12.330	8.575	8.575	8.575	8.575

REVENUE ESTIMATES 2014/15 - Summary

Appendix 10

	2013/14	2014/15			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
People	50,156	106,488	(15,962)	(40,296)	50,230
Place	17,734	87,912	(27,287)	(41,898)	18,727
Resources	16,319	20,609	(5,502)	(71)	15,036
Group Totals	84,209	215,009	(48,751)	(82,265)	83,993
Financing Costs	3,899	4,428	0	0	4,428
Council Wide Pressures / Savings	139	73	0	0	73
Contingencies	1,193	705	0	0	705
Grand Total	89,440	220,215	(48,751)	(82,265)	89,199

Revenue Estimates 2014/15

People

	2013/14	2014/15			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Director of People	329	1,001	(346)	(240)	415
Children, Families & Learning					
Children & Family Social Care - Management & Social Work	2,170	2,109	0	0	2,109
Children & Family Social Care - LAC	8,751	9,162	(92)	(248)	8,822
Children & Family Social Care - YOS	309	878	(257)	(296)	325
Children & Family Social Care - Other C&F	209	213	0	0	213
Educational Services	976	15,167	(1,524)	(12,705)	938
Family Support	3,570	7,142	(104)	(3,672)	3,366
Review Development & Safeguarding	383	516	(99)	0	417
Schools	0	15,913	0	(15,913)	0
Transport Unit	0	2,259	(2,259)	0	0
Public Health	109	7,338	(55)	(7,184)	99
Development and Commissioning					
Assistant Director Development & Commissioning	112	113	0	0	113
Communities & Welfare Rights	236	259	(27)	0	232
Community Safety	105	119	(13)	0	106
Commissioning	4,005	3,900	(27)	0	3,873
Workforce Development	419	448	(47)	(27)	374
Adults					
External Purchase of Care	21,042	31,657	(9,464)	0	22,193
Intake and Reablement	1,004	2,203	(1,225)	0	978
Older People Long Term Condition	1,850	1,864	0	0	1,864
Physical Disability Long Term Condition	262	410	(148)	0	262
Learning Disability Long Term Condition	1,697	1,875	(140)	0	1,735
Mental Health Long Term Condition	669	792	(138)	(11)	643
Disabled Children	648	615	3	0	618
Service Development and Integration	1,301	535	0	0	535
Total People	50,156	106,488	(15,962)	(40,296)	50,230

Revenue Estimates 2014/15

Place

	2013/14	2014/15			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Director of Place					
Directorate & Administration	165	181	0	0	181
Policy & Regeneration					
AD & Consolidated Budgets Policy & Regeneration	253	279	0	0	279
Building Control	157	367	(191)	0	176
CCTV	116	517	(392)	0	125
Christmas Lights	32	32	0	0	32
Commercial & Licensing	(25)	134	(159)	0	(25)
Concessionary Fares	3,107	3,234	0	0	3,234
Development Management	(219)	480	(518)	(27)	(65)
Economic Regeneration	277	276	0	0	276
Emergency Planning	90	91	0	0	91
Environmental Health	490	553	(18)	0	535
Flood & Water Act	92	94	0	0	94
HOS & Admin Support	164	165	0	0	165
LSTF	0	456	0	(456)	0
Parking	(1,658)	1,561	(2,620)	0	(1,059)
Private Sector Housing	162	200	(22)	0	178
Programme & Projects	526	964	(154)	(354)	456
Strategy & Commissioning	640	597	(1)	(97)	499
Taxi Licensing	0	124	(124)	0	0
Trading Standards	262	268	(2)	0	266
Community Services					
AD Community Services	111	113	0	0	113
Cemeteries & Crematorium	(739)	527	(1,297)	0	(770)
Civic Theatre	(160)	2,904	(3,052)	0	(148)
Community Grants	3	3	0	0	3
Countryside	137	175	(38)	0	137
Dolphin Centre	930	3,572	(2,717)	0	855
Eastbourne Complex	15	140	(103)	0	37
Head of Steam	194	243	(47)	0	196
Indoor Bowling Centre	0	24	(12)	0	12
Libraries	844	921	(51)	0	870
Markets	(248)	326	(590)	0	(264)
Outdoor Events	113	114	0	0	114
Sports Development	65	129	(32)	(31)	66
Strategic Development of Arts	155	141	(20)	0	121
Stray Dogs	51	55	0	0	55
Street Scene	4,804	6,933	(2,009)	0	4,924
Stressholme Golf Course	99	0	0	0	0
Transport Unit - Fleet Management	0	0	0	0	0
Waste Disposal	3,372	3,473	0	0	3,473
Winter Maintenance	455	461	0	0	461

Revenue Estimates 2014/15
Place (continued)

	2013/14	2014/15			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Highways, Design & Projects					
AD Highways, Design & Projects	95	100	0	0	100
Capital Projects & Building Design Services	(20)	624	(506)	0	118
Highways	2,566	2,965	(532)	0	2,433
General Support Services					
Works Property & Other	111	113	0	0	113
Joint Boards & Levies					
Coroners	162	175	0	0	175
EA Levy	91	97	0	0	97
Outside Contributions	356	355	0	0	355
DLO Profits					
Construction	(476)	3,841	(3,979)	0	(138)
Building Maintenance	(378)	3,003	(3,382)	0	(379)
Highways	(219)	2,967	(3,208)	0	(241)
School Meals	47	871	(825)	0	46
Other	2	0	0	0	0
Housing General Fund					
Housing benefits / Council Tax	(87)	39,383	0	(39,470)	(87)
Improvement Grants	22	52	(30)	0	22
Housing benefit administration	57	996	(52)	(828)	116
Community Housing services	216	221	0	0	221
Housing Options	182	310	(106)	0	204
Welfare Services	160	0	0	0	0
Northumbrian Water Comm	(141)	0	(152)	0	(152)
Service, Strategy & Regulation	84	39	0	0	39
Key Point of Access	(1)	64	(63)	0	1
Council Tax and NNDR collection	72	423	(283)	(149)	(9)
Social Fund Admin	0	79	0	(79)	0
Social Fund Programme	0	407	0	(407)	0
Total - Place	17,734	87,912	(27,287)	(41,898)	18,727

Revenue Estimates 2014/15

Resources

	2013/14	2014/15			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Chief Executive Officer	231	233	0	0	233
Director of Resources	200	201	0	0	201
AD Resources	105	112	(7)	0	105
Organisational Planning	3,326	2,726	(180)	(71)	2,475
Customer Services	409	687	(227)	0	460
Legal & Procurement	1,083	1,322	(294)	0	1,028
Democratic Services	1,351	1,403	(14)	0	1,389
Registrars of births, deaths and marriages	(50)	194	(244)	0	(50)
Administration & Town Hall	2,012	2,240	(240)	0	2,000
Financial Services & Governance	1,692	2,883	(1,226)	0	1,657
Xentrall Services (D & S Partnership)	1,852	2,486	(801)	0	1,685
Complaints & Freedom of Information	141	147	0	0	147
ICT Infrastructure	543	752	(11)	0	741
AD Transformation	113	115	0	0	115
Property Management & Corporate Landlord	2,328	3,827	(1,737)	0	2,090
Human Resources	444	915	(452)	0	463
Health & Safety	94	166	(69)	0	97
Equal Pay	445	200	0		200
Total Resources	16,319	20,609	(5,502)	(71)	15,036

Delivering the Budget - Securing the Future - Residents Survey 2013			I would support this proposal		I have no opinion on this proposal		I would not support this proposal		Total		Skipped	Comments
BUDGET	PROPOSAL	20/02/2014	%	Count	%	Count	%	Count	%	Count	Count	Count
BUILDING STRONG COMMUNITIES	PROPOSAL: PUBLIC INVOLVEMENT AND DEMAND REDUCTION IN STREET CLEANING AND PARKS AND OPEN SPACES	We spend approximately £1.2million each year cleaning up litter from our streets and maintaining parks and opens spaces. This proposal is about working with you to help reduce the amount of litter that is dropped in the Borough, looking at alternative ways of cleaning up and maintaining land and open spaces. This would result in a saving of £600,000 per year.	63.3%	126	12.1%	24	24.6%	49	100.0%	199	1	63
	PROPOSAL: TRANSFER OF RESPONSIBILITY FOR SERVICES TO OTHERS - HEAD OF STEAM MUSEUM AND COCKERTON LIBRARY	The proposal allows for a two year period working with interested parties to take over the operation of these two facilities at a nil cost to the Council resulting in a saving of £300,000 per year. No funding will remain in the budget for these services after March 2016.	62.0%	116	14.4%	27	23.5%	44	99.9%	187	13	34
	PROPOSAL: WORKING DIFFERENTLY WITH THE VOLUNTARY SECTOR	The proposal relies on closer working with the sector to reduce Council financial input in terms of grants by working together to :a) Identifying which outcomes are priorities for Darlington b) Reviewing and improving how the Council partners and contracts with the sector c) Working with the sector to achieve better value for money for all concerned including reviewing how the Council provides services d) To work with the sector to identify new funding sources, match funding and to maximise existing funding e) To identify ways to reduce costs for the sector and the Council This would result in a saving of £200,000 per year.	65.9%	116	21.6%	38	12.5%	22	100.0%	176	24	28
BUDGET THEME: GROW THE DARLINGTON ECONOMY	PROPOSAL: ECONOMIC GROWTH	This proposal is about raising an extra £1.5 million from either the building of additional new homes over and above those already anticipated or significant additional business rates from new business within the borough. To put it into context the delivery of £1.5m will require either approximately 565 additional council tax band D homes to be built above the 696 already anticipated, two new large business distribution centres being opened in the borough, 12 new office blocks or a combination of all three.	61.3%	106	15.6%	27	23.1%	40	100.0%	173	27	46
BUDGET THEME: EVERY PUBLIC POUND WELL SPENT	PROPOSAL: PUBLIC SECTOR COLLABORATION AND JOINT COMMISSIONING	The Council will strive to reduce overall expenditure by £1.3 million by working and commissioning with others. This will include potential partnerships with Tees Valley Councils around waste collection and disposal, the Darlington Clinical Commissioning Group and other Councils. This target will mean potentially significant changes to how services are delivered.	64.3%	108	16.1%	27	19.6%	33	100.0%	168	32	41
	PROPOSAL: INTERNAL EFFICIENCY IMPROVEMENTS AND RESTRUCTURING	The Council has delivered £18.1m from efficiency since 2010, this proposal is to achieve a further £800,000 saving from internal efficiency improvements, and restructuring of the workforce.	67.5%	112	15.1%	25	17.5%	29	100.1%	166	34	44
	PROPOSAL: SERVICE REDESIGNS - The Money Talks events identified that some statutory services could be redesigned and still achieve the same outcomes and likewise the cost of some key discretionary services could be further reduced whilst ensuring they continue. Collectively these would result in a saving of £1.2 million	a) Dolphin & Eastbourne Leisure Facilities - Reshaping services delivered and maximising income through sales and partnerships with a health focus, resulting in a saving of £440,000	70.7%	116	18.3%	30	11.0%	18	100.0%	164	164	29
		b) Homelessness Service – Re-commissioning and re-design, resulting in a saving of £350,000	62.3%	101	27.2%	44	10.5%	17	100.0%	162	38	20
c) Lifeline Services – Removal of subsidy by redesign/fees/partner contributions, resulting in a saving of £330,000		52.5%	85	34.0%	55	13.6%	22	100.1%	162	38	15	

Delivering the Budget - Securing the Future - Residents Survey 2013			I would support this proposal		I have no opinion on this proposal		I would not support this proposal		Total		Skipped	Comments
BUDGET	PROPOSAL	20/02/2014	%	Count	%	Count	%	Count	%	Count	Count	Count
BUDGET THEME: EVERY PUBLIC POUND WELL SPENT	PROPOSAL: SERVICE REDESIGNS - The Money Talks events identified that some statutory services could be redesigned and still achieve the same outcomes and likewise the cost of some key discretionary services could be further reduced whilst ensuring they continue. Collectively these would result in a saving of £1.2 million	d) CCTV – Fees, partner contributions and service redesign, resulting in a saving of £80,000	67.7%	109	22.4%	36	9.9%	16	100.0%	161	39	17
		e) Crown Street Library – Reduced opening hours, resulting in a saving of £45,000	50.0%	80	14.4%	23	35.6%	57	100.0%	160	40	44
	PROPOSAL: ADULT SOCIAL CARE	This proposal is about working with you and our partners to find other ways to support people's needs. This could involve closer working with our health colleagues, stronger support within communities and more preventative work resulting in a saving of £3 million per year. The achievement of this saving will require a variety of elements such as:- a) Reduced demand for costly services by increasing low level support, the Good Friends scheme will assist. b) New contracts for services such as Domiciliary Care c) Reviews of existing support arrangements d) Working with partners e) Increasing the use of direct payments to reduce the costs of some maintained services.	52.2%	83	23.9%	38	23.9%	38	100.0%	159	41	32
	PROPOSAL: CHILDREN'S SOCIAL CARE	We pay on average £50,000 per year to take care of each child that we look after. As the number increases then so do other costs such as legal costs, travel etc. The proposal is to continue to provide an effective preventative service, closely aligned to partners and to social work teams, to provide early support for families where there is a risk the child may come into care in order to reduce the current number of children in care. Work will also be undertaken to reduce the cost of placements, through reviewing the fostering service and making greater use of brokerage of placements. This proposal will result in a saving of £1.75 million.	63.9%	101	20.3%	32	15.8%	25	100.0%	158	42	21
	PROPOSAL: PUBLIC HEALTH	The current public health grant is approximately £6.8 million. Now that Public Health is within the Council we need to look at ways of using our budget differently to get maximum benefit. This proposal is about changing the way in which we spend our Public Health budget to better meet the needs and to get maximum benefit from the services that the Council already delivers around health. This could involve closer working with our other health colleagues, stronger support within communities and more preventative work resulting in a saving of £2.7 million.	66.7%	104	19.2%	30	14.1%	22	100.0%	156	44	21
	PROPOSAL: COUNCIL TAX INCREASE OF 2% IN 2014/15	The proposed Medium Term Financial Plan includes a 2% increase in Council tax for 2014/15 and assumes the same increase each year thereafter. 2% is the maximum increase allowed by the Government. The 2% increase will raise an additional income of £600,000.	48.7%	76	8.3%	13	42.9%	67	99.9%	156	44	45
	During the Money Talks events people raised a number of issues that we would also like to ask you about:	People at the events asked if we were considering increasing council tax beyond the 2% planned to ensure that services could continue to be delivered. What are your views on an increase in Council Tax above 2%?	29.0%	45	7.7%	12	63.2%	98	99.9%	155	45	48

Safest People, Safest Places

County Durham and Darlington
Fire and Rescue Authority



This matter is being dealt with by: **John Hewitt**
Ext: **5555**
Date: **16th December 2013**
Our Ref:
Your Ref:

Clerk,
County Durham and Darlington
Fire and Rescue Authority,
County Hall, Durham, DH1 5UL

Cllr Dixon
Darlington Borough Council
Town Hall
Feethams
Darlington
County Durham
DL1 5QT

Dear Cllr Dixon,

I refer to the budget consultation currently being undertaken by Darlington Borough Council.

The Combined Fire Authority is aware of the pressures facing the Council and welcomes the opportunity to comment on the proposals.

The Authority notes that the Council is proposing to implement a demand reduction strategy for services over the medium term. The Authority would wish to ensure that the implications of changes to front line services are considered in close consultation with partner agencies so that the overall impact on local community can be understood and planned for where possible. As an example, a reduction in the Council's resources to support people could change the risks in local communities which the Fire and Rescue Service will need to consider as part of its Integrated Risk Management Plan and indeed as part of its own planning assumptions when dealing with cuts to fire and rescue funding.

The Combined Fire Authority would request that as options for service change are considered in further detail, that it, and other partner agencies, are involved at an early stage in the assessment of outcomes for local people and local communities. This will ensure the wider implications for partner organisations can be understood and planned for. I know discussions take place on a regular basis between our two organisations and I am reassured that our officers will ensure these issues are considered.

You will be aware that the Combined Fire Authority is facing significant financial pressures itself over the 2014-2017 period and will be consulting with the Council and other partners on its approach to dealing with funding cuts.

If you wish to discuss this response further, please contact me in the first instance.

M Hodgson

M Hodgson

Chair, County Durham and Darlington Fire Authority



EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE

30 January 2014

PRESENT - The Mayor (Councillor Johnson); Councillor I Haszeldine (in the Chair); Councillors Carson, Curry, Francis, Landers, H Scott, C Taylor and J Vasey. (9)

APOLOGIES – Councillor Coultas and Crumbie. (2)

ALSO IN ATTENDANCE – Councillors Harker, Long and Newall. (3)

OFFICERS IN ATTENDANCE –Elizabeth Davison, Assistant Director – Finance and Human Resources

ER25. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

ER26. MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2019/20 – (a) Efficiency and Resources Scrutiny Committee – Specific Proposals - Pursuant to Minutes ER19/Dec/13 and ER23/Dec.13, the Assistant Director – Finance and Human Resources, gave a brief overview of the two areas of work were being undertaken as part of the budget proposals in relation to Public Sector Collaboration and Joint Commissioning and Internal Efficiency and Agreements and Restructuring.

In relation to Public Sector Collaboration and Joint Commissioning, particular reference was made to the work which was currently being undertaken in relation to the Better Care Fund, which was a single pooled budget to support health and social care services to work more closely together as a response to growing demand and constrained resources across the health and social care economy. This work is acting as the starting point for collaboration work with the Darlington Clinical Commissioning Group where savings and efficiencies could be made by joint commissioning and by developing a more integrated approach which would also provide better outcomes for patients and service users and that a proof of concept in relation to that work would be submitted to Members in due course.

Reference was also made to the work currently being undertaken in relation to waste collection and disposal, which included potential partnership working with the other Tees Valley Authorities and it was reported that Members would be updated on the progress of that work as and when appropriate.

In relation to the proposed savings in respect of internal and efficiency improvements and re-structuring, it was reported that the achievement of these savings, without impacting on service delivery, would be a real challenge in view of the internal savings which had already been made, however, it was felt that they were realistic and a number of smaller projects were being looked at to deliver the savings.

Members questioned on whether there was any other joint collaboration work with other local authorities being considered at the current time; the success of Xentrall Shared Services and any potential to expand that service to other partners; and the need for this Council to be a 'willing partner' in taking forward any potential future collaboration.

2019/20.

RESOLVED – That this Scrutiny Committee works closely with the other Scrutiny Committees to monitor the delivery of the proposals contained within the Medium-Term Financial Plan 2014/15 to 2019/20 and will continue to receive regular update reports.

(b) Scrutiny Committee's Response - Submitted – The Minutes (previously circulated) of all of this Council's Scrutiny Committees which had been held to consider the specific proposals within the Medium-Term Financial Plan 2014/15 to 2019/20 which were within their individual remits.

Each of the Chairs, or Vice-Chair, in attendance at the meeting, gave a brief overview of the work undertaken by their Scrutiny Committee and outlined the reasons for the recommendations.

Discussion ensued on the need for Members to take forward their community leadership role and how they could be supported in developing that role, the view, of some Members, that they felt increasingly unable to support the direction of travel of the Medium Term Financial Plan; the role of the Council's Organisational Planning Team in taking forward the specific projects and proposals and joint working which was starting to develop with Members and Officers; and the need to continually monitor the progress against delivery of the Plan.

RESOLVED – That, in relation to the Medium-Term Financial Plan 2014/15 to 2019/20, Cabinet be advised of the following views/comments of each of the Council's Scrutiny Committees :-

(a) in relation to the Efficiency and Resources Scrutiny Committee :-

- (i) having considered the information provided at meetings held on 5th and 19th December, 2013, and 30th January, 2014, it reluctantly supports the overall strategy and the direction of travel and will continue to monitor the overall progress of its delivery on a regular basis and will also continue to monitor the progress of delivery in relation to those areas within the Plan which are within its remit, it will also work closely with the other Scrutiny Committees to monitor the delivery of the proposals within their individual remits and will continue to receive regular update reports from them.

(b) in relation to the Children and Young People Scrutiny Committee :-

- (i) having considered the information provided at the meeting held on 6th January, 2014, it notes the proposals.

(c) in relation to the Place Scrutiny Committee :-

- (i) having considered the information provided at meetings held on 8th and 16th January, 2014 :-

(A) it notes the proposals within its remit;

(B) it welcomes the ethos of Building Strong Communities, Spending Wisely and Growing the Economy throughout the Plan;

(C) it requests that the findings of the Your Darlington Residents Survey be submitted to a future meeting to enable any further scrutiny to be undertaken as necessary;

(D) a Review Group be established to give consideration to Litter Reduction and Grounds Maintenance;

(E) it maintains that the Head of Steam Museum is crucial to Darlington's sense of Place in relation to culture, planning and economic regeneration;

(F) it is committed to the creation of a Heritage/Campus model and the need to make it viable for the future; and

(G) will encompass further work in relation to the Head of Steam Railway Museum and Cockerton Library within the Cultural Review Group and amends the Terms of Reference accordingly.

(d) in relation to the Health and Partnerships Scrutiny Committee :-

- (i) having considered the information provided at the meeting held on 8th January, 2014 :-

(A) it notes the proposals within its remit;

(B) it welcomes the ethos of Building Strong Communities, Spending Wisely and Growing the Economy evident throughout the Plan;

(C) it requests that the final analysis of the consultation be shared with Members to enable any further scrutiny to be undertaken as necessary;

(D) the work with the infrastructure organisation be reported to its meeting in March 2014 and that any further views or proposals be shared with Members as things develop; and

(E) it will continue to support the partnership working with local NHS Organisation to provide the best health services for the residents of

Darlington.

(e) in relation to the Adults and Housing Scrutiny Committee :-

- (i) having considered the information provided at the meeting held on 14th January, 2014, it is satisfied with the direction of travel for those areas within its remit and will continue to monitor the progress of delivery in relation to those areas.

Equality Impact Assessments linked to the budget

Alternate Weekly Collections

Impact assessment work was carried out through survey, individual discussion and group work. The key impacts identified by the Equalities Impact Assessment are as follows:

- (a) Wheeled bins/boxes being left on the pavement
- (b) Difficulty for those with visual impairments to identify which bin/box to place waste streams in
- (c) Ability of some residents to use wheeled bins/boxes
- (d) Capacity for families with young children using nappies and for disabled individuals who also need to have increased capacity for nappies/incontinence pads
- (e) Larger families who may require additional capacity
- (f) Ability for some residents to understand/remember which week what waste stream is to be placed out for collection
- (g) Difficulty for wheelchair users to manoeuvre in back yard/garden as a result of additional wheeled bins/boxes

The Cabinet paper outlines the mitigation that has been put in place which includes publicity campaigns and enforcement to ensure residents put wheeled bins in the agreed place. Work will also take place to work with individuals who require additional capacity or need assisted collections.

Lifeline

Work has started on this but as implementation is not due to take place until 2015 this is very early desktop stage. Issues however are linked to the financial implications and for a large number of people the costs will be picked up through housing benefits rather than supporting people. However there are a number of people who are in none council housing association properties where the impacts will be dependent on the actions that the providers take. Providers may for example decide to absorb the costs or pass only part of them. Officers are currently meeting with providers to undertake this work.

An essential part of the review is also the revised job description for Scheme Managers. This element of the proposal has been designed closely with the staff involved and has identified a number of positive impacts for service users.

- Enhanced service for residents
- Single point of contact and continuity in dealing with queries e.g. housing management
- No impact on emergency arrangements

The potential for some negative impacts have also been identified:

- Capacity of managers to cover sites
- Reduce capacity for community work and activities
- Continuity of contact with residents
- Involvement of wider community in the schemes

Plan for further work

Information prepared for providers, representative groups and individual service users will be used to gather their views and impacts. The process will be phased. **Phase 1** will gather information from Providers. The information gathered will be used to inform **Phase 2** (Representative Groups e.g. Tenants' Board; Age UK) and likewise **Phase 3** with service users. It is important to establish to the level of consultation required in phase 3 following the information provided in phases one and two e.g. the proportion and range groups of users to be engaged with to capture a true reflection of the impacts.

Extra Care

All recipients of this service were informed of the proposals in writing following an internal desktop exercise. Individuals or their carer's were invited to one to one sessions to identify what impact the proposed changes would have on them. At this meeting, representatives from the Council provided further information about how much the individual currently paid towards their care and support, and what they may be required to pay from 1st April 2014.

Those individuals who were unable to meet with Council representatives during w/c 13th January 2014, could still give their views on how the above proposed changes may impact on them by completing the form enclosed with the initial letter.

The impacts identified have been limited and for most people the financial impact is minimal and they are able to cope with the increased costs. If a care package is fully funded by the council because they are assessed to be at the financial limit the increased costs will be picked up by the council. For self-funders the impact varies from individual to individual and the impact of the proposal is equally different. In some cases the cost is £8 for some, £13 per week and for others. In some cases individuals said they may decide not to have care if they had to pay more and this could of course have a detrimental effect on their health.

Health Improvement Services

This covers a programme of work which is currently being examined as part of the Public Health budget review. As such each individual project is aimed at a particular community or set of individuals and as such the impact of each strand will impact differently on individuals with different protected characteristics. Work has taken place to look at the groups affected and some survey work has been undertaken with these groups. Further work will need to take place over the coming months about the

impact of changes on an individual project basis together with work to look at these impacts and any potential mitigation.

CAPITAL PROGRAMME

**Responsible Cabinet Member - Councillor Stephen Harker,
Efficiency and Resources Portfolio**

**Responsible Director - Paul Wildsmith,
Director of Neighbourhood Services and Resources**

SUMMARY REPORT

Purpose of the Report

1. To approve a 2014/15 Capital Programme.

Summary

2. Capital Expenditure is significant, one off expenditure used to purchase or improve assets to enable the Council to deliver its priorities. The majority of the funding for capital expenditure for Schools and Transport is received from government grants and for Housing improvements from the Housing Revenue Account (HRA). The allocation of spending on these three priorities is subject to on-going programmes and agreed outcomes, for example the Local Transport Plan
3. The Council can also supplement Government Capital funding from its own resources such as capital receipts and borrowing; however in the current economic climate the ability to fund from the council's resources is limited. There is a need however to maintain the many buildings and assets which the Council owns and provision for this needs to be made within the council's overall financial strategy.

Recommendation

4. Council are asked to;
 - (a) Approve the 2014/15 Capital programme as summarised in **Appendix 1**.
 - (b) Approve a delegation for Cabinet to vary the Capital Budget for 2014/15 by up to £0.500m without further Council Approval

Reasons

5. The recommendation is supported to provide funding for capital schemes.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

No background papers were used in the preparation of this report

Elizabeth Davison : Extension 2601

S17 Crime and Disorder	There are no specific proposals that impact on the Council's Crime and Disorder responsibilities
Health and Well Being	The report contains proposals to continue to allocate resources in support of the Council's Health and Well Being responsibilities
Carbon Impact	The proposals in the report seek to continue to support the Council's responsibilities and ambitions to reduce carbon impact in the Council and the Borough.
Diversity	There are no specific proposals that impact on diversity issues.
Wards Affected	All wards are affected
Groups Affected	There are no proposals that impact on specific groups.
Budget and Policy Framework	The Capital Programme must be decided by full Council
Key Decision	The Capital Programme must be decided by full Council
Urgent Decision	The Capital Programme must be decided by full Council
One Darlington: Perfectly Placed	The proposed Capital Programme does not make any changes to policy or service levels.
Efficiency	Capital expenditure on the Council's asset will improve efficiency and reduce revenue costs in some areas.

MAIN REPORT

Information and Analysis

6. Capital Expenditure is significant, one off expenditure used to purchase or improve assets to enable the Council to deliver its priorities, for example purchasing land to enable road improvements or investing in modernising school buildings and housing. With regards to schools and transport the vast majority of the funding for capital expenditure is received from the government, mainly to match national priorities such as Education and Transport. The Housing programme is funded from the Housing Revenue Account. The allocation of spending on these three priorities is subject to on-going programmes and agreed outcomes, for example the Local Transport Plan. Set out below are details of the levels of Government funding available for 2014/15.

	2014/15 £000's
Children's Services	
Basic Need	760
Capital Maintenance LA Maintained	287 *
LCVAP for VA Schools	22 *
DFC LA Maintained	69 *
DFC for VA Schools	15 *
Universal Infant Free School Meals	88
Housing	
Disabled Facilities Grants	359
Transport	
Local Transport Plan	2,429
TVBNI	3,715
LSTF	30
Other Capital Programmes	
Adults Personal Social Services	275

N.B. figures marked with an astrix are provisional allocations.

7. Appendix 1 sets out the proposed capital programme with regard to applying the resources allocated to the Council, the programmes include on-going schemes for previous years. The following paragraphs describe the major elements of the programme. Specific scheme approvals will be subject to detailed reports to Cabinet.

Children's Services

Basic Needs Funding

8. The School Organisation Plan 2013-2017 (SOP) was presented to Cabinet in March 2013 and released 12/13 funds for expansion schemes at five schools: Skerne Park Academy, St Bede's RC VA Primary (academy), St Teresa's RC VA, St George's Church of England Academy and Bishopton/Redmarshall CE Primary (academy). St George's & Bishopton have been placed on hold following review of the latest pupil projection data. Asset management group agreed that for the first three projects the LA commission the academy trust, academy and diocese respectively to deliver the projects. In total these expansions will provide an additional 245 primary places. The first wave of the new places will be available September term 2014.
9. In March 2013 the local authority was allocated £1,519,760 as a two year allocation (13/14 & 14/15) to deliver further additional places. As per the agreed SOP consultation on the provision of additional school places took place with schools throughout the Autumn term 2013 and within the context of two potential free school applications. Head teachers have agreed that the demand for primary places on the East/North East side of the Borough be delivered through a LA managed solution with existing local schools. Therefore feasibility studies are proposed for expansions on existing school sites: Heathfield Primary (academy), The Rydal Academy and Red Hall Primary. The solution to meeting the demand is likely to be a programme of expansions that can deliver new places with sensitivity to neighbouring schools and across a flexible timeframe i.e. subject to certainty around housing development.
10. Projects across the above schools have the potential to deliver sufficient primary places (315 places) from 2018 to meet expected demand and provide parental choice within the already allocated funding. Beyond 2018 we would be looking to future DfE allocations to fund developments at secondary phase to provide for the large primary cohorts moving through. We also recognise a potential specific rural pressure at Middleton St George and propose to carry out feasibility on the previously approved projects at St George's and Bishopton/Redmarshall primaries. A paper will be presented to Cabinet in April 2014 seeking approval for this approach (updated SOP) and the release of 13/14 and 14/15 funds.

Capital Maintenance funding

11. There has been a dramatic reduction in Capital Maintenance funding following the end of the Primary Capital Programme (PCP) and the number of schools converting to Academy status. This funding is for remaining Community Schools only and will be spent in line with key priorities identified through the locally agreed asset management planning (LAMP) process. Unlike PCP there are no strict spend deadlines. Small scale condition related projects are prioritised and completed as funding becomes available. Devolved formula capital (DFC) is a formula based grant provided to all maintained schools to help support the capital needs of their buildings. It is initially allocated to the LA on a formulaic basis, the

LA then allocates the funding directly to schools. As a rule this funding should be invested in the priorities identified through the LAMPA process.

LCVAP

12. Locally Co-Ordinated Voluntary Aided Programme (LCVAP) is coordinated by the LA in consultation with the Diocese of Hexham and Newcastle and the Dioceses of Durham and Newcastle. In Darlington any priorities generated from the LAMPA process are shared with the Dioceses. The outline list of projects are submitted for the Department for Education's approval by the end of May each year. Once a project is approved the funding goes direct to the Diocese to be spent in the year it is allocated. Devolved Formula Capital funding for VA schools is paid directly to each Diocese, unlike LCVAP there is no requirement to seek approval from Department for Education. The LA is kept informed of works so that asset management plan information can be kept up to date.

Universal Infant Free School Meals

13. Capital allocation to help with the burden on kitchen infrastructure and anticipated increased in school meals in preparation for the introduction of free school meals for infants.

Housing

14. The priorities identified through the Housing Business Plan to be funded from the estimated capital resources for 2014/15 include:-
 - (a) Adaptations - the adaptations budget is to deliver adaptations within the Council's housing stock to enable tenants with a disability to remain in their own home and live independently across the Borough.
 - (b) Heating Replacement - new condensing boiler and central heating upgrades will be completed. This work will predominantly be completed in the following wards: Eastbourne and Park East. There will also be some miscellaneous properties which will be included in the programme and we will be running a "just in time" programme of replacement for those boilers that fail before their due replacement date within the financial year.
 - (c) Internal planned maintenance – to include replacement kitchens and bathrooms, rewiring of electrical systems and heating system upgrades where required. This work will predominantly be completed in the following wards: Haughton East and Eastbourne. There will also be some miscellaneous properties which will be included in the programme and we will incorporate additions to the programme when void properties which have been omitted from previous year's programmes become available.
 - (d) Energy Efficiency - £570,000 has been set aside for the second year of a two year programme to invest in energy efficiency which will improve the thermal efficiency of the properties and reduce tenants' energy costs. The work will include replacement PVCu windows and the installation of composite doors to

properties identified as the hardest to treat in relation to other basic retro fit measures. Priority will be given to properties in the Hundens area followed by Harrowgate Hill.

- (e) Structural Repairs - a small budget of £50,000 has been set aside to address any structural issues that may be identified within the year.
- (f) Smoke Detectors - £50,000 is required to replace existing hard wired smoke and heat detectors where systems are now 10 years old and reached the end of their recommended lifespan.
- (g) Roof Work - £400,000 is required to commence a programme to replace aging and defective roofs. Properties will be selected based on current asset management data relating to their age, the material lifespan, condition surveys and the analysis of current disrepair and maintenance costs. Primary areas to receive work will be Hundens and Harrowgate Hill.
- (h) Lifeline Services - £80,000 is set aside to continue to provide upgrades to Lifeline equipment. There will also be investment to replace the existing telecommunications equipment to improve the level of service that can be provided to residents.
- (i) Garage Improvements - £75,000 will be invested in improvements to the Council's garage blocks in areas to be determined.
- (j) Repairs before Painting - £100,000 will be invested in joinery repair works in anticipation of the cyclical external painting programme in areas throughout the Borough.
- (k) External Works - £500,000 has been set aside for External Works including fencing replacement and external footpath improvements in areas to be confirmed throughout the Borough. The funds will also pay for the just in time replacement of rotten and defective external doors with new composite doors on a Borough wide basis.
- (l) Pavement Crossings - £25,000 has been identified to fund pavement crossings across the Borough.
- (m) Door Entry Systems - failing door entry systems to communal blocks will be replaced and upgraded at a cost of £30,000.
- (n) Communal Works - £50,000 will be spent on the upgrade and improvement of communal doors and flooring of communal areas across the borough.
- (o) Red Hall Regeneration - £1,000,000 will be spent on the regeneration of the Red Hall estate as phase 1 of the wider regeneration master plan. The budget will fund selective demolition to 56 properties and replacement PVCu windows and composite doors to hard to insulate properties on the estate receiving grant funded external cladding work.

- (p) New Build - £2,000,000 will be spent developing new council housing on DBC Housing Service sites across the borough. Site investigations will be completed before the final site is agreed and it is anticipated that between 15 and 20 new properties will be built with two bed flats being the predominate property type.

Transport and Highways

15. The following works are proposed for delivery in 2014/15 following agreement by Cabinet in February 2013 on proposals for the Tees Valley Bus Network Improvement (TVBNI) scheme, the Third Local Transport Plan and the Local Sustainable Transport Fund.

TVBNI

16. The TVBNI scheme proposals aim to tackle the reliability and punctuality of bus services and improve passenger waiting facilities. The programme is now entering its final year. The main scheme is the delivery of a new junction between Parkgate, St. Cuthbert's Way and Stonebridge. This junction forms part of the work to facilitate the sustainable development in the Town Centre Fringe. The scheme also includes provision for the relocation of Stand M from Tubwell Row to Feethams. This will reduce traffic congestion on Tubwell Row and will improve the passenger waiting facilities in front of the Town Hall as development in that area is likely to attract more demand for bus facilities. It is hoped to improve coach passenger waiting facilities at the same time.
17. This major scheme will be supported by measures to improve access to bus services, through the construction of raised bus platforms and dropped kerbs and bus shelters will be installed at selected stops along core routes.

Local Transport Plan

18. In the Local Transport Plan, maintaining the highway asset has been set as the priority over and above managing and improving the highway network. The Council funds some of the annual highway maintenance programmes from the 3LTP, including the reconstruction of roads, as well as resurfacing and general structural maintenance. As in previous years, the priorities for this work will be based on the annual condition survey data.
19. In 2013 the Department for Transport allocated Darlington Council an additional amount for essential maintenance.
20. The 2013/14 funding was allocated to carriageway maintenance and street lighting, but it was decided to allocated the 2014/15 additional funding (£145,000) to bridge maintenance to enable additional work to be carried out on these key structures.
21. Bridge maintenance schemes are also identified from the condition survey and a priority list has been put together. The works required extend far beyond the available budget and as such the Council is managing the works on a priority basis. The highest priority is a strengthening project for Stone Bridge, which is presently being managed through a recognised process for dealing with weak structures.

22. The estimated cost of the project is £720,000 and a funding plan has been developed through the LTP to fund this project with advanced design 2014/15 and delivery 2015/16 after completion of the Stonebridge TVBNI Project and other major projects served off Feethams. The allocation for structural maintenance is not sufficient to deliver major structural projects and as such a number of years LTP allocation is being used to fund Stonebridge. This has meant that other priority bridges and structures are not being maintained; but are being managed through a programme of inspections.
23. The Strategic Economic Plan process will release capital funding to the LEP from 2015/16. Within the draft plan it has identified there is a need to undertake Strategic Maintenance and this programme could be a call on these funds to support the LTP allocation or fund the project in its entirety, releasing additional LTP capital to fund other bridge projects.
24. It was also decided in February 2013 that the programme to replace street lights over 40 years old should be accelerated and additional funding was allocated to this programme from the Integrated Transport Block.
25. A significant amount of funding from the LTP has been invested in replacing street lights over the recent years to address the columns that are beyond their useful life expectancy. The replacement has been risk based. The highest columns on the busiest routes have been replaced as the first priority, which are generally more expensive to replace, The investment will now focus in on residential areas allowing use of LED technology where energy and maintenance savings may be gained.
26. The replacement programme will not cease once the current backlog has been resolved their will need to be an on-going investment programme to tackle a further 2241 columns currently in the 30 to 40 year age band that will slip beyond 40 years old within the next 10 years. Once the current backlog has been resolved it is estimated this will require around £200k to £300k per annum to keep most of the asset below 40 years old. The business objective is to develop a position where energy savings/inflation avoidance and reduced reactive maintenance can generate savings within the MTFP to offset this investment pressure.
27. Business cases are being examined on an invest to save basis as to whether the programme can be accelerated to achieve this position and avoid energy inflation.
28. The remaining funding for the Integrated Block is £530,000 and this was allocated to the following schemes by Cabinet in February 2013: implementation of the network management plan and schemes identified by the Punctuality Improvement Partnership; advanced design for schemes in the Darlington Investment Plan; TVBNI match funding; and schemes to improve parking as identified in the parking Strategy.

Local Sustainable Transport Fund

29. One of the specific projects within the Council's successful Local Sustainable Transport Fund (LSTF) bid is to encourage more walking and cycling. It is therefore proposed to implement some actions which have arisen from the community audits. These works could include a series of dropped kerbs or extension to existing

footpaths to enable better access for all. These works would draw upon the experience and knowledge of the Council from the Local Motion and Cycling Demonstration Town projects.

Council Funded Schemes

30. The Council can and has supplemented Government Capital funding from its own resources such as capital receipts and borrowing; however in the current economic climate the ability to fund from the council's resources is limited. The council owns many buildings and assets which continue to require investment and provision for this needs to be made within the council's overall financial strategy.

31. The table below shows the anticipated available capital resources allowing for current commitments.

	2014/15 £M	2015/16 £M	2016/17 £M	2017/18 £M	Total £M
Guaranteed Resources	1.000	1.000	1.000	1.000	4.000
Potential Capital Receipts	3.000	11.000	4.000	0.000	18.000
Sub total	4.000	12.000	5.000	1.250	22.000
Committed					
MSCP					-7.000
Balance of funding required for the 2014/15 programme					-1.253
Revised total					13.747

32. The table shows there is potential for up to £13.7m resources available over the next 4 year period however in our current economic climate there is uncertainty around land sales and capital receipts cannot be guaranteed. It is also likely that available receipts will be needed to assist with the revenue MTFP so availability for further capital investment may be limited.

33. There will be many competing priorities against the available resources for both regeneration and refurbishment and these schemes will emerge over the coming year however at this stage members are requested to make capital provision for 4 schemes which will be subject to full reports to Cabinet in due course, these are:-

- (a) Dolphin Centre - £2m – to ensure the sustainability of the Dolphin centre an essential mechanical and electrical upgrade is required including heating plant, distribution, air handling, ventilation and power wiring. Risks are becoming significant and include plant failure entailing unscheduled and prolonged shutdown, increased potential for legionella outbreak and excessive energy consumption all of which will increase revenue maintenance spend.
- (b) Cemeteries - £0.080m The condition of the footpaths, carriageways, walls and general infrastructure in the Councils cemeteries are in urgent need of repair

and/or replacement to maintain the asset and ensure safety of people visiting the cemeteries.

- (c) Street lighting columns - £0.023m. These street lights are not part of the adopted highway therefore not covered by the LTP. 9 lighting columns within St Cuthbert's Churchyard are showing signs of corrosion and the 14 columns within Stanhope Green are over 40 years old. These columns are becoming inefficient and are in need of upgrade.
- (d) Advanced Design Fees - £0.150M. as stated earlier there will be new schemes brought forward in the future in particular in relation to economic growth. To ensure schemes can be worked up an advance fees budget will be needed.

Capital Medium Term Financial Plan 2014/15 - 2017/18					
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Resources					
Capital Grants	8,049	4,863	4,922	4,089	21,923
HRA Revenue Contributions	5,643	5,752	5,879	5,903	23,177
HRA Investment Fund	6,000	7,000	4,000	1,000	18,000
Corporate Resources - general fund and capital receipts	2,253	1,000	1,000	1,000	5,253
HRA Capital Receipts	184	192	194	196	766
Total Resources	22,129	18,807	15,995	12,188	69,119
Commitments - see below	22,129	17,807	14,995	11,188	66,119
Resources Available for Investment	-	1,000	1,000	1,000	3,000
Children, Families & Learning					
Basic Needs funding - priority must be given to the provision of sufficient places across the Primary Sector to meet Basic Need	760	1517	1593	760	4,630
Capital Maintenance funding for LA maintained schools - priority will be given to key priorities identified through the locally agreed Asset Management Planning process	287	194	194	194	869
LCVAP funding for VA Schools - Priorities to be agreed by the Diocese in discussion with VA Schools	22	22	12	12	68
DFC for LA maintained schools - funding directed to schools on a formula basis to be spent in line with the locally agreed Asset Management Planning process (Provisional Allocation)	69	52	52	52	225
DFC funding for VA - priorities to be agreed by the Diocese in discussion with VA Schools (Provisional Allocation)	15	15	8	8	46
Universal Infant Free School Meals - VA and LA Maintained schools	88				88
	1,241	1,800	1,859	1,026	5,926
Housing					
Adaptations	330	330	330	380	1,370
Heating replacement programme	1,035	1,051	1,170	1,174	4,430
Structural works	120	140	140	140	540
Lifeline Services	80	80	80	80	320
Repairs before painting	100	100	100	100	400
Roofing	400	420	420	420	1,660
Garages	75	75	75	75	300
External Works (footpaths, fencing, etc.)	500	500	500	500	2,000
Smoke detection	50	50	50	50	200
Pavement Crossing	25	25	25	25	100
Energy efficiency	572	600	600	600	2,372
Door entry	30	30	30	30	120
IPM works	2,210	2,220	2,230	2,202	8,862
Communal Works	50	50	50	50	200
Lifts	-	23	23	23	69
Red Hall Regeneration	1,000	1,000	1,000	-	3,000
New build	5,000	6,000	3,000	1,000	15,000
Fees	250	250	250	250	1,000
	11,827	12,944	10,073	7,099	41,943
Transport					
Highway Maintenance	1,899	1,899	1,899	1,899	7,596
Integrated Transport	530	530	530	530	2,120
Tees Valley Bus Network Improvement	3,715				3,715
Local Sustainable Transport Fund	30				30
	6,174	2,429	2,429	2,429	13,461
Other Capital Programmes					
Adults' Personal Social Services	275	275	275	275	1,100
Disabled Facility Grants	359	359	359	359	1,436
	634	634	634	634	2,536
Council funded Schemes					
Capital works within the Council's three cemeteries	80				80
Replacement Street Lighting columns within St Cuthbert's Churchyard and Stanhope Green	23				23
Dolphin Centre - Essential M&E Works	2,000				2,000
Advanced Design Fees	150				150
	2,253	-	-	-	2,253
Total Spending Plans	22,129	17,807	14,995	11,188	66,119

Section 1.2

General Fund Revenue and Capital Budget

- 1.2 Setting the Council Tax for 2014-15
 - report to Council 27 February 2014

SETTING THE COUNCIL TAX FOR 2014/15

**Responsible Cabinet Member – Councillor Steve Harker,
Efficiency & Resources Portfolio**

**Responsible Director – Paul Wildsmith,
Director of Neighbourhood Services & Resources**

SUMMARY REPORT

Purpose of the Report

1. The Local Government Finance Act 1992, as amended (referred to as “the Act” in this report) requires the Council to calculate and set its council tax for 2014/15 before 11 March 2014.

Summary

2. The Localism Act 2011 made significant changes to the Act and requires the billing authority to calculate a Council Tax requirement for the year.
3. The budget recommended to Council by Cabinet on 18 February 2014 will result in Band D council tax of £1,238.64, if approved by Council. Durham Police Authority has set its Band D council tax for 2014/15 at £159.57. County Durham and Darlington Fire and Rescue Service has set its Band D council tax for 2014/15 at £92.16. Therefore the recommended council tax for a Band D property will be £1,490.37. There will also be an additional council tax in any parish where a precept has been issued.
4. The Council has calculated that the Council Tax requirement is £37,664,136 which includes Parish Precepts of £122,889. The Council Tax requirement for the Council’s own purposes for 2014/15 (excluding Parish Precepts) is therefore £37,541,247.

Recommendation

5. It is recommended that
 - (a) the following amounts be calculated by the Council for 2014/15 in accordance with sections 31 to 36 of the Act and relevant regulations:-

- (i) the aggregate of the amount which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils, which is its expenditure £221,171,462
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income £183,507,326
- (iii) the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement £37,664,136
- (iv) The amount at item 5(iii) above, divided by the council tax base in paragraph 14 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts) £1,242.69
- (v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached **Appendix 1** £122,889
- (vi) the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 14 below, calculated by the Council in accordance with Section 34(2) of the Act as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates £1,238.64
- (vii) That the basic council tax for 2014/15 calculated for dwellings in those areas that have parish precepts be as set out in Appendix 1, column 5.
- (viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in **Appendix 2** as the amount of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings

(b) It be noted that for the year 2014/15 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown : -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14

- (c) It be noted that for the year 2014/15 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	61.44	71.68	81.92	92.16	112.64	133.12	153.60	184.32

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2014/15 for each of the categories of dwellings.

Reasons

6. The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.

Paul Wildsmith
Director of Neighbourhood Services & Resources

Background Papers

- (i) Local Government Finance Settlement 2014/15
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notifications.

Elizabeth Davison : Extension 2601

S17 Crime and Disorder	The report does not contain any Crime and Disorder implications
Health and Well Being	The report does not contain any proposals relating to the health and well being of residents
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications in this report
Wards Affected	All Wards are affected equally
Groups Affected	All Groups are affected equally
Budget and Policy Framework	This report must be considered by Council
Key Decision	This report must be considered by Council
Urgent Decision	The Council's Medium Term Financial Plan, Budget and Council Tax require approval by full Council
One Darlington: Perfectly Placed	This report follows from the Corporate Plan and Financial Plan and budget reports, which specifically addresses key issues involved in the Council's contribution to delivering the Sustainable Community Strategy vision.
Efficiency	There are no efficiency implications in this report

MAIN REPORT

Information and Analysis

7. The Act, as amended by the Localism Act 2011, requires authorities to calculate their Council Tax requirement for the year. The Council tax requirement is equal to the Council's net budget requirement less Settlement Funding Assessment (Revenue Support Grant, Business Rates Scheme Grant and Top Up Grant) less any contribution to the Collection Fund in respect of any prior year's deficit. The details of these calculations are set out in paragraph 5(i) to (iii) above.
8. The recommended basic council tax including Fire and Police Precepts for a Band D property is £1,490.37. There will also be an additional council tax in any parish where a precept has been issued.
9. Cabinet considered the draft Medium Term Financial Plan (MTFP) on 13 November 2013 and approved it for consultation. After extensive public consultation and review by the relevant Scrutiny Committees, Cabinet considered the MTFP again on 18 February 2014.
10. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2014. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2013/14 demands/precepts. It is estimated that there will be no surplus or deficit on the Collection Fund at 31st March 2014.

11. The Council has determined that its basic amount of Council Tax for 2014/15, excluding Parish Precepts, is not excessive in accordance with principles approved under Section 52ZB of the Act.
12. The Council's Council Tax Requirement (including Parish Precepts) for council tax purposes for 2014/15, as calculated in accordance with Section 31A(4) of the Act, is £37,664,136.

The Council Tax Calculations

Basic Council Tax

13. The Council set its tax base at 30,308.4 at the meeting on 30 January 2014 along with the tax bases for various parish councils. These are shown in **Appendix 1** (column 2).
14. The basic council tax must first be calculated by dividing the Council Tax requirement by the approved tax base as follows:-

$$\frac{£37,664,136}{30,308.4} = £1,242.69$$

15. From this figure parish precepts, which the Act refers to as special items, are deducted as follows:-

$$\frac{£122,889}{30,308.4} = £4.05$$

16. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,238.64 (£1,242.69 - £4.05). This also excludes the Police Authority and Fire Service precepts. It represents a 1.94% increase compared with the council tax in 2013/14.

Parish Council Taxes

17. The calculation of the additional tax for areas where special items, i.e. parish precepts, apply is based on the precepts submitted by each parish council and parish meeting, divided by the tax base approved at the Council meeting on 30 January 2014. The Parish Council Precepts for 2014/15 are detailed in Appendix 1 and total £135,325.
18. As part of the 2014/15 settlement, the Government identified part of the Council Tax Support funding as being for Parishes. The Council has decided to passport the relevant amount of £12,436 (Appendix 1 column 2) on to the Parishes to reduce the amount levied on the Parish Council Taxpayer.
19. The council tax in relation to the parish precepts is shown in Appendix 1 (column 5). When added to the basic council tax, as calculated in paragraph 15, this

provides the Billing Authority's basic council tax for each parish area (Appendix 1, column 7).

20. The increase in the average Band D Council Tax for Parish Councils is 16.71% and results in an average Band D Council Tax figure of £4.05 for 2014/15.

Billing Authority Council Tax

21. Section 30(1) of the Act requires a council tax to be set for each category of dwelling for its area. This is the Billing Authority's council tax for each parish area and the basic council tax for the rest of the authority's area, multiplied by the ratio of each band using the following: -

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

22. The council tax set will relate to band D which is 9/9 or 1. For other bands the above proportions will apply. For example, band A properties will be charged 6/9 or two thirds of the Band D tax whilst band H will be charged double the Band D tax.
23. The Billing Authority's council taxes for each band of property are shown in **Appendix 2**.

Police and Fire Authority Council Taxes

24. The Durham Police Authority is a separate body responsible for its own financial affairs. The Authority met on 3 February 2014 and set their precept at £4,836,311. This results in a Band D Council Tax of £159.57, a 1.98% increase from 2013/14 as shown below:-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14

25. County Durham and Darlington Fire and Rescue Service met on 13 February 2014 and set their precept at £2,793,222. This results in a Band D Council Tax of £92.16, a 1.9% increase from 2013/14.

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	61.44	71.68	81.92	92.16	112.64	133.12	153.60	184.32

Overall Council Tax

26. The total council tax for each of the parish areas and the remaining area of the Borough is calculated by adding the charges for the Billing Authority to those of the Police Authority and the Fire and Rescue Service. The overall council tax for each category of dwelling in each parish area and the remaining areas of the Borough where there are no parish precepts is set out in **Appendix 3**. There is a 1.94% increase in the Billing Authority Council Tax next year, with changes in the amounts of some parish precepts. The Police Authority has increased its Council tax by 1.98% and the Fire and Rescue Service has increased its Council Tax by 1.90%.

Consultation

27. The content of this report was not subject to consultation. Consultation has, however, taken place with a wide range of stakeholders, during which all households in the Borough have had the opportunity to comment, in preparing the Medium Term Financial Plan. The outcomes of consultation are included in those plans.

COUNCIL TAX FOR PARISH AUTHORITIES 2014/15

	Precept payable to Parish Council (1) £	Council Tax Support Grant (2) £	Precept levied upon Council Taxpayers (3) £	Parish Tax Base (4)	Parish Council Tax (5) £ p	Basic Council Tax (6) £ p	Billing Authority's Council Tax (7) £ p
Archdeacon Newton	1,400	(496)	904	361.78	2.50	1,238.64	1,241.14
Bishopton	6,400	(459)	5,941	162.17	36.63	1,238.64	1,275.27
Heighington	15,513	(1,554)	13,959	875.88	15.94	1,238.64	1,254.58
High Coniscliffe	1,500	(305)	1,195	106.18	11.25	1,238.64	1,249.89
Hurworth	40,785	(3,747)	37,038	1,269.32	29.18	1,238.64	1,267.82
Low Coniscliffe / Merrybent	5,050	(250)	4,800	282.15	17.01	1,238.64	1,255.65
Low Dinsdale	6,500	(827)	5,673	276.80	20.49	1,238.64	1,259.13
Middleton St. George	45,182	(2,499)	42,683	1,366.63	31.23	1,238.64	1,269.87
Neasham	1,430	(324)	1,106	154.94	7.14	1,238.64	1,245.78
Piercebridge	1,565	(216)	1,349	59.24	22.77	1,238.64	1,261.41
Sadberge	5,600	(712)	4,888	301.21	16.23	1,238.64	1,254.87
Whessoe	4,400	(1,047)	3,353	537.07	6.24	1,238.64	1,244.88
	135,325	(12,436)	122,889				

APPENDIX 2

BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2014/15

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	827.43	965.33	1,103.23	1,241.14	1,516.94	1,792.76	2,068.56	2,482.28
Bishopton	850.18	991.88	1,133.57	1,275.27	1,558.67	1,842.07	2,125.46	2,550.54
Heighington	836.38	975.79	1,115.18	1,254.58	1,533.37	1,812.17	2,090.96	2,509.16
High Coniscliffe	833.26	972.14	1,111.01	1,249.89	1,527.65	1,805.41	2,083.16	2,499.78
Hurworth	845.21	986.09	1,126.95	1,267.82	1,549.55	1,831.30	2,113.03	2,535.64
Low Coniscliffe /								
Merrybent	837.10	976.62	1,116.13	1,255.65	1,534.68	1,813.72	2,092.75	2,511.30
Low Dinsdale	839.42	979.33	1,119.23	1,259.13	1,538.94	1,818.75	2,098.56	2,518.26
Middleton St. George	846.58	987.68	1,128.77	1,269.87	1,552.06	1,834.26	2,116.45	2,539.74
Neasham	830.52	968.94	1,107.36	1,245.78	1,522.61	1,799.46	2,076.30	2,491.56
Piercebridge	840.94	981.10	1,121.25	1,261.41	1,541.72	1,822.04	2,102.35	2,522.82
Sadberge	836.58	976.01	1,115.43	1,254.87	1,533.72	1,812.59	2,091.45	2,509.74
Whessoe	829.92	968.25	1,106.56	1,244.88	1,521.52	1,798.17	2,074.81	2,489.76
All other parts of the Council's area	825.76	963.39	1,101.01	1,238.64	1,513.89	1,789.15	2,064.40	2,477.28

APPENDIX 3

OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2014/15

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	995.25	1,161.12	1,326.99	1,492.87	1,824.61	2,156.37	2,488.11	2,985.74
Bishopton	1,018.00	1,187.67	1,357.33	1,527.00	1,866.34	2,205.68	2,545.01	3,054.00
Heighington	1,004.20	1,171.58	1,338.94	1,506.31	1,841.04	2,175.78	2,510.51	3,012.62
High Coniscliffe	1,001.08	1,167.93	1,334.77	1,501.62	1,835.32	2,169.02	2,502.71	3,003.24
Hurworth	1,013.03	1,181.88	1,350.71	1,519.55	1,857.22	2,194.91	2,532.58	3,039.10
Low Coniscliffe / Merrybent	1,004.92	1,172.41	1,339.89	1,507.38	1,842.35	2,177.33	2,512.30	3,014.76
Low Dinsdale	1,007.24	1,175.12	1,342.99	1,510.86	1,846.61	2,182.36	2,518.11	3,021.72
Middleton St. George	1,014.40	1,183.47	1,352.53	1,521.60	1,859.73	2,197.87	2,536.00	3,043.20
Neasham	998.34	1,164.73	1,331.12	1,497.51	1,830.28	2,163.07	2,495.85	2,995.02
Piercebridge	1,008.76	1,176.89	1,345.01	1,513.14	1,849.39	2,185.65	2,521.90	3,026.28
Sadberge	1,004.40	1,171.80	1,339.19	1,506.60	1,841.39	2,176.20	2,511.00	3,013.20
Whessoe	997.74	1,164.04	1,330.32	1,496.61	1,829.19	2,161.78	2,494.36	2,993.22
All other parts of the Council's area	993.58	1,159.18	1,324.77	1,490.37	1,821.56	2,152.76	2,483.95	2,980.74

Section 2

Housing Revenue Account

- 2 Housing Revenue Account – Revenue Budget 2014-15
- report to Cabinet 18 February and Council 27 February 2014

HOUSING REVENUE ACCOUNT – MTFP 2014/15 TO 2018/19

Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio

Responsible Director - Paul Wildsmith,
Director of Neighbourhood Services and Resources

SUMMARY REPORT

Purpose of the Report

1. To consider proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2014/15 in the context of the HRA Medium Term Financial Plan to 2018/19 and the 30 year business plan.

Summary

2. The key decision regarding the HRA is the balance between rent levels and investment in the housing stock. Recent changes to the HRA financial regime has increased flexibility in how finances can be managed generally although some new restrictions are now in place on borrowing. The report recommends the continuation of past practice to increase rents in line with the maximum allowed by Government to ensure sufficient funds for investment in the housing stock. The Tenants Board are supportive of this approach.
3. There is the potential for the Council to bid to remove the borrowing limits placed on the HRA to increase investment and delegations are sought to submit a bid if appropriate.
4. The Business Plan for investment included in the report proposes the building of 160 new properties.

Recommendation

5. It is recommended that :-
 - (a) An average weekly rent increase for 2014/15 of 4.89% (£3.29) be implemented.
 - (b) Garage rents and service charges are increased as shown in Table 3.
 - (c) The budget at **Appendix 1** is approved.

- (d) The Housing Business Plan **Appendix 2** is agreed.
- (e) That delegation be given to the Director of Neighbourhood Services & Resources in consultation with the Cabinet Members for Adults & Housing and Efficiencies and Resources to submit a bid through the Local Enterprise Partnerships (LEP) to remove the HRA Borrowing Limit.

Reasons

- 6. The recommendations are supported to enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

CLG Rent Restructuring Guidance

Pauline Mitchell: Extension 2505

S17 Crime and Disorder	The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.
Health and Well Being	There are no issues relating to health and well-being which this report needs to address
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity issues
Wards Affected	This will have an effect on the majority of the Wards in the Borough.
Groups Affected	All Council Tenants and Lifeline Service Users
Budget and Policy Framework	The issues contained within this report require Full Council approval
Key Decision	This is a key decision because agreement to the recommendations will result in the Local Authority incurring expenditure which is significant. There will also be a significant effect on the communities living or working in an area comprising two or more wards within the area of the local authority.
Urgent Decision	The HRA and MTFP require approval by Full Council
One Darlington: Perfectly Placed	The report has no particular implications for the Sustainable Community Strategy.
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service.

MAIN REPORT

Setting the MTFP from the HRA

7. The changes to how the HRA is financed gives Councils more flexibility when deciding the balance between the levels of service provided to tenants and the levels of rent charged.
8. In the past, rent setting has been pretty much pre-determined by government policy so service level decisions could only be made within the budget envelope created by the pre-determined rent levels. Councils now have the ability to set rents up to a maximum level determined by the DWP; this is known as the limit rent. In Darlington for 2014/15 the maximum average increase allowed will be 4.89%. The maximum increase is in line with prior year increases and this has enabled tenants

to continue to receive a good level of service and provide funding for investment in existing and new properties. The MTFP as described in the following sections assumes that the Council will continue to increase rent levels to the maximum level to ensure the standard of service offered remains high in the context of the HRA having relatively low rents and that 73% of tenants are in receipt of housing benefits which will cover the increased rents. A later section however gives Members further options for rent levels and explains the differing impacts on future investment plans.

9. Analysis of Expenditure within the HRA

(a) Management £5.477m

This includes all staffing costs associated with the provision of a housing management service, central support service and ground maintenance recharges and other associated support costs such as ICT and insurance. These costs have been benchmarked and show our costs of £563 per property compare very favourably with our Comparator Group average of £735 per property.

(b) Maintenance - Revenue Repairs - £3.9m

This covers the on-going general repairs to the Councils 5,300 properties at a rate of approximately £680 per property per year. This level represents an average spend and reflects the overall good condition of the stock due to sustained capital investment. Benchmarks indicate we provide good value for money when compared to the overall average of £826 per property. The continued investment in a good repairs service is essential to maintaining our stock at a good level for current and future tenants.

(c) Capital Financing Costs

This is the cost of paying for previous borrowing undertaken to fund capital expenditure.

(d) Bad Debts Provision

A provision to cover rents that are deemed unrecoverable.

(e) Revenue Contributions to Capital Programme - £11.643m

The Council cannot borrow to finance major refurbishments and the building of new houses due to the current restriction on HRA borrowing therefore all capital expenditure needs to be funded from revenue. The budget acknowledges this and allows for revenue contributions each year. In addition over recent years contributions have been set aside to fund significant investment such as Red Hall Estate regeneration.

10. When considering rent levels Members will appreciate that expenditure items (a) to (d) are relatively fixed and the main variable is the level of funding available for capital investment. The proposed Business Plan is discussed in the following section and this explains where future capital investment is planned.

Housing Business Plan

11. The purpose of the Housing Business Plan 2014 is to ensure that the Housing Service has a financial plan which is sustainable and focuses investment towards strategic priorities. During the development of the business plan it has become clear that there were a number of strategic investment priorities that are particularly pressing and have significant financial implications for both the Housing Revenue Account and the Council's General Fund.
12. The following proposals will outline these strategic priorities, the resources available to deliver on these priorities (subject to final decisions on rent levels) and how resources will be aligned against the priorities.

Regeneration of Red Hall

13. Over the last 15 years the Housing Service has undertaken a strategic plan to regenerate key housing estates within the borough. Skerne Park was the first estate to be regenerated followed by Firthmoor, Parkside and Cockerton. Red Hall is the final estate identified for regeneration work, primarily because of low demand and high repair costs within the 'Courts' area of the estate.
14. The regeneration of the Red Hall estate has become an increasingly strategic issue for the Council and local area as it is situated in close proximity to three major development opportunities at 'Lingfield Point', the 'Eastern Urban Fringe' and a 4.3 hectare greenfield site, in Council ownership at North Red Hall, known previously as Red Hall stables. The regeneration of Red Hall will support the wider master plan for the area and potentially increase the capital receipt the Council will receive for future land sales within the area.
15. Initial consultation with residents of Red Hall concerning the proposed regeneration work was completed in July 2013. Based on the core values developed as part of this wider master planning consultation, a number of investment proposals were prepared for further consultation with Red Hall residents in December 2013. The feedback from the consultation event was positive and the investment plan for the area has now been finalised with the key elements outlined below:
 - (a) Demolish 56 properties within the courts area of Red Hall. This includes the demolition of all properties at Elland and Epsom Courts (42 properties) and partial demolition of Aintree and Anfield Courts (14 properties).
 - (b) Environmental works to improve the front and rear access to the properties remaining at Aintree and Anfield Courts (22 properties)
 - (c) Replacement of remaining electric storage heaters with gas central heating systems (12 properties)
 - (d) External cladding to all properties on the estate that would benefit from this work (approximately 200 properties)
 - (e) Provision of double glazed windows and composite doors to properties within the courts area of Red Hall (151 properties)
 - (f) Provide new rear dividing fencing between properties where appropriate within the courts area of Red Hall (151 properties)

- (g) Complete environmental works across the estate to improve public areas such as improved street lighting and public pathways.
16. It is anticipated that work resulting from the investment outlined above will be phased over two years from 2014 and will cost £3m. These investments are identified as phase one of the wider master planning work at Red Hall which is likely to take place over a much longer period. We are also exploring opportunities for a more ambitious programme of energy efficiency measures throughout the estate rather than restricting work to mainly the court areas. This would be subject to funding from Energy Company Obligations (ECO) and unfortunately there are some uncertainties around the extent of these obligations in the future.
17. All households affected by the demolition works will be given compensation in line with statutory guidelines and be supported by Housing Services to secure alternative accommodation.

New Build

18. The Strategic Housing Market Assessment completed for the Tees Valley in 2012 identified that there is a shortfall of over 300 affordable dwellings across the Borough of Darlington each year. When taking into consideration with the Council's recent regeneration work, which has resulted in the loss of 107 council houses, and proposed regeneration work at Red Hall which may result in the loss of further properties, there is a clear need for the Council to build new affordable housing.
19. Not only is there a need to build affordable dwellings to meet local need, it is also a business need for the Housing Service. The Business Plan is underpinned by the rents received from Council properties and the loss of rents as a result of regeneration works and right to buy sales would significantly reduce income for the Housing Service if these properties were not replaced. Similarly the impact for New Homes Bonus of overall reductions in property numbers needs to be taken into account.
20. As a result of the implementation of the government's self-financing initiative introduced from April 2012 and savings delivered in the Capital Works fund it has been possible to create an Investment Fund. It is proposed that this will be primarily used to deliver the regeneration of Red Hall and a new build programme. From 2014 to 2017 a total of £16m is available for the development of new council housing, leading to approximately 160 new homes.
21. Four Council-owned sites have currently been identified as those most suitable for housing development however these have not yet been finalised and further sites will need to be considered (as described in a report to Cabinet on the 4/2/14).
22. The property mix for each of these sites is yet to be finalised but will focus on smaller units of accommodation to reflect current demand and support existing tenants needing to downsize as a result of the Welfare Reforms.

Housing for Vulnerable People

23. Strategic reviews are currently taking place to determine how housing and support could be more effectively provided to Adult Social Care Clients who have a support need with a particular focus on people with a Learning Disability or at risk of homelessness as well as Leaving Care clients.
24. It is anticipated that, with some minor structural alterations and changes to the allocations policy, the existing housing stock could more effectively meet most of these needs. As a result the Housing Services have committed to re-designate up to 50 units of older persons accommodation where we have an over-supply between 2014 and 2016.
25. The strategic reviews may also identify the need for some new build accommodation for particular client groups. These needs could be met from our own new build programme or in partnership with other Registered Providers.
26. Each year Housing Services complete a range of minor and major adaptations to individual Council properties where a need has been identified by an Occupational Therapist. In 2012/13 over 250 properties received adaptations works through this route and works ranged from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts and ground floor extensions. The adaptations budget is fundamental in supporting households to remain in independent living and preventing a premature movement into a more supported form of accommodation. Adaptations play a key role in reducing demands on Adult Social Care budgets and to reflect this, the Business Plan is committed to investing £300k per year on adaptations.

Existing Stock Investment and Responsive Repairs

27. In 2008 Savills were commissioned to undertake a Public Sector Stock Condition Survey. Savills concluded that DBC's stock had been 'well maintained on a day to day basis and is in very good condition when compared to local authority housing stock of a similar size and nature'. This conclusion was supported by the thirty year forecast with total expenditure to maintain the stock and related assets at the lower end of the expected benchmark totals. These findings reflect that the stock has been subject to significant investment over the last 10 years (2003-2013) with a structured programme for both ongoing capital improvements and maintenance resulting in:
 - (a) All stock meeting the Decent Homes Standard by 2006.
 - (b) A proactive approach to capital improvement work ensuring all stock is maintained to a standard above the Decent Homes Standard, locally known as the Darlington Standard.
 - (c) An average SAP rating of 69 across the Council housing stock indicating an above average level of thermal comfort. This can be largely attributed to a central heating programme which has installed over 2,500 A rated combi-boilers and a planned maintenance programme which ensures all properties suitable benefit from cavity wall insulation and 300mm of loft insulation.

- (d) £98m, or £9.8m per year, being spent on capital improvements including the regeneration of Cockerton and Parkside and the rebuilding or remodelling of all sheltered and extra care schemes.
28. The Business Plan identifies a capital works budget of £41m over the next five years and £229m budget for capital works over the next 30 years. This budget will ensure all works identified within the stock condition survey can be completed alongside additional works to maintain properties to the Darlington Standard and complete regeneration works where appropriate.
29. The Council's housing stock is well maintained as a result of a structured capital investment programme. This has resulted in DBC's Housing Service being identified by the Audit Commission as a high performing authority with one of the lowest average maintenance cost per dwelling of all stock retained authorities in England.
30. A wide range of actions within the Business Plan are anticipated to reduce the level of expenditure on responsive repairs. These include:
- (a) The Energy Efficiency budget will provide new composite doors which do not fluctuate in shape following changes in temperature or heavy rainfall and will reduce responsive repair requests. As 'ease and adjust timber door' was the second most common repair request from tenants in 2012/13, with over 600 over time, this will mean a significant reduction on responsive repair works.
 - (b) Roofing and Energy Efficiency budget will replace items that require painting on a cyclical basis, for example, cast iron and lead gutters and downpipes or timber doors with PVC equivalents that do not require regular painting.
 - (c) The current provision of stores which is used for the majority of responsive repairs and a significant portion of capital works is being re-tendered with the new stores service going live in March 2014. The current stores service is delivered in house and it is anticipated that an external provision will lead to savings on material costs and improve the number of repairs that can be completed at first visit.
31. The Business Plan anticipates responsive repairs will remain at historical levels and so allocates a budget of £21m for responsive and cyclical repairs within the five year investment plan and £129m within the 30 year investment plan.

Energy Efficiency

32. The Standard Assessment Procedure (SAP) is an industry standard used to evaluate the energy efficiency of a property. While the average SAP rating of the Council's housing stock is 69, is in line with the national average, some housing stock have poor levels of thermal comfort.
33. The five year investment plan directs £5.5m towards investment in A rated combination boilers and £33m to heating replacement over 30 Year Business Plan period. A further £3m has been allocated to Energy Efficiency measures within the five year investment plan for the replacement of PVCu windows and the installation of composite doors to properties identified as the hardest to treat in relation to other

basic retro fit measures. The 30 Year Business Plan allocates £18.5m of investment in Energy Efficiency measures.

34. To supplement the investment identified within the Business Plan, Housing Services are currently working with Warm Up North and other funding providers to leverage additional grant funding to complete a wider range of energy efficiency improvements. Potential projects include:
- (a) Provision of external cladding, double glazing and composite doors to 39 System Built properties with an average SAP rating of 64.
 - (b) Provision of external cladding, double glazing and composite doors to 398 Wimpey No Fines and System Built properties with an average SAP rating of 54.
35. Attached at **Appendix 2** is the 30 year Investment Plan and at **Appendix 3** the detailed 5 year investment plan.
36. Members will appreciate that the investment plan is underpinned by annual rises at the maximum levels which are estimated to be the Consumer Price Index (CPI) plus 1%.

Rent Level Options

37. The main objective of the Government’s policy on rent restructuring is that rents should be fair and affordable for tenants in the social rented sector. The policy sets out a common basis on which all rents in the social sector should be set. This means that the rent for a house or flat (known as the formula rent) is linked to its capital value, size, location, condition and local earnings so that tenants can make a proper choice between how much they pay and the size and quality of the property they live in.
38. The assumed level of rent increases over the next five years are set out below together with the level of funding available to fund capital investment e.g. Red Hall regeneration and new build.

Table 1: Assumed Level of Rent Increases over the Next 5 Years

Year	Average % increase	Available for Capital Investment £m's
2014/15	4.89 (2)	14.2
2015/16	3.0	5.7
2016/17	3.0	5.8
2017/18	3.0	5.9

(1)

- (1) Includes brought forward of £7.5m
- (2) Includes final year of rent convergence

39. Should Members feel the level of rent increases should be lower with a consequential reduction in funding available for capital investment then the

following table demonstrates the potential impacts on the five year investment programme. Clearly Members only make annual decisions on rent levels however they need to do so understanding the impact on future plans. The table below shows the impact of a 1% reduction in estimated rent levels on the 5 year and 30 year plan.

Table 2: Impact of 1% Reduction in Estimated Rent Levels on 5 Year and 30 Year Plan

	Impact of 1% reduction in year £'000s	Impact on 5 year plan 2014-2018 £'000s	Impact on 30 year plan £'000s
2014/15	183	758	5,512
2015/16	188	574	5,333
2016/17	189	383	5,071
2017/18	193	193	4,884
Cumulative Impact of a 1% reduction each year	753	1,908	20,800

If the rent increase for 2014/15 was reduced from 4.89% to 2.0%, for example, the following would apply:

- The average rent for 2014/15 would be £68.58;
- The average rent increase would be £1.34;
- The amount of income lost in 2014/15 would be £528k;
- The amount of income lost over the life of the 30 year business plan would be £16m.

40. The impact of rent convergence ending prematurely in 2015/16 represents an annual loss of £0.5m which will already impact significantly on the Housing Business Plan over its 30 year period and this is one of the reasons for recommending the full guideline increase for 2014/15.
41. The above information has been considered by leading Members in the production of this report and their view is that given the context in which this decision is being taken and tenants desire to see continued investment in the stock that the increase for 2014/16 should be 4.89% with future increases planned at CPI at 1%. Example rents for 2014/15 are attached at **Appendix 4**.
42. The additional costs will be covered by Housing Benefits and where appropriate Supporting People grant for the 73% of tenants who are eligible. It should be noted that during the current year around 60 tenants have chosen to move to smaller property in the private sector due to the Bedroom Tax. As a result they have less security and are paying a higher rent for a smaller property by building more smaller Council housing we will be able to offer a more secure option to those whose only alternative option is the private sector. We have also introduced a Money Advice Service to address the financial challenges facing a number of Council tenants and this service is designed to target those most at risk and to work

with them to find achievable solutions.

Garage Rents and Service Charges

43. The budget at Appendix 1 includes the financial effect of the proposed increases. The proposed service charges provide for achieving full recovery of costs from those tenants who directly benefit from the services provided. In most instances this means a small inflationary increase is necessary but in some instances such as the cleaning of standard flats and scheme heating costs no increase is needed to maintain current levels of service. Last financial year, due to changes in the role of Warden Services, the general fund contribution to the HRA for welfare services was stopped. This had an impact of increasing the “Lifeline – Sheltered and Extra Care” service charge. To limit the increase to tenants, it was decided to phase in the additional cost over two years; with 2014/15 being the final year and so the full cost of warden services is now being recovered. Details are shown at Table 3.

Table 3: Garage Rents and Service Charges

Description	Current Weekly Charge (13/14)	Proposed Weekly Charge (14/15)
	£	£
Garage Rents	6.48	6.65
Building Cleaning – Flats	1.57	1.57
Building Cleaning – Sheltered Schemes	3.11	3.15
Building Cleaning – Extra Care	9.78	9.89
Grounds Maintenance – General Housing	1.43	1.46
Grounds Maintenance – Blocks of Flats	1.43	1.46
Heating – Comprehensive schemes	11.46	11.46
Heating - Blocks of flats	1.10	1.16
Administration – Leaseholders	78.62	80.74
Furnishings and Fittings – Comprehensive Schemes	1.62	1.66
Furnishings and Fittings – Good Neighbour Schemes	0.73	0.75
Lifeline Response	5.09	5.21
Lifeline - Sheltered and Extra Care Housing	13.85	14.98
Pavement Crossings and Hard standings	3.46	3.56
Mid-day Meal – Extra Care (Residents only)	30.89	31.64
Mid-day Meal – Extra Care (Non-Residents only)	37.07	37.97
Furnished Tenancies - 1 bed flat	27.76	28.51
Furnished Tenancies - 2 bed flat	28.87	29.65
Furnished Tenancies - 2 Bed House	44.76	45.97
Furnished Tenancies - 3 Bed House	46.84	48.10
Furnished Tenancies - White Goods	5.98	6.10
Guest Rooms in Sheltered Schemes	75.25	77.00
Door Entry Systems	0.56	0.58
TV Aerials	0.16	0.16

Consultation

44. The Annual Review of the HRA Business Plan is developed in consultation with Council tenants through the Tenants Board and associated sub-groups supplemented with surveys, focus groups, bespoke meetings and marketing tools such as mystery shopping. The Tenants Board considered this report on 12 February 2014 and gave their full support for the recommendations.
45. The Board continue to be proactive and have had a significant workload during the year in terms of reviewing and improving service delivery within the Housing Revenue Account. Major areas of work include:-
- (a) Board members on the Repairs and Maintenance task and finish group continue to contribute to the action plan to identify improvements needed to the repairs and maintenance service. They have also agreed that the first project undertaken by the Tenant Scrutiny Group will be an in depth examination of the void process.
 - (b) The Streetscene Group have reviewed the Grounds Maintenance Specification working in partnership with Street Scene to do this.
 - (c) Members are keen to ensure that they are up to date with changes to housing policy and procedures and they update their skills to ensure they have the knowledge and ability to fulfil their role. During the year they have taken part in consultations on Sheltered Housing and the Pet Policy, attended a Welfare Rights conference and received training on Equality and Diversity, Safeguarding Adults and Tenant Scrutiny.
 - (d) Board members took part in their annual estate inspection visiting Minors Crescent at Cockerton to see the improvement work and several sites that may be used in the future to provide new affordable homes. They stopped at Red Hall Community Centre to view the proposed plans for regenerating the estate and they also toured Kings Church to learn more about the Furniture Scheme and Food Bank operating from there.
 - (e) They have worked in partnership with the Dogs Trust to promote good dog ownership, attending a joint event offering free micro-chipping for dogs. This links to the review of the Pet Policy which now allows pets in some sheltered and extra care schemes.

Financial Implications

46. The estimates included in this report represent a fair view of ongoing plans and commitments although Members will appreciate some budget are subject to volatility and will continue to be monitored closely.
47. The level of revenue balances projected in this report represent an adequate level given the level of risk

Relaxation of the HRA Borrowing Gap

48. As highlighted earlier the Government limits the amount that can be borrowed by the HRA regardless of whether further borrowing is affordable. This is very much at odds with the Prudential Borrowing code in place in the general fund. Currently Darlington cannot take on any additional borrowing. The Government recently announced that the Growth Fund available to LEP's would no longer be in part funded by deduction from Local Authority New Homes Bonus (NHB). To "replace" the funding LEP's can apply to the Government for the removal of the HRA borrowing cap to help Councils stimulate growth.
49. For Darlington the removal of the borrowing cap would mean the HRA could speed up its investment plans in particular in relation to new build programmes. An estimated additional £27m could be invested in the next five years.
50. The process for applying for the removal of the borrowing cap is not yet clear and quite often such processes are quite short therefore permission is sought for the Director of Revenue and Neighbourhood Services in consultation with the Cabinet Portfolio holders for Efficiency and Resources and Adult Social Care and Housing to apply as appropriate and report back to Cabinet.

HRA Estimates

	2013/14		2014/15	2015/16	2016/17	2017/18
	Budget	Projection	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<u>INCOME</u>						
Rent of HRA Dwellings (Gross)	(18,722)	(18,900)	(19,230)	(19,683)	(20,161)	(20,645)
Sundry Rents (including Garages & Shops)	(379)	(380)	(368)	(375)	(382)	(389)
Charges for Services & Facilities	(2,383)	(2,503)	(2,450)	(2,450)	(2,450)	(2,450)
Contribution towards Expenditure	(455)	(431)	(391)	(391)	(391)	(391)
Interest Receivable	(25)	(40)	(25)	(25)	(25)	(25)
Total Income	(21,964)	(22,254)	(22,465)	(22,924)	(23,409)	(23,900)
<u>EXPENDITURE</u>						
Management	5,336	5,192	5,477	5,567	5,730	5,889
Maintenance - Revenue Repairs	3,745	3,844	3,900	4,095	4,299	514
Revenue Contribution to Capital	5,648	7,516	11,643	12,752	9,879	6,903
Capital Financing Costs	3,669	3,690	3,802	3,815	3,774	3,735
Increase in Bad Debt Provision	250	250	250	250	250	250
Contribution to/(from) balance	3,316	1,762	(2,606)	(3,555)	(523)	2,609
Total Expenditure	21,964	22,254	22,466	22,924	23,409	23,900
(Surplus) / Deficit	0	0	0	1	0	0
Opening Balance	5,738	8,354	10,116	7,510	3,955	3,432
Contribution to / (from) balance	3,316	1,762	(2,606)	(3,555)	(523)	2,609
Closing Balance	9,054	10,116	7,510	3,955	3,432	6,041
Estimated Closing Dwelling Numbers	5,330	5,349	5,319	5,289	5,259	5,229
Closing Balance per Dwelling	1,698.69	1,891.19	1,411.92	747.78	652.60	1,155.29

THIRTY YEAR INVESTMENT FORECAST

	Years 1 to 10 (£000)	Years 11- 20 (£000)	Years 21 - 30 (£000)	Total Spend (£000)
Adaptations	3,650	3,800	3,800	11,250
Communal Works	500	500	500	1,500
Decoration following IPM	352	482	459	1,293
External works (footpaths, fencing, etc.)	5,000	5,000	5,000	15,000
Garage Improvements	750	750	750	2,250
Heating Replacements	11,336	11,089	10,568	32,992
Internal Planned Maintenance	21,809	20,791	19,814	62,415
Repairs before painting	1,000	1,000	1,000	3,000
Roof work	4,080	4,000	4,000	12,080
Structural Repairs	1,280	1,200	1,200	3,680
Warden Link & Sheltered Housing	800	800	800	2,400
Walls/Canopies	1,795	3,590	3,590	8,975
Lifts	207	230	230	667
Energy Efficiency	5,972	6,100	6,300	18,372
Professional Fees	2,500	2,500	2,500	7,500
Smoke / Fire Alarms	500	500	500	1,500
Door entry	300	300	300	900
New build and regeneration capital investment	23,000	13,000	15,000	51,000
Total expenditure	76,831	75,632	76,311	228,774

FIVE YEAR INVESTMENT PLAN

Business Plan – Draft 5 Year Investment Plan					
	2014/15	2015/16	2016/17	2017/18	2018/19
	£000's	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>					
Adaptations	330	330	330	380	380
Heating replacement programme	1,035	1,051	1,170	1,174	1,168
Structural works	120	140	140	140	140
Lifeline Services	80	80	80	80	80
Repairs before painting	100	100	100	100	100
Roofing	400	420	420	420	420
Garages	75	75	75	75	75
External Works (footpaths, fencing, etc.)	500	500	500	500	500
Smoke detection	50	50	50	50	50
Pavement Crossing	25	25	25	25	25
Energy efficiency	572	600	600	600	600
Door entry	30	30	30	30	30
IPM works	2,210	2,220	2,230	2,202	2,189
Communal Works	50	50	50	50	50
Lifts		23	23	23	23
Red Hall Regeneration	1,000	1,000	1,000		
New build	5,000	6,000	3,000	1,000	1,000
Fees	250	250	250	250	250
Total spend	11,827	12,944	10,073	7,099	7,080
<u>Resourced by:</u>					
Capital Receipts	184	192	194	196	198
Revenue contribution to capital outlay (RCCO)	11,643	12,752	9,879	6,903	6,882
Total resources	11,827	12,944	10,073	7,099	7,080
Closing HRA Working balance	7,505	3,945	3,418	6,020	8,463

EXAMPLES OF WEEKLY RENT INCREASES FOR 2014/15

Area	Property Type	Approved Rent 2013/14	Proposed Rent 2014/15	Increase between 13/14 & 14/15	Increase between 13/14 & 14/15
		£	£	£	%
<u>Middleton St George</u>					
	1 Bedroom Bungalow	66.14	69.16	3.02	4.57%
	2 Bedroom House	71.92	75.32	3.40	4.73%
	3 Bedroom House	81.12	85.43	4.31	5.31%
<u>Cockerton</u>					
	1 Bedroom Flat	59.70	62.36	2.66	4.46%
	2 Bedroom House	69.64	72.89	3.25	4.67%
	3 Bedroom House	74.37	78.18	3.81	5.12%
	3 Bedroom House	94.66	100.16	5.50	5.81%
<u>Haughton</u>					
	1 Bedroom Flat	60.13	62.84	2.71	4.51%
	2 Bedroom Flat	67.87	71.06	3.19	4.70%
	1 Bedroom Bungalow	66.22	69.21	2.99	4.52%
	2 Bedroom House	71.61	74.87	3.26	4.55%
	3 Bedroom House	78.82	83.06	4.24	5.38%
<u>Branksome</u>					
	1 Bedroom Flat	59.76	62.44	2.68	4.48%
	1 Bedroom Bungalow	66.06	69.04	2.98	4.51%
	2 Bedroom House	68.59	71.64	3.05	4.45%
	3 Bedroom House	77.19	81.04	3.85	4.99%
<u>Lascelles</u>					
	1 Bedroom Flat	58.59	61.47	2.88	4.92%
	2 Bedroom Flat	64.86	68.30	3.44	5.30%
	2 Bedroom House	66.85	70.25	3.40	5.09%
	3 Bedroom House	73.23	77.36	4.13	5.64%
<u>Bank Top</u>					
	1 Bedroom Flat	60.12	62.82	2.70	4.49%
	3 Bedroom House	76.57	80.26	3.69	4.82%

EXAMPLES OF WEEKLY RENT INCREASES FOR 2014/15

Area	Property Type	Approved Rent 2013/14	Proposed Rent 2014/15	Increase between 13/14 & 14/15	Increase between 13/14 & 14/15
		£	£	£	%
<u>Redhall</u>					
	1 Bedroom Flat	57.26	60.06	2.80	4.89%
	2 Bedroom Flat	62.82	65.96	3.14	5.00%
	1 Bedroom Bungalow	60.69	63.67	2.98	4.91%
	2 Bedroom House	64.66	67.66	3.00	4.64%
	3 Bedroom House	70.36	73.86	3.50	4.97%
<u>Eastbourne</u>					
	1 Bedroom Flat	56.04	58.88	2.84	5.07%
	2 Bedroom Flat	62.51	65.63	3.12	4.99%
	2 Bedroom House	65.05	68.33	3.28	5.04%
	3 Bedroom House	69.70	73.59	3.89	5.58%
<u>Skerne Park</u>					
	2 Bed House	65.36	68.88	3.52	5.39%
	3 Bed House	70.25	74.23	3.98	5.67%
<u>Parkside</u>					
	1 Bedroom Flat	59.38	62.49	3.11	5.24%
	2 Bedroom House	68.33	71.78	3.45	5.05%
	3 Bedroom House	75.19	79.16	3.97	5.28%
<u>North Road</u>					
	1 Bedroom Bungalow	61.68	64.17	2.49	4.04%