

DARLINGTON BOROUGH COUNCIL

BUDGET BOOK 2016-17

INTRODUCTION

The purpose of this book is to provide a single reference document containing key information relating to the Council's budgets for 2016-17 and medium term financial plans for 2016-17 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

- 1.1 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 2 report of Chief Officers Executive to Council 29 June 2016.
- 1.2 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 2 report of Chief Officers Executive to Cabinet 11 February 2016.
- 1.3 Medium Term Financial Plan 2016-17 – Phase 1 report of Chief Officers Executive to Council 25 February 2016.
- 1.4 Setting the Council Tax for 2016-17 – report to Council 25 February 2016.

Section 2

- Housing Revenue Account - Revenue Budget 2016-17 – report to Council 25 February 2016.

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.

Between the financial years 2010/11 to 2015/16 the Council has faced unprecedented financial challenges following the Governments response to the worldwide economic downturn by introducing significant public sector spending reductions. In the case of Darlington Borough Council by the forthcoming year this means an overall real terms decrease in government funding of £37.3m. To date this has resulted in the Council agreeing reductions to planned expenditure of £35.4m leading to reduction of 572 in the Council's workforce

It is predicted that comparable Government funding in real terms will reduce by a further £6.3m by 2020 in addition to the £37.3m already lost since 2010, an overall real terms decrease of £43.6m, a significant 55%.

These reductions are unprecedented. The Council's main sources of income going forward are Council Tax and Business Rates and the ability to increase these sources of income to protect services and offset the loss of government grant is limited by the Government. Unless a referendum is held the Council cannot raise Council Tax by more than 2% each year and the rateable value of properties is set by the Government. Therefore the only way we can collect more revenue from these sources is to increase the numbers of properties built and attract more businesses to the Borough.

Darlington Borough Council has to date been proactive and able to adapt to an environment of significant service pressure and resource reductions. Despite the significant funding 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 Money Talks Events held over the summer of 2013 set the scene for the current MTFP where the public of Darlington gave the Council a clear message that whilst they appreciated the financial difficulty the Council faced they didn't want to see the demise of discretionary services such as cultural, sporting and recreational services provided including museums, libraries, sports facilities, theatres and our parks and open spaces. People also thought that the removal of some of the preventative services the Council is not required to provide would ultimately increase the cost of statutory services.

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 1.99% 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 2016 is projected to be £20.955M.

The Council has set a revenue budget of £86.987M for 2016-17 which is summarised at portfolio level below:-

	£M
Adult Social Care and Housing	32.983
Children and Young People	21.605
Health and Partnerships	7.775
Leisure and Local Environment	15.313
Economy and Regeneration	3.427
Efficiency and Resources	9.125
Leader	0.106
Contribution from revenue balances	(3.347)
Total net revenue budget	86.987

The budget is funded by:-	£M
Council Tax	41.698
Business Rates Retained Locally	16.486
Top Up Grant	4.012
Revenue Support Grant	13.286
New Homes Bonus	2.698
Public Health Grant	8.807
Total	86.987

A detailed report prepared by the Chief Officers Executive (COE) was presented to Cabinet on 1 December 2015 for consultation. The views of Efficiency & Resources Scrutiny Committee were fed back to Cabinet on 11 February 2016. The results of the consultation and other updates were considered at the meeting and amendments were made to the phase 1 budget that was recommended to Council on 25 February 2016. Further public consultation took place and a phase 2 budget was recommended to Council on 29 June 2016.

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 £80M between 2016-17 and 2019-20.

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. A total of £20M is available for the development of 168 new council houses.

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 severely limited.

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 2016-17 was approved at the Council meeting on 25 February 2016 after being considered at a special Audit Committee on 29 January 2016. 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):-

$$\frac{\pounds 41,698,000}{31,739.6} = \pounds 1,313.75$$

This is the amount paid to the Borough Council for band D properties excluding the average Parish Precept. This represents an increase of 3.99% in Council Tax levels from 2015/16. 2% of this increase is for an adult social care precept that is to be used solely towards expenditure on adult social care. The offer of this precept was introduced by the Secretary of State for Communities and Local Government in recognition of demographic changes nationally which are leading to growing demand for adult social care, which is an increasing pressure on council budgets.

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 2016-17 £
A	Up to 40,000	6/9	875.83
B	40,001 to 52,000	7/9	1,021.81
C	52,001 to 68,000	8/9	1,167.78
D	68,001 to 88,000	9/9	1,313.75
E	88,001 to 120,000	11/9	1,605.69
F	120,001 to 160,000	13/9	1,897.64
G	160,001 to 320,000	15/9	2,189.58
H	More than 320,000	18/9	2,627.50

In addition to the Council's own requirements, Council Tax bills include the Office of the Durham Police and Crime Commissioner (£165.95 for Band D), Durham and Darlington Fire and Rescue Authority precept (£95.76 for Band D) and in parish areas the Parish Council's precept (ranging from £6.05 to £34.80 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 2017 is projected to be £5.705M.

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 2016-17 in accordance with this system.

Paul Wildsmith
Director of Neighbourhood Services & Resources
June 2016

Section 1

General Fund Revenue and Capital Budget

1.1 Medium Term Financial Plan 2016-17 to 2019-20 – Finalisation of Phase 2 Plan

- report of Chief Officers Executive to Council 29 June 2016

1.2 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 2

- report of Chief Officers Executive to Cabinet 11 February 2016

1.3 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 1

- report of Chief Officers Executive to Council 25 February 2016

1.4 Setting the Council Tax for 2016-17

- report to Council 25 February 2016

Section 1.1

MTFP Phase 2

General Fund Revenue and Capital Budget

1.1 Medium Term Financial Plan 2016-17 to 2019-20 – Finalisation of Phase 2 Plan

- report of Chief Officers Executive to Council 29 June 2016

**MEDIUM TERM FINANCIAL PLAN 2016/17 TO 2019/20 –
FINALISATION OF PHASE 2 PLAN**

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

Responsible Director - Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To finalise the 2016/17 to 2019/20 Medium Term Financial Plan (MTFP) in light of consultation and any changes in respect of new information and projections. This report should be read in conjunction with other related reports earlier on this agenda.

Summary

2. Cabinet proposed the Phase 2 MTFP on 11 February 2016 and extensive consultation has taken place since that date with consultation ending on 31 May 2016.
3. Although there are some amendments within the report and greater detail on some mitigations it is recommended that the overall shape of the proposed MTFP remains.
4. The recommendations set out in this report are those agreed by Cabinet to be referred to Council for decision.
5. The four year MTFP will form the basis of the Council's four year efficiency plan to be submitted to Government

Recommendation

6. It is recommended that Council Approve :-
 - (a) The revised MTFP at **Appendix 1**, including:-
 - (i) Decisions already made earlier on this agenda
 - (ii) Reductions set out at **Appendix 3**

- (iii) An indicative annual Council Tax increase of 3.99% including the Government's 2% social care levy.
- (iv) That the MTFP forms the basis of the Council's four year efficiency plan to be submitted to Government.
- (v) That £3.273m be transferred to the Redundancy and Decommissioning reserve to be drawn down as required.

Reasons

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

- (a) To set a medium term financial plan within projected available resources.
- (b) To enable the Council to secure a four year grant settlement from the Government.
- (c) To provide for redundancy and decommissioning costs

Chief Officers Executive

Background Papers

No background papers were used in the preparation of this report

Paul Wildsmith : Extension 5828
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	The impact of proposals in this report, are considered in an earlier report on this agenda.
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. See separate report.
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 which do not affect service levels have been included in the MTFP.

MAIN REPORT

Background

8. Council agreed the MTFP Phase 1 at its meeting on 25 February 2016 in the knowledge that it would be revised by the MTFP Phase 2 report proposed by Cabinet on 11 February 2016 for consultation. The Phase 2 report adopted a methodology of proposing a core offer budget (COB) based on services that must be provided and then the application of a £2.5m Futures Fund available to finance non COB services of which the current cost is £12.7m. The consequence of the application of the fund was the need to cease/reduce £10.2m (£12.7m less £2.5m) of services.
9. The original report is available on the Council's website at <http://www.darlington.gov.uk/your-council/democracy/meeting-details/?id=1948>
10. The remainder of this report deals with the proposals contained within the original report and updates Members with changes and additional information.

Changes to the MTFP 2016/17 to 2019/20 since its proposal on 11th February 2016

11. Set out below are changes of a factual or technical nature that have been made to the proposed MTFP

Change	Description	Impact on MTFP
Draft Outturn	One off funding to be returned to reserves	£1.510M
NEREO	Reinstate membership of NEREO – proposal H2. If the council ceased to be members of NEREO the jobs portal subscription would no longer be subsidised reducing the saving to £2,429pa. Furthermore the Council would not benefit from Provincial Council and the collective bargaining benefits this entails. There is a regionally commission review of NEREO to be undertaken.	Nil as further savings have been identified in the HR budget following the retendering of the occupational health contract.
Pressure – Pensions fund	Estimated effect of actuarial review on April 2017	£400k
Pressure - Pay award	Estimated cost of pay award over and above budgeted following the pay award settlement.	£40k
Mitigation Fund for Vulnerable Groups	One-off funding financed by outturn underspend	£100k
Crisis Support - Social Fund	Additional resource identified at Outturn from Benefits Admin to increase the fund.	£30k
Cockerton Library Closure - Deferred until 31/3/2017	To enable a voluntary sector proposal to be further developed – see earlier report	£23k
The Bridge – Deferred Funding withdrawal until 31/3/2017	To enable the business case for The Bridge to be further developed. Funded from existing budgets. See earlier report	Nil
Blue Badge Proposal	Amendment to scheme to allow transfer of tickets for Blue Badge Holders between car parks of the	Nil

	same type (ie short stay to short stay, long stay to long stay)	
Street Scene and Grounds Maintenance Mitigation	Funded from existing budgets and virement – see earlier report	Nil
W15 – Concessionary Fares demand management. The possible retention of a Disabled Companion pass option for users based on the development of a new scheme.	Further work be undertaken to investigate a scheme to allow the retention of the Companion Bus Pass option on the principle of developing a sustainable scheme which is a combination of a more robust criterion and assessment for entitlement and an annual charge at a level to be determined.	The overall saving on demand management has been achieved this year through negotiation with operators. Therefore, deferral until the new scheme is developed will have no impact on the MTFP and when designed the new scheme will deliver savings to help control demand on the budget; in case inflation in future years negotiations increases above predicted levels.
W16 – Cycle Training Level 3	The Department for Transport have agreed to accept applications for Level 3 funding as part of their Bikeability Scheme meaning the service can continue through external grant funding	Nil
W17 – Child Pedestrian Training	A successful bid has been submitted to the Durham & Darlington Casualty Reduction Forum for funding from the National Driver Offender Re-training Scheme for calendar year 2016/17 to continue the training. Further bids will be submitted for future years and provided external funding applications are successful this service will be continued.	Nil
W18 – Sustainable Transport Programme – Tees Valley. A Programme to support inter-urban travel by public transport; short	Bids were invited by DfT for a Transition year of funding for 2016/17. This was a fund of £20 million between 2016 and 2017. The Tees Valley	Nil

local active travel trips with a focus on walking and cycling; and a marketing programme including an extensive programme of personalised travel planning across the Tees Valley.	<p>secured £1m of this fund.</p> <p>This transition year is to support local councils in the switch from the Local Sustainable Transport Fund to the launch of a £60 million Access Fund that will take place later in summer 2016.</p> <p>Work will be delivered by the TV including Darlington resources.</p>	
Change Proposal Hu5 – Removal of Discretionary Early Support Service - Defer implementation until 1 April 2017	Deferral will allow the service to continue and be reconfigured as part of the new overall early help service. The cost can be funded by budget slippage so will have no impact on the overall MTFP.	Nil
Amend proposal C10 - reduce commissioning and contracts team and increase proposal C2 by equivalent amount.	The Director has requested this change as she believes if the overall budget savings are to be achieved the commissioning and contracts resource cannot be reduced.	Nil

Proposed MTFP

12. Set out below and in detail at **Appendix 1** is the recommended MTFP taking into account the changes highlighted in the previous paragraphs.

	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Expenditure	90.334	87.967	88.898	90.138
Use of Balances	(3.347)	(2.524)	(2.909)	(2.762)
Net Expenditure	86.987	85.443	85.989	87.376
Resources	86.987	85.443	85.989	87.376
Council Tax Increase	3.99%	3.99%	3.99%	3.99%

The table below shows the impact of the MTFP on revenue balances

REVENUE BALANCES	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Opening balance	20.955	11.155	7.767	4.671
Less Risk Reserve	(4.330)			
Less Redundancy Costs	(2.123)	(0.864)	(0.187)	(0.099)
Contribution to/(from) balances	(3.347)	(2.524)	(2.909)	(2.762)
Closing Balance	11.155	7.767	4.671	1.810

Advice of the Council's Statutory Chief Financial Officer

13. The Director of Neighbourhood Service and Resources as the Council's Statutory Chief Financial Officer has a responsibility to advise Members of the robustness of the Council's financial plans and advises that the plans are robust and estimates accurate however there will always be potential for volatility of expenditure and income over the period of the MTFP; therefore adequate risk balances have been set aside to deal with such volatility. Moving forward the Council will have greater levels of financial risk than in previous MTFP's due to the fact that spending is near to minimum levels and therefore any further reductions required will be very challenging to deliver. Based on the Council's track record of delivering financial plans, the plan proposed in this report represents an appropriate level of risk and reserves.

Detailed MTFP and decisions required

14. Set out in the previous paragraphs is the MTFP at a high level; set out in **Appendix 2** is the service by service detailed budgets that underpin the high level detail. The appendices represent the COB plus the application of the Futures Fund as shown below (for further details see the original report)

Ongoing Annual Budgets	£'s
Economic Growth Team	350,000
Dolphin Centre	779,000
Parks and Open Spaces	120,000
South Park	100,000
School Crossing Patrols	125,000
Library Local Studies	30,000
Heritage and Cultural Development	100,000
Festival and Events	90,000
Head of Steam Museum	228,000
Crisis Support and Community Fund	170,000
Financial and Debt Advice	50,000
Housing Related Support	160,000
Community Development and Engagement	50,000
Sports Development Team	80,000
LGA subscription	24,000
Mayor's Allowance and Support	66,000
Local Strategic Partnership	13,000
One Off Budgets	
Voluntary Sector Development Fund	100,000
Match Funds for bids to CDCF	20,000
Fund to promote Public Sector Volunteering	50,000
Fund to assist in Ward based Volunteering	50,000

N.B. The above Futures Fund are shown net of overheads whereas Appendix 2 shows the total cost of each service including overheads.

15. To achieve the Core Offer Budget reductions with an annual saving by 2019/20 of £10.0m have to be delivered; set out at **Appendix 3** is a summary of all reductions together with an Impact Assessment Form for each reduction. Equality Impact Assessments where appropriate are included in a report earlier on this agenda.
16. In regard to the Children's Services proposals Hu1, Hu2, Hu3 and Hu5, Members will be making a decision in principle as the detailed proposals are still being developed. The proposals will be subject to consultation, Equality Impact Assessments and will be presented in further reports to Members later in the year.

Factors to be considered by Members when making final decisions

17. In consultation with Cabinet Members this report has been produced and in doing so Cabinet were aware of the results of consultation and the information on equality impact assessments. In considering this report at the formal Cabinet meeting, Members will again address their minds to the impact of the proposals before making a final decision. **The individual equality impact assessment forms contain detailed analysis of the equality impacts of individual proposals and must be read in full by Members.** .

Outcome of Consultation

18. See separate report on this agenda.

Feedback from Scrutiny of the MTFP

19. Attached at **Appendix 4** are the minutes of Efficiency and Resources Scrutiny Committee on 26 May 2016 which considered the findings and views of all scrutiny committees. The minutes document the views and recommendations on the MTFP and these have been taken into account when finalising the MTFP.

Equality Considerations

20. See separate report on this agenda.

Staffing Implications and Consultation

21. Employees directly affected by proposals contained within this report have and will be consulted in line with statutory and the Council's agreed procedures. The anticipated number of posts to be reduce is 111.5 of which 13.5 are currently vacant however as there are a number of proposals that need to be further developed this figure will change. This will be subject to further consultation.
22. Clearly this is a very difficult and challenging time for the Council's workforce and officers will continue to try and avoid compulsory redundancy where it is reasonably possible to do so by redeployment and other voluntary measures. A range of measures has also been put in place to support employees who are being made redundant

Conclusion

23. The Council faces a very challenging financial future, the proposals included in this report ensure the Council will be able to meet its duties in full and deliver some additional services beyond the core. Over the coming months and years, the Council will strive to deliver the best possible support and services it can for the Borough of Darlington from within its much reduced resources.

MEDIUM TERM FINANCIAL TERM 2015 TO 2020

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Adult Social Care and Housing Portfolio	32.983	33.460	34.407	35.454
Children and Young People Portfolio	21.605	20.722	20.591	20.699
Health and Partnerships Portfolio	7.775	6.303	6.073	5.951
Leisure and Local Environment Portfolio	15.313	14.629	14.861	15.114
Economy and Regeneration Portfolio	3.427	3.090	3.143	3.163
Efficiency and Resources Portfolio	9.125	9.656	9.714	9.649
Leader	0.106	0.107	0.107	0.107
Transfers to/ (from) Reserves	(3.347)	(2.524)	(2.909)	(2.762)
Total Net Expenditure	86.987	85.443	85.989	87.376
<u>Resources - Projected and assumed</u>				
Council Tax	41.698	43.833	46.180	48.608
Business rates retained locally	16.486	16.963	17.466	17.938
Top Up	4.012	4.091	4.212	4.346
RSG	13.286	9.094	6.334	3.556
NHB	2.698	2.713	1.704	1.635
BCF	0.000	0.161	1.731	3.147
Public Health Grant	8.807	8.588	8.362	8.146
Total Resources	86.987	85.443	85.989	87.376
<u>Balances</u>				
Opening balance	20.955	11.155	7.767	4.671
Less Risk Reserve	(4.330)			
Less Redundancy Costs/Decomm/Cost Shunt	(2.123)	(0.864)	(0.187)	(0.099)
Contribution to/(from) balances	(3.347)	(2.524)	(2.909)	(2.762)
Closing balance	11.155	7.767	4.671	1.810

MEDIUM TERM FINANCIAL PLAN by PORTFOLIO 2015 TO 2020

	Ref	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
		<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
<u>Adult Social Care and Housing Portfolio</u>					
Adult Social Care Staffing	AH1	6.540	6.500	6.657	6.792
Adult Social Care Other Commitments	AH2	1.089	1.285	1.280	1.484
Adult Packages	AH3	23.947	24.372	25.147	25.840
Adult Financial Assessment Protection Staff	AH4	0.235	0.238	0.242	0.244
Adult Direct Payments to Personal Budget Costs	AH5	0.124	0.125	0.126	0.127
Adult Commissioning & Contracts Staff Costs	AH6	0.650	0.581	0.590	0.599
Adult Workforce Development Statutory Training	AH7	0.220	0.177	0.181	0.183
Performance & Project Management	AH8	0.179	0.181	0.183	0.185
Total Adult Social Care and Housing Portfolio		32.983	33.460	34.407	35.454
<u>Children and Young People Portfolio</u>					
Social Work & Independent Review	CYP1	3.624	3.624	3.682	3.715
Looked After Children	CYP2	10.688	10.719	10.880	11.042
Disabled Children	CYP3	1.245	1.226	1.246	1.266
Early Help Model	CYP4	2.699	1.870	1.469	1.381
Youth Offending	CYP5	0.433	0.272	0.272	0.221
Education	CYP6	1.027	1.090	1.114	1.138
Education School Transport	CYP7	0.998	1.019	1.017	1.018
Safeguarding	CYP8	0.712	0.720	0.727	0.733
Performance & Project Management	CYP9	0.179	0.181	0.183	0.185
Total Children and Young People Portfolio		21.605	20.722	20.591	20.699
<u>Health and Partnerships Portfolio</u>					
Public Health Sexual Health Services	HP1	0.978	0.976	0.950	0.950
Public Health 0-19 Years	HP2	2.775	2.380	2.226	2.101
Public Health Substance Misuse	HP3	1.345	1.285	1.285	1.285
Public Health Stop Smoking Service	HP4	0.123	0.047	0.047	0.047
Public Health Advice NHS	HP5	0.556	0.456	0.458	0.460
Public Health NHS Health Checks	HP6	0.167	0.167	0.167	0.167
Public Health Prescribing & Pharmacology	HP7	0.527	0.526	0.526	0.526
Health Watch Contract	HP8	0.094	0.023	0.023	0.023
Sports Development	HP09	0.083	0.083	0.083	0.083
Engagement Team	HP10	0.071	0.050	0.051	0.052
Financial Inclusion & Crisis Support	HP11	0.293	0.103	0.103	0.103
Community Care Fund	HP12	0.077	0.155	0.155	0.155
Community Safety Services		0.035	0.011	0.000	0.000
Other PH services		0.061	0.015	0.000	0.000
Healthy Darlington		0.263	0.000	0.000	0.000
DAAT Commissioing		0.105	0.026	0.000	0.000
Voluntary Grants reintroduced		0.052	0.000	0.000	0.000
CDCF - One Off Funding		0.020	0.000	0.000	0.000
Public Sector Volunteering - One off funding		0.050	0.000	0.000	0.000
Voluntary Sector Development fund - One off funding		0.100	0.000	0.000	0.000
Total Health and Partnerships Portfolio		7.775	6.303	6.073	5.951

<u>Leisure and Local Environment Portfolio</u>					
Head of Steam	LLE1	0.271	0.278	0.283	0.288
The Hullaballoon	LLE3	0.080	0.080	0.080	0.080
Civic Theatre	LLE4	0.091	0.102	0.098	0.083
Eastbourne Sports Complex	LLE5	0.120	0.109	0.096	0.067
Indoor Bowls Club	LLE6	0.012	0.013	0.014	0.014
Coroners	LLE7	0.194	0.199	0.204	0.209
Allotments	LLE8	0.026	0.010	0.004	(0.003)
Arboriculture	LLE9	0.110	0.114	0.114	0.114
Maintenance of Council Cemeteries	LLE10	(0.746)	(0.804)	(0.861)	(0.895)
Dog Warden Service	LLE11	0.074	0.075	0.076	0.077
Indoor & Outdoor Markets	LLE12	(0.120)	(0.117)	(0.111)	(0.104)
Refuse & Recycling Collection and Waste Disposal	LLE13	5.491	5.587	5.722	5.911
Street Cleansing	LLE14	1.302	1.072	1.072	1.071
Ground Maintenance	LLE15	1.207	1.059	1.034	1.044
Winter Maintenance	LLE16	0.435	0.445	0.451	0.456
Highway Authority Role	LLE17	1.163	1.161	1.200	1.190
Concessionary Fares	LLE18	3.405	3.489	3.574	3.663
Highways Design and Works	LLE19	(1.076)	(1.000)	(0.854)	(0.900)
Street Lighting	LLE20	1.022	0.976	0.874	0.904
Events	LLE21	0.135	0.093	0.093	0.093
Cultural Development	LLE22	0.104	0.103	0.103	0.103
Remodelled Dolphin Centre including Central Library	LLE23	1.963	1.586	1.596	1.651
Wild Flower Meadow - one off funding		0.050	0.000	0.000	0.000
Total Leisure and Local Environment Portfolio		15.313	14.629	14.861	15.114
<u>Economy and Regeneration Portfolio</u>					
Development Control Planning	ER1	0.702	0.728	0.752	0.743
Flood and Water Management	ER2	0.187	0.193	0.199	0.205
Trading Standards & Animal Health	ER3	0.294	0.278	0.282	0.285
Building Control	ER4	0.168	0.151	0.148	0.145
Private Sector Housing	ER5	0.159	0.149	0.151	0.153
Environmental Health	ER6	0.589	0.585	0.594	0.600
Civil Contingencies	ER7	0.093	0.095	0.097	0.099
Licensing	ER8	0.006	0.007	0.007	0.007
TV Unlimited	ER9	0.361	0.370	0.379	0.388
CCTV	ER10	0.132	0.120	0.118	0.116
Economic Initiatives	ER11	0.702	0.414	0.418	0.421
Christmas Lights		0.034	0.000	0.000	0.000
Total Economy and Regeneration Portfolio		3.427	3.090	3.143	3.163

Efficiency and Resources Portfolio					
Estates & Property Management	EffR1	0.862	0.854	0.871	0.906
Corporate Landlord	EffR2	(0.077)	(0.077)	(0.150)	(0.150)
Elections & Electoral Registration	EffR3	0.174	0.177	0.178	0.304
Democratic & Members Support	EffR4	0.202	0.205	0.207	0.209
Members Allowances	EffR5	0.717	0.731	0.746	0.760
Resources Scrutiny	EffR6	0.002	0.002	0.002	0.002
Corporate Running Costs	EffR7	0.370	0.372	0.373	0.375
Land Charges	EffR8	(0.003)	(0.000)	0.001	0.001
Registrars	EffR9	(0.056)	(0.055)	(0.053)	(0.051)
Local Taxation	EffR10	0.469	0.480	0.490	0.502
Housing Benefits Admin	EffR11	0.138	0.126	0.143	0.160
Other GF Housing Services	EffR12	0.066	0.067	0.068	0.070
Health & Safety	EffR13	0.080	0.086	0.087	0.088
Procurement	EffR14	0.069	0.070	0.071	0.072
Financial Services	EffR15	0.860	0.863	0.860	0.872
HR	EffR16	0.434	0.428	0.434	0.442
Complaints & Information Governance	EffR17	0.188	0.190	0.191	0.193
Xentrall ICT	EffR18	1.397	1.406	1.416	1.425
Senior Management Costs	EffR19	1.768	1.795	1.826	1.664
Financing Costs	EffR20	0.771	1.000	0.889	0.550
Contingencies	EffR21	0.585	0.920	1.046	1.241
Corporate Subscriptions - North East Region Employers Organisation (NEREO)	EffR22	0.016	0.016	0.016	0.016
Unison Salary reintroduced		0.042	0.000	0.000	0.000
Parish Grants - Council Tax Support costs		0.013	0.000	0.000	0.000
Corporate Subscriptions - Association of North East Councils (ANEC) / ILG		0.038	0.000	0.000	0.000
Total Efficiency and Resources Portfolio		9.125	9.656	9.714	9.649
Leader's Portfolio					
Local Strategic Partnership (LSP) - DBC contribution	D1	0.014	0.015	0.015	0.014
Corporate Subscriptions - Local Government Association (LGA)	D2	0.025	0.025	0.025	0.025
Mayoral Support	D3	0.066	0.067	0.068	0.068
Total Leaders Portfolio		0.106	0.107	0.107	0.107
Total Expenditure - Core Offer					
		90.334	87.967	88.898	90.138

Budget Reductions - Summary by Portfolio

	Ref	2016/17	2017/18	2018/19	2019/20
		£m	£m	£m	£m
<u>Adult Social Care and Housing Portfolio</u>					
Adult Social Care Review of Management Arrangements	C1	0.103	0.153	0.242	0.248
Review of Statutory Minimum Service Costs	C2	0.207	0.650	0.979	1.208
Cease Floating Support for Domestic Violence Victims	C3	0.034	0.067	0.067	0.067
Cease Key Points of Access	C4	0.028	0.056	0.056	0.056
Cease Vulnerable Adults Floating Support	C5	0.146	0.292	0.292	0.292
Cease Drug and Alcohol Floating Support	C6	0.045	0.089	0.089	0.089
Reduce Some elements of Young Person's Pathway	C7	0.026	0.052	0.052	0.052
Cease Funding to Aspire Service	C8	0.038	0.080	0.082	0.083
Cease Funding to Gay Advice Darlington and for DAD Information Post	C9	0.011	0.022	0.022	0.022
Reducing Commissioning and Contracts Staff	C10	0.073	0.073	0.073	0.073
Reducing Workforce Development and Related Support for Offenders	C11	0.041	0.083	0.083	0.083
Healthwatch	C12	0.000	0.071	0.071	0.071
Total Adult Social Care and Housing Portfolio		0.750	1.687	2.107	2.344
<u>Children and Young People Portfolio</u>					
Childrens Centres, Early Help & Intervention / Specialist Family Support	Hu1	0.176	1.031	1.463	1.579
Youth Offending ASB	Hu2	0.020	0.183	0.184	0.237
Looked After Children	Hu3	0.031	0.031	0.031	0.031
Childrens Legal Fees	Hu4	0.031	0.031	0.031	0.031
Removal of Discretionary early support service	Hu5	0.000	0.064	0.065	0.067
Total Children and Young People Portfolio		0.258	1.339	1.774	1.946
<u>Health and Partnerships Portfolio</u>					
Sexual Health Services	S1	0.001	0.002	0.028	0.028
DAAT & Substance Misuse	S2	0.112	0.251	0.277	0.277
Core Offer and Tees Valley Public Health Shared Service	S3	0.103	0.206	0.206	0.206
Stop Smoking and Tobacco Control	S4	0.000	0.029	0.029	0.029
Public Mental Health	S5	0.046	0.092	0.092	0.092
Contribution to Community Safety, Violence Prevention and Social Exclusion	S6	0.088	0.104	0.104	0.105
Sanctuary Scheme	S7	0.009	0.018	0.018	0.018
Public Health Other	S8	0.000	0.000	0.015	0.015
Obesity Management	S9	0.180	0.443	0.443	0.443
MARAC	S10	0.000	0.000	0.011	0.011
Engagement Team	S11	0.023	0.047	0.048	0.049
Discretionary Rate Relief	S12	0.000	0.034	0.034	0.034
Social Fund Budget	S13	0.073	0.179	0.181	0.183
Strategic Grant Budget	S14	0.090	0.181	0.181	0.181
Total Health and Partnerships Portfolio		0.727	1.586	1.667	1.671

<u>Leisure and Local Environment Portfolio</u>					
Civic Theatre - Break Even	W1	0.000	0.000	0.015	0.041
Eastbourne Sports Complex - Break Even	W2	0.000	0.015	0.032	0.066
Library Service - Mobile Library	W3	0.036	0.056	0.057	0.058
Cockerton Library	W5	0.000	0.053	0.053	0.054
Library Service - Relocation to Dolphin Centre	W6	0.000	0.364	0.412	0.418
Events	W7	0.000	0.043	0.044	0.044
Creative Darlington	W9	0.018	0.019	0.019	0.020
Cemetery and Allotment Charges	W10	0.000	0.043	0.075	0.083
Refuse Collection - Removal of subsidy to charities	W11	0.000	0.027	0.028	0.031
Grounds Maintenance, Horticulture, Parks and Countryside Management	W12	0.150	0.346	0.383	0.389
Street Cleansing & Environmental Crime	W13	0.197	0.437	0.473	0.496
Concessionary Fares	W15	0.049	0.100	0.156	0.215
Local Motion School Initiatives	W19	0.000	0.000	0.000	0.000
Blue Badge parking (Income incl in Core Offer LLE17)	W20	0.000	0.000	0.000	0.000
Town Twinning	W21	0.005	0.005	0.005	0.005
Total Leisure and Local Environment Portfolio		0.454	1.509	1.753	1.920
<u>Economy and Regeneration Portfolio</u>					
Core Planning Team	Mc1	0.139	0.186	0.186	0.186
Economic Initiative & Regeneration	Mc2	0.258	0.546	0.543	0.539
Management Restructure	Mc3	0.067	0.134	0.134	0.134
Trading Standards	Mc4	0.015	0.036	0.036	0.036
Building Control Officer	Mc5	0.002	0.005	0.005	0.005
Civil Enforcement Officer	Mc6	0.021	0.042	0.043	0.043
Environmental Health Officer	Mc7	0.031	0.031	0.031	0.031
Private Sector Housing	Mc8	0.020	0.020	0.020	0.020
Flood & Water Management	Mc9	0.021	0.021	0.021	0.021
Christmas Lights	Mc10	0.000	0.035	0.036	0.036
Total Economy and Regeneration Portfolio		0.574	1.056	1.054	1.051
<u>Efficiency and Resources Portfolio</u>					
Reduction in Senior Management Capacity	H1	0.121	0.121	0.121	0.309
Unison Contribution	H3	0.000	0.043	0.043	0.044
Parish Council - Council Tax Support	H4	0.000	0.013	0.013	0.013
Corporate Landlord	H5	0.077	0.077	0.150	0.150
Estates	H6	0.000	0.052	0.052	0.052
Support Services	H7	0.150	0.280	0.316	0.338
Communications Team	H8	0.011	0.029	0.034	0.037
Specific Overheads - Business Support	H9	0.000	0.133	0.135	0.136
Total Efficiency and Resources Portfolio		0.359	0.747	0.862	1.078
Grand Total of Proposed cuts		3.123	7.923	9.217	10.010

EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE

26 May 2016

PRESENT - Councillor I Haszeldine (in the Chair); Councillors Carson, Crumie, Crichlow, Johnson, K Nicholson, Mrs H Scott and C Taylor (8)

ABSENT – Councillor Coultas. (1)

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

ALSO IN ATTENDANCE – Councillors Curry, Harker, Knowles, Newall, S Richmond and J Taylor.

ER40. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

ER41. MEDIUM TERM FINANCIAL PLAN 2016/17 TO 2019/20 – (1) Response of the Efficiency and Resources Scrutiny Committee - The Scrutiny Committee met to further discuss those proposals contained in phase 2 of the next round of spending reductions as contained within the Medium Term Financial Plan (MTFP) 2016/17 to 2019/20, which were specifically under its remit.

Reference was made to the various meetings of this Scrutiny Committee which had been held to discuss the proposals contained within the MTFP 2016/17 to 2019/20, and to the Task and Finish Group meetings held specifically to examine Senior Management and Governance structures. The Chair circulated a statement at the meeting that he believed captured the discussions of the previous meetings, and the position of this Scrutiny Committee in relation to the proposals contained within the Medium Term Financial Plan (MTFP) 2016/17 to 2019/20, which were specifically under its remit, and invited discussion thereon.

Particular reference was made to the comments contained within the submitted statement in relation to the reasons for the financial constraints on this Council, which Members felt was not appropriate for this Scrutiny Committee's deliberations.

Discussion ensued on the proposals contained within EffR5 (Members Allowances) and EffR19 (Senior Management Costs), both of which had been the subject of further work through Task and Finish Review Groups and it was suggested that, following the information provided to those Review Groups, this Scrutiny Committee were now in a position to reach a recommendation in relation to each of those proposals.

Members entered into discussion on Proposals EffR10 (Local Taxation) and EffR11 (Housing Benefits Admin.), and Members were reminded that the Housing Revenue Account (HRA) was not contained within the MTFP.

As it was identified that the subsidised rate received for the jobs portal would cease, offsetting the cost of the subscription, it was agreed that the additional benefits obtained by continued membership of the North East Regional Employers Agency (NEREO),

particularly in terms of Human Resources Management, would be financially beneficial to the Council, and therefore it is felt that membership remains cost effective.

In terms of Proposal H3 – Union Contributions, this Committee acknowledged that the work and partnership approach was of great value to all parties, and feels that future alternative funding arrangements should be supported, if it was decided that this position was to remain.

It was acknowledged that, in respect of services provided by the Local Government Association, further information received confirmed that continued membership was financially beneficial and provided support both in terms of the local and national perspective.

RESOLVED – (a) That the thanks of this Scrutiny Committee be extended to Democratic Services for their work and efforts, which enabled this Scrutiny Committee to undertake this review of the Medium Term Financial Plan 2016/17 to 2019/20.

(b) That the thanks of this Scrutiny Committee be extended to the Heads of Service, Assistant Directors, Directors, the Chief Executive and the Leader of the Council, for their contribution, which enabled this Committee to undertake this process.

(2) 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 (MTFP) 2016/17 to 2019/20, which were within their individual remits.

Each of the remaining four Chairs in attendance at the meeting gave a brief overview of the work undertaken by their Scrutiny Committee and outlined the reasons for the recommendations.

In relation to Place Scrutiny Committee, the Chair made reference to concerns surrounding the loss of the Christmas lights, citing that there was a business case for retention, and urged that alternative funding sources be explored, potentially through the Business Improvement District (BID), to ensure that the lights were not lost; the opportunities for economies in terms of the closed-circuit television (CCTV) system, and a potential move to a wireless system; the effects of dispensing with the Companion Pass, in relation to Concessionary Fares, and the need to await the outcome of an Equality Impact Assessment; and the impact of the proposal to move to the statutory minimum in terms of the Blue Badge Scheme, noting that there may be a large number of disabled people who were working, and who relied on long-term car parking provision. The Chair addressed proposals in relation to the relocation of the Library Service, with particular reference to the discharge of the covenant governing the use of the Crown Street Library Building, the required soundproofing in the Dolphin Centre, proposals submitted by Darlington for Culture to place Cockerton Library in trust, and the effect on vulnerable people following any withdrawal of the mobile library. The Chair stated that proposals in relation to the Indoor Bowls Club had been accepted, however that Members of the Place Scrutiny Committee felt that it was important that enforcement associated with environmental crime remain within the budget, together with an emphasis on mobilising the community to take responsibility and keep areas litter-free, and involving the Third Sector in parks maintenance.

In relation the Adults and Housing Scrutiny Committee, the Chair reported that the Scrutiny Committee had reluctantly accepted all proposals, and having initially been informed of a reduction in training and development within the Commissioning and Contracting Team, had now been reassured that training provided to the team would continue. The Chair regrettably noted that, going forward, there would be a cumulative impact on the same vulnerable people.

In relation to the Children and Young People Scrutiny Committee, the Chair acknowledged that, due to the large number of statutory services and an increase in staff following the Ofsted inspection, services were in a more fortunate position, however made particular reference to the proposal to cease the work with disabled children in the 0-3 age group, and their families, and stated that Members agreed that it was imperative that this service be retained. The Chair also stated that Members of the Children and Young People Scrutiny Committee expressed concerns regarding the costs associated with School Transport, and had given consideration to reviewing this area.

In relation to the Health and Well Being Scrutiny Committee, the Chair expressed great concern that many of the proposals would impact on many of the same residents, and in particular highlighted provision in relation to the Social Fund Budget, the impact on various organisations reliant on Strategic Grants, as a small budget cut on a small organisation could have a massive impact, and the reduction in capacity for the Substance Misuse and Drug and Alcohol Team in terms of engaging in proactive work, and to support partners in tackling alcohol and drug misuse. The Chair also noted concerns in relation to the loss of the Healthy Hub, and the limit that this would place on the Council's ability to achieve behavioural change in relation to obesity management. The Chair reiterated the concern that many of the proposals would have a cumulative effect on the same vulnerable people, and urged mitigation.

RESOLVED – That, in relation to the Medium-Term Financial Plan 2016/17 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) That, in relation to the Core Offer, this Scrutiny Committee regrettably accepts the proposals submitted within the Medium Term Financial Plan 2016/17 to 2019/20, however in accepting proposal EffR5 (Members Allowances), this Scrutiny Committee recommends that the work conducted by the Governance Task and Finish Group be extended, and further examines the roles involved in, and the responsibilities placed on, this Council's governance arrangements over the forthcoming twelve months, including in the interim :-

(A) A training session being included within the Members' Training Programme aimed at enhancing Members' knowledge in relation to the business role of the Council, Scrutiny, scrutiny working, and the use of the Quad of Aims;

- (B) An overview being provided to Members on Council wide issues at appropriate times during the Municipal year, to assist Members in prioritising Scrutiny Work Programmes, and provide a greater understanding of the scale of Council business.
- (ii) That, in relation to the Impact Assessment Forms, this Scrutiny Committee regrettably accepts the proposals and information contained therein, with the exception that :-
 - (A) This Council continues its subscription to the North East Regional Employers Agency (NEREO) (Proposal H2 – Subscriptions – NEREO).
 - (B) Whilst this Committee accepted Proposal H3 – Union Contributions, particular concern was expressed at the loss of this funding.
- (iii) That, in relation to the Futures Fund, this Scrutiny Committee feels strongly that :-
 - (A) this Council should continue its subscription to the Local Government Association (LGA);
 - (B) that funding for the Mayor, and Mayoral support, should be supported.
- (b) in relation to the Place Scrutiny Committee :-
 - (i) in relation to the Core Offer, this Scrutiny Committee notes the review of services which have been undertaken to ascertain which services the Council must provide by law, the cost of those services and to what level they should be delivered using a risk based approach and supports the findings of that review;
 - (ii) in relation to the Impact Assessment Forms, this Scrutiny Committee regrettably accepts the information contained therein, however, has particular concerns on the following proposals:-
 - (A) Mc10 – Christmas Lights – Members feel strongly that the Christmas Lights should be retained in the Town Centre to encourage footfall and aid Darlington's economy and would encourage Officers to seek sponsorship from the BID and Town Centre Traders to ensure their continuity;
 - (B) Er10 – CCTV – Members noted that, although the Police previously contributed £20k towards this service, there is currently no agreement in place for financial assistance; Scrutiny Committee would urge Officers to liaise with Durham Constabulary which uses the service on a daily basis, with a view to securing an annual financial contribution towards this service;

- (C) W15 – Concessionary Fares – Members noted that companion pass holders were being contacted to seek views of the impact of removal of the disabled person companion pass and the views of DAD and other groups were also being sought; the results of this consultation will be considered by Cabinet and Council as part of the decision making process;
- (D) W20 – Blue Badge Parking – Members noted the proposal to introduce charging in off-street car parks for blue badge holders and in doing so noted that, by law, only free parking on street had to be provided. Members also noted that the Assistant Director – Regulatory Services was in the process of writing to a large sample of blue badge holders and organisations to determine their views and understand the impact of this proposal. Members look forward to receiving the results of the consultation and requested Officers to consider the introduction of a transferrable ticket for car parks;
- (E) LLE2, W3, W4 and W5 – Library Service – Including the Mobile Library, Cockerton Library, Crown Street Library, Art Gallery and Local Studies – Members raised some concerns surrounding the proposals which included the closure of Cockerton Library, withdrawal of the mobile library service, closure of the Centre for Local Studies and relocation of the services provided within the Crown Street Library to the Dolphin Centre.

Members are aware of the public feeling in relation to the relocation of the Crown Street Library to the Dolphin Centre, particularly the restrictive Covenant on the Crown Street Building. Members request that the issues around the Covenant are resolved prior to release of any funding to relocate the Library to the Dolphin Centre.

Following a site visit Members are of the view that, should a decision be made to relocate services, then library provision can be made within the Dolphin Centre. The proposal includes for a main access in Bull Wynd. The Proposal does include for local studies provision. Issues remain regarding the location of the Art Gallery, the Borough Collection and the Archives.

In relation to Cockerton Library Members are keen to engage with the Third Sector in order to determine if the Library could be kept open. Members felt that Wards in Cockerton are the most digitally-deprived and access to computers is essential for job applications, benefit applications and pensions.

Members are also keen to ensure that vulnerable people are not affected by the withdrawal of the Mobile Library Service and hope every effort is made to promote the House Bound Service. Members also requested Officers investigate a sponsorship model, with the banking sector, for the Mobile Library Service.

Members also noted that impact and needs assessments were being prepared on all three library services which Cabinet are urged to consider prior to making a final decision on the Library Service;

Members are keen to ensure that any proposals put forward by any organisation or the Third Sector for any of the Library Services are carefully considered as viable options for running a Library Service;

- (F) LLE6 – Indoor Bowls Club – Members raised concerns surrounding the terms of the lease but accepted that investigations had taken place which suggest that it was a bona fide agreement and in doing so noted the health and social benefits the service brings to the elderly community; and
 - (G) LLE14 – Street Cleansing – Members have significant concerns surrounding the proposals for Street Cleansing and believe that health issues could arise, flooding increase due to blocked drains and environmental crime would increase due to non-enforcement of environmental crime. However, Members accept that the service is now at statutory level and residents and voluntary organisations and groups had to be encouraged to take responsibility for litter and ensuring streets are kept litter free. Members also noted that the service would focus on main arterials and the Town Centre to ensure investment and economy within the Borough. There are understood to be proposals under discussion to encourage and mobilise volunteers to undertake some aspects of street cleansing and parks maintenance. Members strongly support such initiatives.
- (iii) in relation to the Futures Fund, this Scrutiny Committee would urge Cabinet to :-
- (A) retain the amount of £350,000 to enable teams to deliver external funding, business engagement and investment plans in order to bring forward new initiatives that would generate more private sector investment in the Borough to create jobs and increase business rates income;
 - (B) retain the amount of £125,000 to enable the School Crossing Patrol Service to continue at existing standards ensuring a safe environment for children walking to school;
 - (C) retain the amount of £100,000 to provide some match funding and capacity to ensure Darlington benefits from the Tees Valley Investment Strategy 'place and culture' themes working with the residual Economic Growth capacity and focusing on the towns rail heritage and to lever in external funding to support community and Darlington Hippodrome based arts activity;

- (D) retain the amount of £228,000 to maintain key assets relating to the Borough's Railway Heritage;
- (E) retain the amount of £30,000 to deliver a Local Studies service within the Dolphin Centre;
- (F) retain the amount of £779,000 to maintain a centrally located multi-purpose leisure centre including relocation of the Registrar's Service and the Central Library;
- (G) retain the amount of £90,000 to fund events such as the Festival of Thrift and to match fund and staff other events in partnership with others to ensure tourism and footfall are brought to the Borough, thereby aiding Darlington's economy;
- (H) retain the amount of £100,000 ensure grass cutting of open spaces, parks and verges are undertaken on a less frequent basis to ensure that road sight lines are unobstructed for traffic and land is safe; and
- (I) retain the amount of £120,000 to maintain South Park to existing standards.

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

- (i) in relation to the Core Offer, this Scrutiny Committee notes the review of services which has been undertaken to ascertain which services the Council must provide by law, the cost of those services and to what level they should be delivered using a risk based approach and supports the findings of that review (with the caveat that the core budget for Performance/Project Management of £35,000 is split between children and adults) however, although it notes that assurances were given that any risks could be managed and mitigated against, it is particularly concerned about :-
 - (A) the impact of reducing the training and development package in place to ensure that staff are adequately trained and aware of legislative changes; and
 - (B) the potential safeguarding risks of the proposal to reduce the number of staff within the Commissioning and Contracting Team;
- (ii) in relation to the Impact Assessment Forms, the Scrutiny Committee regrettably accepts the proposals and information contained therein however, :-
 - (A) it is particularly concerned about the cumulative impact of the proposed reductions on particular groups of individuals across a range of services, some of whom are the most vulnerable in society and disproportionately on those from deprived wards within the Borough and notes that further work is currently being undertaken to map those groups and the potential impact and will be looked at across this

Scrutiny Committee, the Children and Young People Scrutiny Committee and the Health and Partnerships Scrutiny Committee; and

- (B) it is particularly concerned about the proposals to cease floating support for Domestic Violence Victims, Vulnerable Adults and Drug and Alcohol as ceasing this work will have a substantial impact and encourages future innovative working to be investigated by the Council and its partners to achieve the best outcomes and service delivery for those affected; and
- (iii) in relation to the Futures Fund, this Scrutiny Committee feels strongly that the proposed budget of £160,000 for Housing Related and Outreach Support for Vulnerable Adults should be retained as an absolute minimum and that additional funding, if possible, should be provided, particularly to support the provision of floating support services in the future.

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

- (i) in relation to the Core Offer, this Scrutiny Committee notes the review of services which has been undertaken to ascertain which services the Council must provide by law, the cost of those services and to what level they should be delivered using a risk based approach and supports the findings of that review (with the caveat that the core budget for Performance/Project Management of £35,000 is split between children and adults), however, it is particularly concerned about :-
 - (A) the reduced grant for Staying Put and the future budget pressure on the Leaving Care Service for Looked After Children;
 - (B) the loss of early support for disabled children aged 0-3 years and Members agreed that this service should be retained. The performance of the service should be scrutinised to ensure that it is working to maximum effectiveness. In the long term this service should be financed by looking for efficiency savings in other areas of Children and Young Peoples services.
 - (C) the lack of detail currently available in the redesign of the Early Help Service and therefore Members were not in a position to make any formal decision without further information and consultation.
 - (D) the potential impact of the significant reduction in the anti-social behaviour services and the impact on the Youth Offending Services.
 - (E) the future of school improvement taking into account the governments White Paper proposals relating to Education.
 - (F) school transport costs and proposed that a reduction target be set for the level of saving to be achieved.

- (ii) in relation to the Impact Assessment Forms, the Scrutiny Committee regrettably accepts the proposals and information contained therein however, :-

- (A) it is particularly concerned about the cumulative impact of the proposed reductions on particular groups of individuals across a range of services, some of whom are the most vulnerable in society and disproportionately on those from deprived wards within the Borough and notes that further work is currently being undertaken to map those groups and the potential impact and will be looked at across this Scrutiny Committee, the Children and Young People Scrutiny Committee and the Health and Partnerships Scrutiny Committee; and
- (B) it is particularly concerned about the closure of the children's centres and the future impact on the Council that this may incur.
- (C) it is particularly concerned about future contributions to the youth offending services by the reduction in anti-social behaviour services and the potential increase in anti-social behaviour and offending from the removal of the early intervention services.

- (iii) in relation to the one-off Investment of £100,000 for the Voluntary Sector Development Fund, the Committee support this investment to develop new initiatives with the Voluntary Sector in particular in respect of support to vulnerable children.

(e) in relation to the Health and Well Being Scrutiny Committee :-

- (i) in relation to the Core Offer, this Scrutiny Committee notes the review of services which have been undertaken to ascertain which services the Council must provide by law, the cost of those services and to what level they should be delivered using a risk based approach and supports the findings of that review;
- (ii) in relation to the Impact Assessment Forms, this Scrutiny Committee regrettably accepts the proposals and information contained therein, however, has particular concerns on the following proposals:-
 - (A) S13 – Social Fund Budget – Members raised concerns around the effect of these proposals on the most vulnerable people in the Borough as several proposals affected the same group of people however noted that provision had been made in the Futures Fund, detailed below, for the retention of this service;
 - (B) S14 – Strategic Grants – Members raised significant concerns around the effect this proposal would have on various organisations as smaller organisations facing a small budget cut would experience a massive impact, whereas some larger organisations would feel less of an impact; resulting in a varying degree of consequences. Members also took into account the impact assessment undertaken on all

voluntary organisations currently in receipt of strategic grant and other funding, including discretionary rate relief and waste collection arrangements;

- (C) HP8 – Healthwatch Contract and Complaints Advocacy – Members raised concerns around the proposals to the service, provided by Healthwatch as the current budget would be cut by 50 per cent, with effect from April 2017, resulting in a much more streamlined service offered by fewer staff, no office space and providing only statutory functions;
 - (D) HP3 and S2 – Substance Misuse and Drug and Alcohol Team (DAAT) – Members raised substantial concerns around the impact this proposal would have on vulnerable people and performance management of the service. Serious concerns were expressed at the loss of expertise and the results achieved. Members raised concerns that this proposal would have an impact on capacity to engage in proactive work and support partners in the work to tackle alcohol and drug misuse.. Members have worked well with The Gate (The Darlington Substance Misuse Services) and have been impressed by the dedication of The Team and will continue to work with and support them; and
 - (E) S9 – Obesity Management – Serious concerns are raised regarding this proposal particularly around young people and physical activity and the impact on vulnerable people. Members note that the loss of the Healthy Darlington Hub will limit the Council’s ability to bring about behavioural change, however, the Healthy Darlington approach could potentially be utilised to influence the Public Sector and NHS Organisations to work together for positive outcomes, as highlighted in the prevention element of the NHS 5 Year Forward View and Social Prescribing in the Better Care Fund.
- (iii) in relation to the Futures Fund, this Scrutiny Committee would urge Cabinet to :-
- (A) retain the amount of £13,000 to ensure business, public sector, voluntary organisations and the Council continue the partnership to develop and deliver solutions to problems and opportunities;
 - (B) retain the amount of £220,00 in relation to crisis support and community care fund and financial inclusion. The crisis element of £50k to be pooled with the £50k for financial inclusion to form a contract for a new wrap around service. The remaining £120k to be used for community Care support;
 - (C) retain a staffing budget of £50k for the Community Engagement Team to stimulate and support the development of the voluntary sector in Darlington and a one-off funding of £50k to support public sector

volunteering;

- (D) retain the amount of £100,000 to help develop new initiatives with the Voluntary Sector in particular in respect of support to vulnerable children;
- (E) retain the amount of one off match funding of £20,000 to the County Durham Charity Foundation to assist smaller community organisations deliver projects and investments. Members hope that partners will also contributed towards this to increase the funding pot; and
- (F) retain the amount of £80,000 to ensure the Move More element of Healthy Darlington is retained to continue supporting involvement in Sport and Physical Activity, in particular engaging schools, volunteers, clubs and coaches.

REVENUE BUDGET MANAGEMENT 2015/16

Projected General Fund Reserve at 31st March 2016

	2015-20
	MTFP
	(Feb 2015)
Medium Term Financial Plan (MTFP) :-	£000
MTFP Planned Opening Balance 01/04/2015	21,307
Approved net contribution from balances	(7,821)
Planned Closing Balance 31/03/2016	13,486
 Increase in opening balance from 2014-15 results	 2,533
 Projected corporate underspends / (overspends) :-	
Council Wide (Pressures)/Savings	131
Financing Costs	3,384
Council Wide based savings	377
Economic Growth based savings	250
Neighbourhood Services & Resources based savings	655
People - Development & Commissioning based savings	223
Cabinet approval - Dolphin Centre refurbishment	(210)
Collection Fund Contribution - Business Rates	(1,400)
Holiday Pay Provision release	(15)
Adults Packages Contingency release	357
Employers pensions PSD Contingency underspend	91
Unallocated grant income	80
 Projected General Fund Reserve (excluding Departmental)	 19,942
at 31st March 2016	
 Planned Balance at 31st March 2016	 13,486
Improvement	6,456

Departmental projected year-end balances

	Improvement / (decline) compared with 2015-20 MTFP
	£000
People	139
Children's Services	(488)
Economic Growth	98
Neighbourhood Services & Resources	1,536
 TOTAL	 1,285

Summary Comparison with :-

	2015-20
	MTFP
	£000
Corporate Resources - increase in opening balance from 14/15 results	2,533
Quarter 1 budget claw back	1,505
Corporate Resources - additional in year Improvement / (Decline)	2,418
Departmental - Improvement / (Decline)	1,285
 Improvement / (Decline) compared with MTFP	 7,741
 Projected General Fund Reserve at 31st March 2016	 21,227

MEDIUM TERM FINANCIAL PLAN CONSULTATION

Responsible Cabinet Member – All Members

Responsible Director – Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to provide details of the activities that were carried out as part of the medium term financial plan (MTFP) consultation, and to provide members with an overview of responses and alternative proposals that have been suggested.

Summary

2. The budget consultation ran from 11 February 2016 to 31 May 2016. During this time a communications plan was put in place with the aim of ensuring that anyone potentially affected by the proposals was aware of proposals, understood the proposals and why the savings were necessary, and had the opportunity to give their views to the people who would decide whether or not to implement the proposals. A key objective of the communication plan was to illustrate transparency in developing the proposals and in the decision making process. To support this, the comments received have been published on the budget website www.darlington.gov.uk/budget.
3. The proposals affect a wide range of council services; therefore it was highly likely that nearly all residents served by Darlington Borough Council could be affected to some degree. With this in mind, a number of communications channels were used to disseminate the information and gather feedback.
4. There was a statutory duty to carry out a separate library consultation, which ran in parallel with the MTFP consultation. Comments about the library proposals that were received through the MTFP consultation are included in the library consultation, which is covered in a separate cabinet paper.
5. Equality impact assessments (EIAs) were carried out in order to identify the impact of the proposals on protected characteristics. EIAs were completed against individual proposals and an exercise was carried out to consider the multiple impacts of proposals against protected characteristics. Details of the EIAs are

contained in a separate cabinet paper.

Recommendation

6. It is recommended that Council members note the content of this report.

Background Papers

No background papers were used in the preparation of this report.

Neil Bowerbank, Head of Communications : Extension 6052

S17 Crime and Disorder	Feedback from the consultation (contained in this report) makes reference to crime and disorder.
Health and Well Being	Feedback from the consultation (contained in this report) makes reference to health and well being.
Carbon Impact	Not applicable
Diversity	<p>A number of different channels were used in an attempt to communicate effectively with a wide range of audiences, using the resources available within the communications team and council services in general.</p> <p>An aim was to explain information in plain English, and this was done as much as possible using print, radio, television, and a number of opportunities for people to meet in person.</p> <p>A budget website was created to present the information. This was developed to be compliant with website accessibility standards.</p>
Wards Affected	All wards affected
Groups Affected	Many individuals and groups are affected by the proposals. Feedback have been included in this report and other reports on the agenda.
Budget and Policy Framework	Not applicable
Key Decision	Not applicable
Urgent Decision	Not applicable
One Darlington: Perfectly Placed	Not applicable
Efficiency	Not applicable

MAIN REPORT

Information and Analysis

7. A number of approaches were used to share information and gather feedback about the budget proposals. These are as follows;
8. **Cabinet members:** Cabinet members were actively engaged and met with a number of community groups, organisations, and individuals throughout the consultation process. Furthermore they regularly accommodated requests from the media for interviews, shared information about the consultation through their newsletters, and offered opportunities to discuss the proposals at ward surgeries.
9. **Public meetings:** Two public meetings were held to discuss all of the budget proposals, and a further two meetings were held to discuss the library proposals

(see separate report). The two budget meetings took place in the Dolphin Centre on 16 March (2pm and 6pm), and were attended by approximately 400 people in total. During these meetings cabinet members presented the proposals, the background to the proposals, and invited questions from the public. In total over 47 questions were asked and discussed. Each meeting lasted over 3 hours. The 6pm meeting was filmed and is available on the budget website (<http://www.darlington.gov.uk/budget>).

10. **Scrutiny meetings:** Eighteen scrutiny meetings took place to consider the proposals. Members of public were invited to attend these meetings and make representation. Points raised at scrutiny meetings were formally reported back to cabinet members.
11. **Budget website (with feedback form):** A dedicated budget website was developed and is available at www.darlington.gov.uk/budget. The website contains searchable full list of the proposals, a timeline of events (highlighting opportunities for people to have their say), background to the proposals, regularly updated questions and answers, and an online form enabling people to give their views. Where comments were received and it is clear that they were intended to be made public, they can be accessed via the website. Included within the site are a number of films that were recorded during some of the public meetings. During the consultation period the website was visited by more than 4,341 people in excess of 7,129 times, leading to more than 42,698 page views. Each visit to the website lasted an average of 5 minutes 8 seconds. A total of 398 comments were received via the online form.
12. **Darlington Borough Council Website:** The council's main website (www.darlington.gov.uk) has an average of 2,819 visits per day. A link to the budget website was displayed predominantly on the home page for the duration of the consultation, and a countdown clock was added to the home page during the final weeks of the consultation to remind people to have their say. Elsewhere within the website a link to the MTFP website was made available within the consultation section and Council, Cabinet, and Scrutiny meetings (along with supporting documents) were listed within the democracy section.
13. **Social media:** Social media was used to inform people about the consultation, explain the proposals, inform people about the ways in which they could have their say, and gather their feedback. The approach involved the use of the council's existing profiles due to the existence of established audiences. At the time of writing, 8,320 and 8,000 people were following the council's Facebook and Twitter profiles respectively. Social media was used to broadcast key updates during a number of public meetings, gather views and comments from people throughout the consultation period, and for a live online question and answer session with the Leader of the Council.
14. **Feedback email address:** An email address (feedback@darlington.gov.uk) was set up as an alternative online communications channel through which 92 comments were received. This feedback can be found in the comments section of the budget website.

15. **Comments via post:** A postal address was set up to allow people to submit comments via this route. A total of 55 letters were received from a combination of residents and organisations.
16. **Press and media:** The Northern Echo is the dominant local newspaper and it embarked on a prolonged campaign to raise the debate about the proposals, and at times articles were being published on a daily basis. In addition to this, local radio and television took a significant interest and covered the proposals as news stories and interviews with cabinet members and senior council officers. In addition to press releases, 44 media enquiries were received, 10 from television stations, 9 from radio stations, and 25 from the local press.
17. **One Darlington Magazine:** The One Darlington magazine is produced every other month and is delivered to households across the Borough. Prior to the consultation period the magazine was used to illustrate the broad range of services provided by the council. The January 2016 edition of the magazine carried an article explaining the impact of the Government settlement, introduced the need for some proposals to address the issue, and timescales for the budget consultation. The March 2016 edition carried 6 pages dedicated to consultation, explaining some of the key proposals, the criteria used to establish the proposals, responded to some of the regularly ask questions, and explained to people how, when, and where they could have their say. The May 2016 edition carried 2 pages about the consultation, primarily reminding people to have their say, and to let people know what will happen once the consultation ends. The July 2016 edition currently has 4 pages planned to include details of the outcome of the consultation.
18. **Targeted consultation:** A number of council services carried out targeted activities with service users in the form of surveys and meetings. Much of this work was to inform equality impact assessments, details of which can be found in a separate report.
19. **Petitions:** A number of petitions were received during the consultation period. The petitions were shared with cabinet members and senior council officers for consideration, and are referenced within the comments section of the budget website and against the relevant proposals.
20. **Partner briefings:** The Chief Executive along with other senior council officers met and briefed a wide range of strategic partners, where potential implications on their organisations and service users were discussed in detail. Feedback from these organisations was received through a range of channels, with a number of organisations providing written responses which be found in **Appendix 1**.
21. **UNISON:** A detailed response was submitted by UNISON. The full response can be found in **Appendix 2**. The comments and alternative proposals put forward by UNISON are included in the budget website, and referenced where appropriate in **Appendix 3** and **Appendix 4**.

Outcome of Consultation

22. The consultation attracted a lot of feedback. Where it is clear that the feedback was intended to be shared publically, or where feedback could be shared with personal information removed, it has been added to the MTFP website. All of the relevant feedback can be found in the comments section of the website, and attempts have been made to display feedback against the relevant proposals.
23. A summary of the comments received against the individual proposals can be found in Appendix 3.
24. The proposals were carefully developed to achieve the necessary savings and meet any statutory requirements. As part of the consultation process people were encouraged to submit alternative proposals that would achieve the same objectives. Many comments were received that gave an opinion about the proposals and illustrated the impact that the proposals would have on individuals and organisations. A smaller number of comments were received that provided some considered alternative proposals. This information is summarised in Appendix 4. All of the feedback received has been considered and used to help revise some of the proposals and has been shared with service managers to consider as a way of improving services and reducing costs.

Section 1.2

MTFP Phase 2

General Fund Revenue and Capital Budget

1.1 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 2

- report of Chief Officers Executive to Cabinet 11 February 2016

MEDIUM TERM FINANCIAL PLAN
2016/17 TO 2019/20 – PHASE 2

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

Responsible Director - Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To present a revised Medium Term Financial Plan (MTFP) for consultation.

Summary

2. It is projected that Darlington Borough Council will have lost £44.0m of Government Funding in real terms over the period 2010-20.
3. The Council has had to reduce its expenditure significantly since 2010 and this report presents the latest proposals for spending reductions. The level of grant reduction is such that the Council can only just fund the services it must provide at a cost of £87.5m in 2019/20 leaving only £2.5m per annum to invest in services it does not have to provide but add great value to Darlington and its residents. Unfortunately the financial position means that significant reductions and cessation of services have totalled £10.2m
4. To deliver the £2.5m investment fund, debt repayments have to be rescheduled and revenue balances utilised. In addition there will be a 3.99% Council Tax increase each year during the life of the MTFP.
5. The report also recommends the disposal of the Covered Market to either the exiting occupiers as a collective or to other interested parties.

Recommendation

6. It is recommended that :-
 - (a) The MTFP as set out in **Appendix 5** be agreed for consultation. Including
 - (i) 3.99% Council Tax increase each year.
 - (ii) Reductions as set out in **Appendix 4.**

- (b) That the Council's Indoor and Outdoor Markets be offered for sale or lease to interested parties as detailed in the report.

Reasons

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

- (a) To allow consultation on the MTFP proposals to proceed and to enable decisions to be taken by Special Council on 26 June 2016.
- (b) To gain investment to make Darlington Markets sustainable.

Chief Officers Executive

Background Papers

No background papers were used in the preparation of this report

Paul Wildsmith : Extension 5828
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	Equality impact assessments will be undertaken of proposals that potentially have impacts on people with protected characteristics, as necessary.
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 and Budget must all be decided by full Council
Urgent Decision	The MTFP and Budget 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 which do not affect service levels have been included in the MTFP.

MAIN REPORT

Background and Policy Context

8. Since 2010 Local Government has faced significant reductions in government funding and taken on new responsibilities such as Public Health and financial responsibility for the Council Tax support scheme from the Government. The transfers of responsibilities were not matched with sufficient funding therefore further increasing financial pressures on Councils.
9. The reduction in funding for Local Government and other public services has been part of the Coalition and then Conservative Government's response to global financial challenges faced by the Country. However, in the case of Local Government funding is being withdrawn at a higher and faster rate than for other public services for example NHS funding is protected but no such protection is given to services to many of the same vulnerable members of the community such as the frail elderly provided by local government e.g. Public Health, Children and Adults Social Care. For Darlington since 2010 and projected to 2019/20 the Council has had its Government funding reduced by £44.0m in real terms.
10. The difficulties described above are compounded as reductions in government grant do not impact equally across the Country with Councils in more affluent areas seeing much smaller reductions in their budgets due to the make-up of their income as illustrated below :-

	Darlington £m's	Wokingham £m's
2010/11 Funding		
Government Funding (incl specific grants)	70.033	43.358
Council Tax	32.039	73.591
	<hr/> 102.072	<hr/> 116.949
2019/20 Funding		
Government Funding (incl Specific grants)	38.199	20.620
Council Tax (2% increase + 2% ASC levy)	48.608	99.254
	<hr/> 86.807	<hr/> 119.874

11. In addition to Local Government finances being challenged by grant income loss they are also challenged by increasing costs and demand for services, this is most evident in the areas of social care and again these costs tend to increase much greater in deprived areas than in affluent ones.
12. Darlington sits at 97th most deprived area in the Country out of 326 Council areas therefore it is adversely impacted upon by the way spending has been reduced along with all North East Councils.
13. There has been increasing concern voiced by the Local Government Association and independent bodies about the disproportionate and inequitable impacts of

Government policy on Local Government, for example the National Audit Office Study – Financial Sustainability of Local Authorities 2014 – recommended the following to DCLG :-

- (a) The Department should have a clearer ongoing understanding of whether authorities' funding is sufficient to support their core services, the Department should:
 - (i) strengthen oversight of the financial sustainability of local authorities. The Department should develop a targeted approach to assessing the financial sustainability of particular local authorities it deems to be high risk; and
 - (ii) improve its engagement with other departments with an interest in local services, and systematically review data across a range of services.
 - (b) The Department should strengthen its processes for assessing local authority funding requirements at future spending reviews. It should:
 - (i) focus on the impact of funding changes on all service areas which are underpinned by statutory duties.
 - (ii) work with other departments to develop, where possible, more robust methods for assessing the extent to which proposed funding will be sufficient to deliver services.
 - (iii) ensure that, where practical, analysis submitted by other departments at future spending reviews includes sub-national analysis, ideally by individual local authority or local authority type
14. The Local Government finance settlement detailed in the MTFP Phase 1 report continues the Government policy outlined above and Darlington Council along with many others are facing a position where its funding levels may not be sufficient to meet its statutory obligations to provide services and support to the most vulnerable, this is considered in detail in this report. In statute a Council must set a balanced budget and this Council will be able to do that however at the same it is a fact that much of what communities have come to expect and value from their local Council, are not required by law. For example, Leisure Services, Arts and Cultural activity working to create jobs, supporting families are all so called discretionary services. As the challenge to balance the budget pushes the Council to focus solely on those functions required by law, so the quality of life and opportunities for the community are damaged.
15. The Government have signalled that the Local Government Finance System will be amended during the current Parliament with the following planned to happen:-
- (a) Local Authorities to retain 100% of business rate income.
 - (b) New duties to be passed to Local Authorities to be financed from the reallocation of business rates.
 - (c) A review of funding to address the differing needs and ability to raise local income of different Local Authorities.
16. Such changes to the system may present opportunities or threats depending on exactly how the review is conducted and implemented. At best such a review could

go some way to rebalancing where great reductions have impacted therefore helping places like Darlington. However, another scenario could see a Local Authority gaining significant new responsibilities with reduced resources which is what has happened in recent years, if this is the case the future may look worse than currently predicted. Add to this uncertainty of a new system, the impact of a business rates revaluation in 2017 and unfortunately the Council finds itself planning for the medium term without financial certainty, however this has become the norm for Local Authorities.

17. In summary, Councils including Darlington are experiencing sustained and significant reductions in income, with no effective response from the Government to the growing risk of an inability to discharge statutory duties and the loss of discretionary services the public value.

How has Darlington Borough Council managed the financial challenges faced by Local Government since 2010?

18. Since 2010 the Council has lost Government funding of £37.3m in real terms and has agreed planned reductions in expenditure of £35.3m and reduced the Council's workforce by 572. The reductions have been achieved by applying the following conditions:
 - (a) **Building Strong Communities - Enabling people to live fulfilling lives with less involvement from public services** where people take personal responsibility, live in communities with strong social capital and where people look out for each other and where communities come together to take ownership and responsibility for the neighbourhood they live in or care about.
 - (b) **Spending Wisely - maximising value for all public expenditure**, where public services are planned and where sensible commissioned together and when every pound spent is spent well on the things that make most impact.
 - (c) **Growing the economy - generate income streams, employment and opportunities** where we have a strong and vibrant economy and we achieve growth in the economy.
19. The application of the conditions have been made against the priorities within One Darlington Perfectly Placed (ODPP). Set out below are examples of how reductions have been achieved.
 - (a) Efficiency improvements e.g. establishing Xentrall Shared Services, a partnership with Stockton Borough Council and a number of significant management restructures and procurement initiatives.
 - (b) Revising charging policies in, for example Adult Social Care and financial protection.
 - (c) Reducing service provision from universal to targeted an example being in Children's early intervention services.

- (d) Reduced service levels and frequency e.g. Street Scene services including Alternative Waste collection.
 - (e) Amended eligibility criteria for services e.g. Adult Social Care.
 - (f) Growing the economy to deliver increased Council Tax, New homes bonus and business rates yield.
 - (g) Stopped service provision for example closure of the Arts Centre, closure of East Row toilets and the removal of all bus subsidies.
 - (h) Innovative deals such as the disposal of Stressholme Golf Course and VAT exemptions on the Civic Theatre.
 - (i) Reduced funding to statutory minimum levels for example Home to School transport.
 - (j) Joint working and collaboration, for example with Darlington CCG.
 - (k) Used revenue balances to keep front line services operating for longer.
 - (l) Remodelled debt to reduce the costs to enable funding to be given to services.
20. The delivery of the planned £35.3m of expenditure reductions has been challenging but the Council has done it in a way that has minimised impacts on the public as far as possible however moving forward impacts will be felt to a much greater extent.

The Borough of Darlington not the Council

21. It must be remembered that whilst the Council is shrinking and retreating its service provision the Borough continues to grow and prosper and as such gives the public of Darlington and the Council hope for the future, the economy is buoyant and the Town Centre can only be described as 'buzzing' with new developments such as :-
- (a) Cinema and Leisure complex and Multi Storey Car Parking
 - (b) Refurbishment of the Civic Theatre
 - (c) Building a new Children's Theatre
 - (d) The Business Growth Hub
 - (e) The Centre for Process Innovation.

And beyond the Town Centre there are new developments and house building on a significant level.

22. Darlington is a place people want to live and invest; the challenge for the Council is to embrace this and as far as is possible look to use what little funding it has available to support such hope for future generations.

23. Growth for the Borough is essential as it provides higher employment and better income levels for the population giving them greater opportunity to prosper and become self-sufficient. In addition growth helps the Council increase its income levels and therefore provides funds to support those who cannot support themselves.

Approach taken to deliver the next phase of spending reductions

24. As outlined in the MTFP report to Cabinet on 1 December 2015, officers have been reviewing services using a process set out at **Appendix 1** to ascertain the cost of services the Council must provide and this has delivered a CORE OFFER BUDGET (COB). In arriving at the COB, legislation has been reviewed to understand what services the Council must deliver and a risk based approach has been taken to arrive at what level services should be delivered at because in the majority of cases legislation does not stipulate the level of service required, it generally places a duty or responsibility on the Council. So for example the Council must maintain its highway network but it is not clear exactly what this means for example for repairing roads. In this example officers have set the budget at a level to keep roads in a minimum level of repair thus meeting obligations and on a risk basis avoiding significant increases in insurance claims for damage to vehicles and accidents and potential loss of life as a result of disrepair.
25. This approach is the logical conclusion of the work commenced by the Budget Advisory Panels in 2013 however it will feel very different from previous MTFP deliberations where focus was placed on expenditure reductions and cuts and less on the services that remain. This approach changes the perspective as the size of the COB determines what, if any, funds are available for services the Council does not have to provide, e.g. discretionary services. As Members will be acutely aware, it is these services that the public tend to value highly. To ensure Members and the public are aware of what is included in the COB, detailed analysis is included at **Appendix 2** by Cabinet Portfolios. The analysis at Appendix 2 demonstrates a COB for the period of the MTFP together with redundancy and decommissioning costs as summarised below:-

	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Services	88.930	85.355	86.251	87.468
Redundancy & Decommissioning Costs	2.262	1.540	0.154	0.012
Total Core Offer Budget	91.192	86.895	86.405	87.480

26. Set out in detail at **Appendix 3** are all the services that will cease along with reductions to continuing services and the analysis is split in that way so Members can see :-
- (a) How services we must provide differ from how those services are currently provided
 - (b) Which services will cease altogether.

27. For each reduction and service cessation there is a budget impact assessment form that gives Members full details of each decision they will be taking to reduce expenditure to get to the core offer budget. **(For those Budget Cut Assessment forms that are subject to amendment should “Investing in Darlington’s Future” proposals be agreed, these are marked as such, see Para 52 later in the report for details of the proposals.** This list totals £12.6m.

Is there sufficient resources to deliver the Core Offer Budget?

28. The next phase of this report looks at the Council’s income projections over the period of the MTFP to evaluate the Councils’ ability to deliver its Core Offer Budget.
29. Below are the income projections for the next four financial years, the basis of these projections are contained in the MTFP Phase I report elsewhere on the agenda.

Resources - Projected and assumed	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Council Tax	41.698	43.833	46.180	48.608
Business rates retained locally	20.498	21.054	21.678	22.284
Revenue Support Grant	13.286	9.094	6.334	3.556
New Homes Bonus	2.700	2.715	1.706	1.637
Better Care Fund	0.000	0.161	1.731	3.147
Total Resources	78.182	76.857	77.629	79.232

Comparison of the Core Offer Budget with available resources

30. Below is the stark comparison of the cost of the services:-

	2016/17	2017/18	2018/19	2019/20
	£m's	£m's	£m's	£m's
Core Budget Offer (including decommissioning costs)	91.192	86.895	86.405	87.480
Available Resources (Including Public Health Grant)	(86.988)	(85.443)	(85.992)	(87.378)
Excess of Core Offer over Available Resources	4.204	1.452	0.414	0.102

31. The above demonstrates that in the early years of the MTFP there are significant shortfalls between income and expenditure however these reduce as budget cuts are implement and decommissioning and redundancy costs are paid off. The shortfalls are capable of being funded from revenue balances which the Council have built up to assist with this challenging financial scenario. Reserves are of such a level that funding will also be available for some non COB services.

32. Below is the latest projections on available revenue balances :-

	£m's
Balances at 1 April 2016	19.217
Less Risk Reserves	(4.330)
Available to fund budget deficit	14.887

33. Using £6.172m of balances to fund the excess of the COB over income leaves approximately £8.7m to fund non COB services over the four year life of the MTFP.

34. The use of revenue balances to fund services is a legitimate part of any Council's financial strategy, it does however mean that at the end of the MTFP there will be an excess of spending over resources in the region of £2.6m.

35. However, the Government is committed to resetting the Local Government Finance System by 2020 and thus rebalancing should reflect relative needs of individual Council's so there is a hope that such a rebalancing will assist financially Councils such as Darlington. In reality Local Government may well be very different by 2020 and it could be financially worse or better and the Council of the day will have to plan accordingly at an appropriate time.

36. As responsible Chief Financial Officer, the Director of Neighbourhood Services & Resources can recommend a four year sustainable financial plan that retains adequate risk balances safe in the knowledge that should factors change, the Council will adapt and plan accordingly. In addition at this stage, there will not be many Councils in the Country that will have a four year sustainable plan however such a plan is not deliverable without considerable reductions as explained earlier in the report.

Investing for Darlington's Future

Introduction

37. The proposals within the Medium Term Financial Plan (MTFP) or Council budget, re-define what the Council can afford to provide for the borough and people of Darlington within the money that is available.
38. This will be known as the Core Offer Budget – it has been developed to ensure that the Council complies with the approximately 1,300 different legal duties and obligations that sit in law. But as the MTFP shows very clearly, the Core Offer falls far short of the sorts of services and activities that the Council has over years been providing, and which from many rounds of consultation and listening, are known to be needed and wanted by the people of Darlington.
39. By a very robust challenge of Council costs, and careful management of the finances the Council handles, it has been possible to identify a total sum of £2.4m for each year of the MTFP to be invested in things that are not in the Core Offer Budget.
40. The Council's Cabinet are proposing how this should be spent and seeking views on whether this approach is right. It must be noted that these proposals flow very directly from detailed consideration of the needs of the borough's residents, and the views expressed in consultation and discussions with elected Councillors. It is a small sum of money and any addition proposed during the consultation would need to be matched with a removal or reduction.
41. The Council's Cabinet have used a set of criteria to arrive at the Investing for Darlington's Future proposals. Resident's views on these criteria are also sought.
42. First and foremost the Cabinet have drawn on One Darlington Perfectly Placed – this is the plan, drawn up in consultation and agreed with all the public private and voluntary organisations which belong to the Darlington Partnership. One Darlington Perfectly Placed set out two key priorities for how Darlington can be a great place to live, work, visit and invest.
43. One Darlington aims to make sure that all residents have opportunities for a good quality of life; that inequalities are tackled, the most vulnerable supported and the potential of every resident realised.
44. Perfectly Placed aims to make sure that Darlington's natural advantages, its transport links, good housing and attractive environment, are maximised to create and share jobs and wealth.
45. As a consequence of looking to these long term goals the Council's Cabinet have drawn up proposals using the criteria below :-

One Darlington

46. Criteria 1 - Prevent needs and problems within families or households getting to the point where more expensive services within the Core Budget Offer are needed, for example, helping households who might be struggling with debt to avoid it getting to the point where they lose their home and become the responsibility of the

Council.

47. Criteria 2 -Help to support new or expanded community or voluntary based solutions to needs and problems.
48. Criteria 3-Making the very best use of all the public funding coming into Darlington by joining up services with the Police, Fire, Health service etc.

Perfectly Placed

49. Criteria 4 -Making sure that the borough remains a well maintained place with a good quality of life to attract new business and jobs growth.
50. Criteria 5 -Making sure that business wanting to relocate or grow get really effective help from the Council.
51. Criteria 6 - Enabling the Council to bid for funds made available from Government, Lottery etc. to help grow the economy, improve quality of life etc.
52. Set out below are the proposed investments together with the criteria each investment satisfies.

**(a) Economic Regeneration Team £350,000
Criteria 4,5 and 6**

A team which is smaller than the existing team but will be sufficient to deliver existing plans such as Central Park and bring forward new initiatives that will generate more private sector investment in the Borough to create jobs and increase business rates income.

**(b) A Remodelled Dolphin Centre including the Central Library £779,000 –
Criteria 4**

Retain a centrally located multi-purpose leisure centre. The Dolphin Centre will be remodelled with the Registrar's Service relocating to the Town Hall freeing up space for the Central Library to be relocated within the Centre. The relocation will deliver efficiencies reducing the cost of the Central Library and the Centre by approximately £300,000.

The relocation of the Library will deliver a modern accessible library for the Town which will also address many of the short comings of the Crown Street site, namely :-

- Poor toilet provision
- Baby changing facilities
- Increased space for children's library and activities
- Social/breakout space
- Café facilities
- Modern environment
- Improved ICT

The relocation will enable the Crown Street building to be sold and discussions will take place with interested parties such as the Pease Family. Disposal values will not be as high as maybe imagined by many due to the cost of conversion and it is proposed, subject to agreement by interested parties, that any receipts be used to assist in achieving the Civic Theatre sponsorship target of £1.6m.

(c) Funding to Maintain Open Space and Parks to Allow Standards to be Introduced at 50% of Current Levels - £100,000
Criteria 4

This will mean open spaces, parks and grass verges will be cut but on a less frequent basis as the current standard. The current standard during the growing season is a cut every 12/15 days the new standard would be a cut every 30 days.

(d) Maintain South Park to Existing Standards £120,000
Criteria 4

This will enable the Borough's main park to be maintained to current standards.

(e) School Crossing Patrols Provided to Existing Standards £125,000
Criteria 4

To ensure a safe environment for children walking to school.

(f) Libraries – Local Studies - £30,000
Criteria 4

This represents half the existing funding, how the service will actually be delivered in a relocated central library is yet to be fully developed but it will have less open access than current facilities and may well involve appointment system for certain information.

(g) Heritage and Cultural Development £100,000
Criteria 4 & 6

- (i) Provide some match funding and capacity to ensure Darlington benefits from the Tees Valley Investment Strategy “place and culture” themes working with the residual Economic Growth capacity and focusing on the towns rail heritage
- (ii) Provide some match funding and capacity to lever in external funding to support community, and Darlington Hippodrome based arts activity

(h) Festivals and Events £90,000
Criteria A

To fund events such as the Festival of Thrift and to match fund and staff other events in partnership with others including a Christmas offer in place of

traditional lights.

(i) To maintain the Head of Steam Museum - £228,000
Criteria 4

To ensure funding to maintain key assets relating to the Borough's Railway Heritage.

(j) Crisis Support and Community Care Fund £170,000
Criteria 1

Over 1,500 Darlington residents have made use of the support from this service in 2015 and it is expected that even more could require support in the future as austerity continues to hit some much harder than others. The proposal made here is to maintain just under half of the current funding for the function. Furthermore, it is proposed to identify a voluntary sector organisation to manage the fund which might increase the reach of the fund and which might help to sustain the voluntary organisation. This, in turn, would ensure that there is some community-based support as the voluntary sector face a range of budget reductions locally.

(k) Financial and debt advice and welfare rights services - £50,000
Criteria 1

We have previously funded advice and financial advice in children's centres, at Age UK for over 50s and in the CAB. The proposal is to reduce the funding but to maintain one universal and accessible provider. The funding given will be linked to a number of performance indicators that support residents to maintain their home, avoid legal actions. This amount may be added to the crisis support funding to form a single contract specification.

(l) Housing Related and Outreach Support for Vulnerable Adults £160,000
Criteria 1

Contracts will be ended with local providers who support approximately 500 vulnerable adults with their tenancies and in terms of improving their well-being and outcomes. There is a danger that some of these will deteriorate when the support is withdrawn and go on to have acute housing or social care needs. Therefore, it is proposed to design a new service which will provide some support for many of these former beneficiaries; support won't be as much as before or for as many as before but will be there to maintain a service to prevent needs from escalating. There will also be some specialist provision for victims of domestic abuse contained within this budget.

(m) Community Development and Engagement £50,000
Criteria 1 and 6

In order to mitigate the impact of many of the budget reductions it is important that there is a robust voluntary and community sector in place. Some staff capacity and a one-off fund (see below) would be available to stimulate the

development of the voluntary sector in Darlington. Support would continue for Good Friends (via Better Care Fund) and Darlington Cares (via PRG) as a part of this strategy.

(n) **Public Health – Sports Development Team £80,000**
Criteria 2 and 6

The team is key to supporting involvement in sport within the Borough in particular working to engage children in sport by running sporting events and supporting volunteer coaches and clubs. The team also assists clubs with external bidding which delivered £1.2m to the Borough during 2015.

(o) **Local Government Association Annual Subscription £24,300**
All Criteria

This subscription gives Darlington a voice within negotiations and lobbying of Government on behalf of local authorities. In addition it entitles the Council to gain access to support and information that assists in improving services and delivering change and efficiency at a cost that could not be bettered by other types of provision.

(p) **Mayoral Allowance and Officer Support £66,000**
All Criteria

To allow the administration of the Ceremonial Mayor, a role that is of historical significance and works with the public of the Borough and charities to enhance Darlington.

(q) **Local Strategic Partnership Contribution £13,000**
All Criteria

This small contribution to the LSP forms the Council's contribution to a Partnership funded by public sector organisations that brings business, public sector, voluntary organisations and the Council together to develop and deliver solutions to problems and opportunities.

53. In addition to the above on-going investments there are a small number of one off investments:-

(r) **Voluntary Sector Development Fund £100,000**
Criteria 1 and 6

The fund will help develop new initiatives with the Voluntary Sector in particular in respect of support to vulnerable children.

(s) **Match Fund for Bids to the County Durham Charity Foundation - £20,000**
Criteria 2 and 6

To assist smaller community organisations deliver projects and investments.

(t) **Fund to Promote Public Sector Volunteering - £50,000**
Criteria 2 and 6

To work with the Voluntary Sector to increase volunteering

(u) **Wildflower Meadows Invest to Save Fund - £50,000**
Criteria 4

to further expand the use of wildflower meadows within the Borough.

54. Below is the exact phasing of the investments and these need to be netted off from appropriate budget cut impact forms should they be finally agreed.

Service	16/17 £m's	17/18 £m's	18/19 £m's	19/20 £m's
<u>Perfectly Placed Services</u>				
Economic Regeneration Team	0.170	0.344	0.347	0.350
Dolphin Centre Remodelled - Revenue*	0.330	0.608	0.640	0.679
Dolphin Centre Remodelled - Debt	0.000	0.100	0.100	0.100
Head of Steam Museum	0.097	0.218	0.223	0.228
Grass Cutting to Key Areas	0.050	0.100	0.100	0.100
South Park	0.060	0.120	0.120	0.120
School Crossing Patrols	0.062	0.122	0.123	0.125
Local Studies*	0.000	0.030	0.030	0.030
Cultural Development	0.041	0.100	0.100	0.100
Events	0.000	0.090	0.090	0.090
Parking – Blue Badge Charging	(0.025)	(0.050)	(0.050)	(0.050)
One Off Funding - Wildflower Meadow	0.050			
<u>Corporate Priorities</u>				
LGA Subscription	0.000	0.024	0.024	0.024
Mayor & Support	0.032	0.065	0.066	0.066
LSP Contribution	0.007	0.015	0.014	0.013
<u>One Darlington</u>				
Crisis Support & Community Care Fund	0.100	0.170	0.170	0.170
Financial Inclusion	0.025	0.050	0.050	0.050
Housing Related Outreach	0.085	0.160	0.160	0.160
Community Engagement	0.023	0.048	0.049	0.050
Public Health	0.080	0.080	0.080	0.080
One off funding - CDCF	0.020			
One off funding - Public Sector				
Volunteering	0.050			
One Off Funding - Voluntary Sector				
Development Fund	0.100			
Grand Total	1.357	2.394	2.437	2.485

*Assumes April 2017 for Library works to be completed & both facilities will operate as normal throughout

Proposed Revenue MTFP

55. Taking into account all the proposals and recommendations above, set out Appendix 4 is a summary of net reductions to budgets together with at Appendix 5 the detailed revenue budget for the next four years.

Consultation

56. The MTFP proposed above will be subject to consultation with all Members of the Council via the scrutiny process and all partners, key stakeholders and the public up to May 2016 with final decisions being taken in light of consultation by Cabinet and Council in June 2016.
57. Consultation with the workforce will take effect during the same period.

Employee Implications

58. Based on the proposed budget at Appendix 5 there will be approximately 186 posts deleted in 2019/20. As in previous years management will work with employees and Trades Unions to minimise compulsory redundancy where appropriate by the use of Voluntary Redundancy and redeployment of employees under threat of redundancy to other vacant posts. Clearly this is a very difficult and challenging time for the Council's workforce, so a range of measure will be put into place to help and support employees in a redundancy situation.

Darlington Markets

59. Due to the Council's previous priorities for capital investment such as reproviding and refurbishing all schools in Darlington as well as looking to improve the conditions for economic growth in the Borough, the Council has not made any significant financial investment in the infrastructure of the Covered Market for a long time. It is acknowledged by the Council and Traders that significant investment is needed to repair the building and if at all possible improve it for the next generation of shoppers.
60. The Council provided a sum of £500,000 in the capital programme to meet urgent repairs. Work has not progressed as yet and a full structural survey has been undertaken. It is clear much more than the £500,000 allocated will be required. In the short term actions are being planned to deal with the most urgent work such as leaks within the main hall.
61. The works ultimately required will entail major disruption and relocation of traders and this will be costly and will have a significant impact on businesses. It would be inappropriate to do this more than once so if there is to be investment in the building both in terms of repairs and enhancement it would make sense to do this all at one time to avoid duplicate disruption to trade and double costs.
62. Investment to improve and repair the market were estimated in the past to be in the region of £4m, given inflation in the building trade over recent years and further wear and tear this figure is likely to be much higher now.

63. From a Council perspective there is very little chance of such funding becoming available to support a non statutory service. Should any funds be available it is most likely that these will be required to fund the Council's statutory services.
64. Given the above consideration has been given to how to achieve investment in the Covered Market, investment that is required but not fundable from Council resources.

Option 1 – Prudentially borrow for the capital sum required and increase trader rents to reflect the annual costs of repaying the debt

65. This would require the Council taking the full financial risk on repaying the debt and would require rent increase in the region of 60% which would be excessive for existing traders and therefore put the Council's ability to fund the repayments at considerable risk.
66. A second and equally important factor is that such significant investment in a commercial shopping centre requires development and management skills to ensure the end product is sustainable and delivers what the customer wants. These are commercial skills that the Council do not have and given the financial risks involved, it would not be appropriate for the Council to deliver such a project.
67. Given the financial risks and need for commercial skills it appears that the most appropriate route would be option 2 below.

Option 2 – Seek a Private Sector developer to invest and improve the Market

68. As the Council does not have a statutory responsibility to provide a Market and that it would be better managed by the commercial sector it is proposed that the Covered Market and the Outdoor Market are offered to the commercial sector, the offer to potential developers would be :-
- (a) Buy/Lease/Rent the Market Hall, all shops, the old Town Hall and the Outdoor Market. Exact model to be determined by the process. The Town Clock to be excluded.
 - (b) The future use of the market building and shops will have very limited restrictions to allow maximum flexibility for tenderers.
 - (c) Tenderers will be asked to outline their development and investment plans for the markets.
 - (d) Tenderers will be provided with all relevant information
 - (i) Structural Surveys
 - (ii) Rental Agreements
 - (iii) Trading History
 - (b) Previous reviews information
69. A detailed invitation tender document has been prepared.
70. The Council currently anticipates a surplus of income after covering direct costs and support services of £18,000. However, this does not take account of any outstanding repair costs. The surplus will clearly reduce over time due to the lack

of investment. It is hoped that through the tender process the reduction in “surplus” to the Council can be mitigated by a sale or lease arrangement.

71. In consultation with Cabinet Members on this issue it has been proposed that in the first instance the existing Market Traders be given the first option to come together and make a proposal to the Council should they wish to. Such an approach would give existing Darlington businesses the opportunity to develop “their” market. If an appropriate proposal is not forthcoming a full marketing exercise will be undertaken. It is proposed that traders have a maximum of three months to make their decision from the date of this report. Any proposal would need to address the requirements in the invitation to tender document namely :-
- (a) Set out proposals for investment
 - (b) Demonstrate clear governance arrangements for whatever commercial/voluntary model proposed
 - (c) Demonstrate sustainability
 - (d) Address risk
72. Members will appreciate that such an approach to the commercial sector means that should it be successful it is extremely likely that the nature of Darlington Markets will change to enable investment to be achieved. Should the approach prove unsuccessful, Members will have to seriously consider the future of the Covered Market given the investment required to make it sustainable.

Legal Implications

73. In the decision making process careful consideration has and will be given to be to the legal obligations that the Council is under as regards service user, providers, staff and other persons affected by the proposals.

Equalities Considerations

74. In developing the MTFP initial equalities screening of the savings proposals has been carried out. Work on fully assessing the expected impacts of proposals will be undertaken in greater detail (including by completing full Equality Impact Assessments, where necessary) so that any impacts on those with protected characteristics can be fully considered when Council meet to make final decisions on the implementation of the MTFP.

APPENDICES

1.	Process
2.	Core Offer
3.	Budget Assessment Forms
4.	Full Set of Cuts as Amended for Future Funds
5.	Final Budget

Guidance note to MTFP 2

Appendix 2 – has a front page with a summary of the minimum services the Council must provide (the core offer). The services are grouped together under the relevant Cabinet portfolio holder who is responsible for that area and total £87.468m.

The column headed 'Ref' provides the link to where further details about each of the relevant service can be found in the main body of Appendix 2. For instance for the first entry, 'Adult Social Care Staffing', the Ref is AH1, which is the Core Offer form with the details about that service.

Appendix 3 – has a front page summary with headings of all the Council's other non-core (discretionary) spend which could **potentially** be cut totalling £12.516m. The services are grouped together under the relevant Cabinet portfolio holder who is responsible for that area. The column headed 'Ref' provides the link to where further details about each potential cut can be found. This information is set out on an individual Budget Cut Assessment Form for that proposal in the main body of Appendix 3.

The Budget Cut Assessment Forms also include information on the potential impacts (anticipated at this stage) of the proposed cuts on service users, employees, groups and organisations and on people with protected characteristics (such as age, sex, race, disability, sexual orientation, gender reassignment, religion or belief, pregnancy or maternity) .

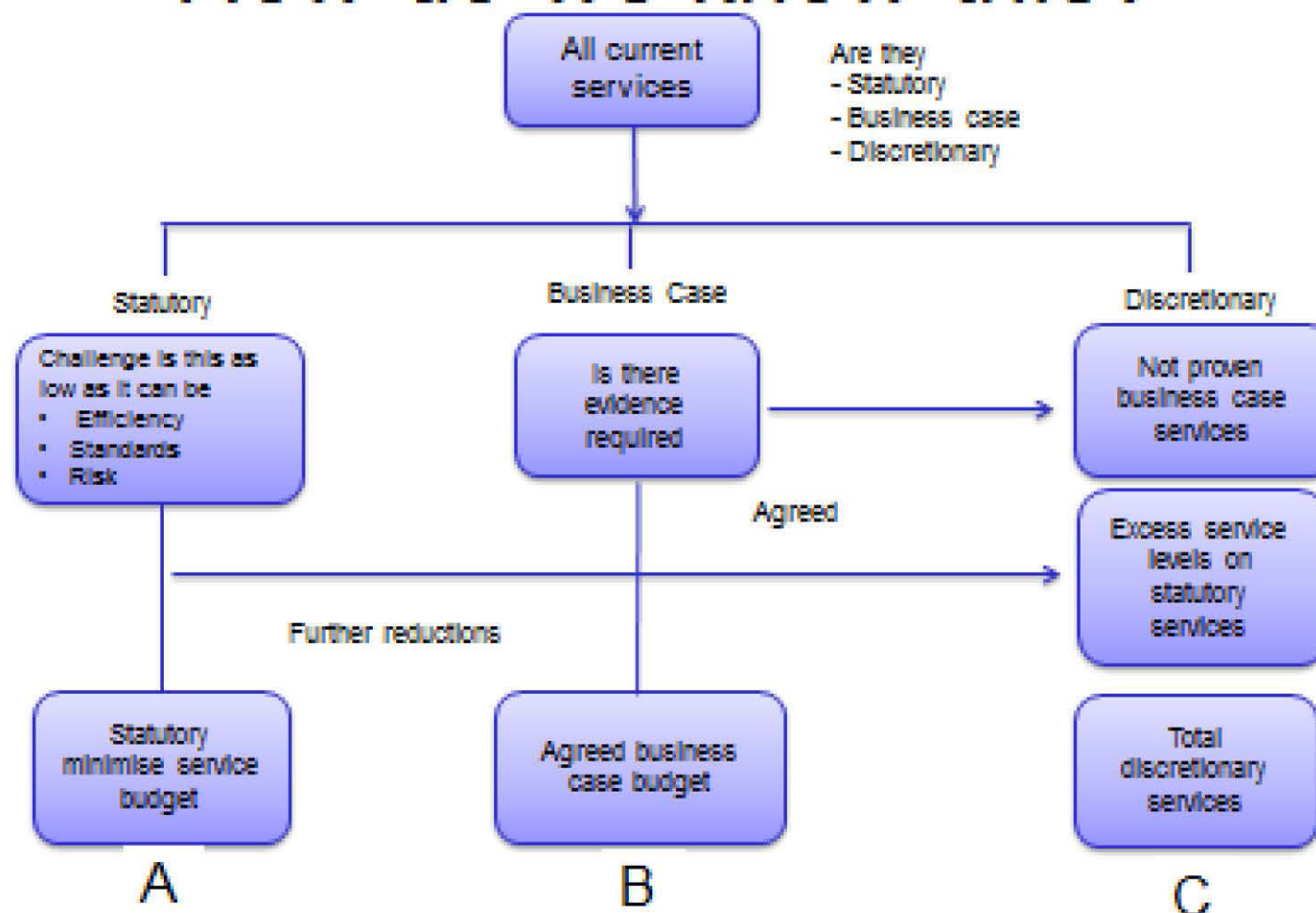
Appendix 4 – is a summary with headings of the areas where cuts are **PROPOSED** these cuts total £10.179m. The services are grouped together under the relevant Cabinet portfolio holder who is responsible for that area.

The column headed 'Ref' provides the link to where further details about each proposed budget cut can be found. This information is set out on an individual the Budget Cut Assessment Form for that proposal (as noted above - these forms are in **Appendix 3.**)

Futures fund – the difference between the discretionary services the Council could cut at Appendix 3 and what is proposed to be cut at Appendix 4 are the services which are proposed to be added back to the core offer to help mitigate against some of the reductions in order to preserve some discretionary services and to invest in the future of Darlington. These proposals are set out in paragraph 52 of the report.

Appendix 5 - is the summarised MTPF budget that the Council is consulting on

How do we know this?



A+ B = Core budget to be compared with income
C = Services that can be added to core budget if any excess increase



MEDIUM TERM FINANCIAL TERM 2015 TO 2020

	Ref	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
		<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
<u>Core Offer</u>					
<u>Adult Social Care and Housing Portfolio</u>					
Adult Social Care Staffing	AH1	5.521	5.482	5.639	5.774
Adult Social Care Other Commitments	AH2	2.096	2.099	2.103	2.334
Adult Packages	AH3	24.022	24.448	25.223	25.915
Adult Financial Assessment Protection Staff	AH4	0.235	0.238	0.242	0.244
Adult Direct Payments to Personal Budget Costs	AH5	0.124	0.125	0.126	0.127
Adult Commissioning & Contracts Staff Costs	AH6	0.577	0.508	0.517	0.525
Adult Workforce Development Statutory Training	AH7	0.220	0.177	0.182	0.183
Performance & Project Management	AH8	0.179	0.181	0.183	0.185
Total Adult Social Care and Housing Portfolio		32.973	33.258	34.215	35.289
<u>Children and Young People Portfolio</u>					
Social Work & Independent Review	CYP1	3.624	3.625	3.683	3.716
Looked After Children	CYP2	10.689	10.720	10.881	11.043
Disabled Children	CYP3	1.245	1.226	1.246	1.266
Early Help Model	CYP4	2.700	1.870	1.469	1.381
Youth Offending	CYP5	0.433	0.272	0.272	0.221
Education	CYP6	1.027	1.090	1.114	1.138
Education School Transport	CYP7	0.998	1.019	1.018	1.019
Safeguarding	CYP8	0.712	0.720	0.727	0.733
Performance & Project Management	CYP9	0.179	0.181	0.183	0.185
Total Children and Young People Portfolio		21.606	20.724	20.593	20.701
<u>Health and Partnerships Portfolio</u>					
Public Health Sexual Health Services	HP1	0.978	0.976	0.950	0.950
Public Health 0-19 Years	HP2	2.776	2.380	2.226	2.101
Public Health Substance Misuse	HP3	1.345	1.285	1.285	1.285
Public Health Stop Smoking Service	HP4	0.123	0.047	0.047	0.047
Public Health Advice NHS	HP5	0.556	0.456	0.458	0.460
Public Health NHS Health Checks	HP6	0.167	0.167	0.167	0.167
Public Health Prescribing & Pharmacology	HP7	0.527	0.526	0.526	0.526
Health Watch Contract	HP8	0.094	0.023	0.023	0.023
Community Safety Services		0.035	0.011	0.000	0.000
Other PH services		0.061	0.015	0.000	0.000
Healthy Darlington		0.263	0.000	0.000	0.000
DAAT Commissioning		0.105	0.026	0.000	0.000
Engagement Team		0.047	0.000	0.000	0.000
Social fund - Financial Inclusion Action Group		0.065	0.000	0.000	0.000
Social fund - Crisis support for individuals		0.177	0.000	0.000	0.000
Voluntary Grants reintroduced		0.052	0.000	0.000	0.000
Total Health and Partnerships Portfolio		7.370	5.914	5.683	5.560

<u>Leisure and Local Environment Portfolio</u>					
Head of Steam	LLE1	0.170	0.052	0.052	0.052
Libraries Service	LLE2	0.950	0.858	0.872	0.887
The Hullaballoon	LLE3	0.080	0.080	0.080	0.080
Civic Theatre	LLE4	0.091	0.102	0.098	0.083
Eastbourne Sports Complex	LLE5	0.120	0.109	0.096	0.067
Indoor Bowls Club	LLE6	0.012	0.013	0.014	0.014
Coroners	LLE7	0.194	0.199	0.204	0.209
Allotments	LLE8	0.026	0.010	0.004	(0.003)
Arboriculture	LLE9	0.110	0.114	0.114	0.114
Maintenance of Council Cemeteries	LLE10	(0.746)	(0.804)	(0.861)	(0.895)
Dog Warden Service	LLE11	0.074	0.075	0.076	0.077
Indoor & Outdoor Markets	LLE12	(0.120)	(0.117)	(0.111)	(0.104)
Refuse & Recycling Collection and Waste Disposal	LLE13	5.491	5.588	5.723	5.911
Street Cleansing	LLE14	1.302	1.072	1.072	1.071
Ground Maintenance	LLE15	1.093	0.832	0.807	0.817
Winter Maintenance	LLE16	0.435	0.445	0.451	0.456
Highway Authority Role	LLE17	1.125	1.087	1.125	1.113
Concessionary Fares	LLE18	3.406	3.489	3.575	3.663
Highways Design and Works	LLE19	(1.076)	(1.001)	(0.854)	(0.901)
Street Lighting	LLE20	1.022	0.977	0.874	0.904
Dolphin Centre		0.641	0.036	0.000	0.000
Events		0.135	0.000	0.000	0.000
Cultural Development		0.062	0.000	0.000	0.000
Total Leisure and Local Environment Portfolio		14.596	13.215	13.409	13.614
<u>Economy and Regeneration Portfolio</u>					
Development Control Planning	ER1	0.702	0.728	0.752	0.743
Flood and Water Management	ER2	0.187	0.193	0.199	0.205
Trading Standards & Animal Health	ER3	0.294	0.278	0.282	0.285
Building Control	ER4	0.168	0.151	0.148	0.145
Private Sector Housing	ER5	0.159	0.149	0.151	0.153
Environmental Health	ER6	0.589	0.585	0.594	0.600
Civil Contingencies	ER7	0.093	0.095	0.097	0.099
Licensing	ER8	0.006	0.007	0.007	0.007
TV Unlimited	ER9	0.361	0.370	0.379	0.388
CCTV	ER10	0.132	0.120	0.118	0.117
Christmas Lights		0.034	0.000	0.000	0.000
Economic Initiatives		0.468	0.000	0.000	0.000
Total Economy and Regeneration Portfolio		3.193	2.675	2.725	2.742

<u>Efficiency and Resources Portfolio</u>					
Estates & Property Management	EffR1	0.862	0.855	0.871	0.906
Corporate Landlord	EffR2	(0.077)	(0.077)	(0.150)	(0.150)
Elections & Electoral Registration	EffR3	0.174	0.177	0.178	0.304
Democratic & Members Support	EffR4	0.202	0.205	0.207	0.209
Members Allowances	EffR5	0.717	0.731	0.746	0.760
Resources Scrutiny	EffR6	0.002	0.002	0.002	0.002
Corporate Running Costs	EffR7	0.370	0.372	0.374	0.375
Land Charges	EffR8	(0.003)	(0.000)	0.001	0.001
Registrars	EffR9	(0.056)	(0.055)	(0.053)	(0.051)
Local Taxation	EffR10	0.469	0.480	0.490	0.502
Housing Benefits Admin	EffR11	0.138	0.157	0.174	0.191
Other GF Housing Services	EffR12	0.066	0.067	0.068	0.070
Health & Safety	EffR13	0.080	0.086	0.087	0.088
Procurement	EffR14	0.069	0.070	0.071	0.072
Financial Services	EffR15	0.860	0.863	0.860	0.872
HR	EffR16	0.434	0.428	0.434	0.442
Complaints & Information Governance	EffR17	0.188	0.190	0.191	0.193
Xentrall ICT	EffR18	1.397	1.406	1.416	1.425
Senior Management Costs	EffR19	1.768	1.795	1.827	1.664
Financing Costs	EffR20	0.771	0.897	0.786	0.447
Contingencies	EffR21	0.585	0.920	1.046	1.241
Unison Salary reintroduced		0.042	0.000	0.000	0.000
Parish Grants - Council Tax Support costs		0.013	0.000	0.000	0.000
Corporate Subscriptions - Association of North East		0.038	0.000	0.000	0.000
Total Efficiency and Resources Portfolio		9.110	9.568	9.627	9.562
<u>Leader's Portfolio</u>					
Local Strategic Partnership (LSP) - DBC contribution		0.007	0.000	0.000	0.000
Corporate Subscriptions - North East Region Employers		0.016	0.000	0.000	0.000
Corporate Subscriptions - Local Government Association		0.025	0.000	0.000	0.000
Mayoral Support		0.033	0.000	0.000	0.000
Total Leaders Portfolio		0.082	0.000	0.000	0.000
Total Expenditure - Core Offer					
		88.930	85.355	86.251	87.468

Proposed Net Budget Cuts After Applying the Futures Fund by Portfolio

	Ref	2016/17	2017/18	2018/19	2019/20
		£m	£m	£m	£m
<u>Adult Social Care and Housing Portfolio</u>					
Adult Social Care Review of Management Arrangements	C1	0.103	0.109	0.154	0.248
Review of Statutory Minimum Service Costs	C2	0.208	0.577	0.906	1.134
Cease Floating Support for Domestic Violence Victims	C3	0.034	0.067	0.067	0.067
Cease Key Points of Access	C4	0.028	0.056	0.056	0.056
Cease Vulnerable Adults Floating Support	C5	0.146	0.292	0.292	0.292
Cease Drug and Alcohol Floating Support	C6	0.045	0.089	0.089	0.089
Reduce Some elements of Young Person's Pathway	C7	0.026	0.052	0.052	0.052
Cease Funding to Aspire Service	C8	0.039	0.080	0.082	0.083
Cease Funding to Gay Advice Darlington and for DAD Information Post	C9	0.011	0.022	0.022	0.022
Reducing Commissioning and Contracts Staff	C10	0.073	0.147	0.147	0.147
Reducing Workforce Development and Related Support for Offenders	C11	0.010	0.083	0.083	0.083
Healthwatch	C12	0.000	0.071	0.071	0.071
Total Adult Social Care and Housing Portfolio		0.723	1.645	2.021	2.344
<u>Children and Young People Portfolio</u>					
Childrens Centres, Early Help & Intervention / Specialist Family Support	Hu1	0.176	1.031	1.463	1.579
Youth Offending ASB	Hu2	0.020	0.183	0.184	0.237
Looked After Children	Hu3	0.310	0.031	0.031	0.031
Childrens Legal Fees	Hu4	0.031	0.031	0.031	0.031
Removal of Discretionary early support service	Hu5	0.031	0.064	0.065	0.067
Total Children and Young People Portfolio		0.568	1.340	1.774	1.945
<u>Health and Partnerships Portfolio</u>					
Sexual Health Services	S1	0.001	0.002	0.028	0.028
DAAT & Substance Misuse	S2	0.112	0.251	0.277	0.277
Core Offer and Tees Valley Public Health Shared Service	S3	0.103	0.206	0.206	0.206
Stop Smoking and Tobacco Control	S4	0.000	0.029	0.029	0.029
Public Mental Health	S5	0.046	0.092	0.092	0.092
Contribution to Community Safety, Violence Prevention and Social Exclusion	S6	0.088	0.104	0.104	0.105
Sanctuary Scheme	S7	0.009	0.018	0.018	0.018
Public Health Other	S8	0.000	0.000	0.015	0.015
Obesity Management	S9	0.183	0.445	0.445	0.445
MARAC	S10	0.000	0.000	0.011	0.011
Engagement Team	S11	0.024	0.048	0.049	0.051
Discretionary Rate Relief	S12	0.000	0.034	0.034	0.034
Social Fund Budget	S13	0.077	0.185	0.186	0.188
Strategic Grant Budget	S14	0.091	0.182	0.182	0.182
Total Health and Partnerships Portfolio		0.734	1.596	1.676	1.681

<u>Leisure and Local Environment Portfolio</u>					
Civic Theatre - Break Even	W1	0.000	0.000	0.015	0.040
Eastbourne Sports Complex - Break Even	W2	0.000	0.015	0.032	0.066
Library Service - Mobile Library	W3	0.037	0.058	0.059	0.060
Library - Local Studies	W4	0.000	0.028	0.029	0.030
Cockerton Library	W5	0.023	0.054	0.054	0.055
Dolphin Centre	W6	0.019	0.388	0.435	0.441
Events	W7	0.000	0.045	0.046	0.047
Creative Darlington	W9	0.019	0.022	0.023	0.023
Cemetery and Allotment Charges	W10	0.000	0.027	0.053	0.053
Refuse Collection - Removal of subsidy to charities	W11	0.000	0.027	0.028	0.031
Grounds Maintenance, Horticulture, Parks and Countryside Management	W12	0.157	0.355	0.392	0.398
Street Cleansing & Environmental Crime	W13	0.197	0.437	0.473	0.496
Concessionary Fares	W15	0.048	0.100	0.156	0.215
Cycle Training Level 3	W16	0.000	0.000	0.000	0.000
Child Pedestrian Training	W17	0.000	0.000	0.000	0.000
Local Motion Sustainable Transport Promotion	W18	0.000	0.000	0.000	0.000
Local Motion School Initiatives	W19	0.000	0.000	0.000	0.000
Town Twinning	W21	0.005	0.005	0.005	0.005
Total Leisure and Local Environment Portfolio		0.505	1.561	1.800	1.960
<u>Economy and Regeneration Portfolio</u>					
Core Planning Team	Mc1	0.139	0.186	0.186	0.186
Economic Initiative & Regeneration	Mc2	0.323	0.617	0.614	0.611
Management Restructure	Mc3	0.067	0.134	0.134	0.134
Trading Standards	Mc4	0.015	0.036	0.036	0.036
Building Control Officer	Mc5	0.002	0.005	0.005	0.005
Civil Enforcement Officer	Mc6	0.021	0.042	0.043	0.043
Environmental Health Officer	Mc7	0.031	0.031	0.031	0.031
Private Sector Housing	Mc8	0.020	0.020	0.020	0.020
Flood & Water Management	Mc9	0.021	0.021	0.021	0.021
Christmas Lights	Mc10	0.000	0.035	0.035	0.036
Total Economy and Regeneration Portfolio		0.639	1.127	1.125	1.123
<u>Efficiency and Resources Portfolio</u>					
Reduction in Senior Management Capacity	H1	0.121	0.121	0.121	0.309
Subscriptions - NEREO	H2	0.000	0.016	0.016	0.016
Unison Contribution	H3	0.000	0.043	0.043	0.044
Parish Council - Council Tax Support	H4	0.000	0.013	0.013	0.013
Corporate Landlord	H5	0.077	0.077	0.150	0.150
Estates	H6	0.000	0.052	0.052	0.052
Support Services	H7	0.167	0.309	0.338	0.360
Communications Team	H8	0.015	0.037	0.042	0.046
Specific Overheads - Business Support	H9	0.000	0.133	0.135	0.136
Total Efficiency and Resources Portfolio		0.380	0.801	0.910	1.126
Grand Total of Proposed cuts		3.549	8.070	9.306	10.179

MEDIUM TERM FINANCIAL TERM 2015 TO 2020

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Adult Social Care and Housing Portfolio	33.058	33.418	34.375	35.449
Children and Young People Portfolio	21.606	20.724	20.593	20.701
Health and Partnerships Portfolio	7.768	6.262	6.032	5.910
Leisure and Local Environment Portfolio	15.261	14.553	14.785	15.036
Economy and Regeneration Portfolio	3.363	3.019	3.072	3.092
Efficiency and Resources Portfolio	9.110	9.668	9.727	9.662
Leader	0.122	0.106	0.104	0.104
Transfers to/ (from) Reserves	(3.299)	(2.306)	(2.696)	(2.575)
Total Expenditure	86.989	85.445	85.991	87.378
Total Net Expenditure	86.989	85.445	85.991	87.378
<u>Resources - Projected and assumed</u>				
Council Tax	41.698	43.833	46.180	48.608
Business rates retained locally	16.486	16.963	17.466	17.938
Top Up	4.012	4.091	4.212	4.346
RSG	13.286	9.094	6.334	3.556
NHB	2.700	2.715	1.706	1.637
BCF	0.000	0.161	1.731	3.147
Public Health Grant	8.807	8.588	8.362	8.146
Total Resources	86.989	85.445	85.991	87.378
<u>Balances</u>				
Opening balance	19.217	9.224	5.398	2.630
Less Risk Reserve	(4.330)			
Less Redundancy Costs	(2.364)	(1.520)	(0.072)	(0.012)
Contribution to/(from) balances	(3.299)	(2.306)	(2.696)	(2.575)
Closing balance	9.224	5.398	2.630	0.043

Section 1.3

MTFP Phase 1

General Fund Revenue and Capital Budget

1.1 Medium Term Financial Plan 2016-17 to 2019-20 – Phase 1

- report of Chief Officers Executive to Council 25 February 2016

MEDIUM TERM FINANCIAL PLAN – PHASE 1

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

Responsible Director - Chief Officers Executive

SUMMARY REPORT

Purpose of the Report

1. To approve the 2016/17 Budget and Council Tax.

Summary

2. Between the financial years 2010/11 to 2015/16 the Council has faced unprecedented financial challenges following the Governments response to the worldwide economic downturn by introducing significant public sector spending reductions. In the case of Darlington Borough Council by the forthcoming year this means an overall real terms decrease in government funding of £37.3m. To date this has resulted in the Council agreeing reductions to planned expenditure of £35.4m leading to reduction of 572 in the Council's workforce.
3. Whilst the economy overall appears to be improving the austerity measures are still impacting on the Council. Since the draft MTFP the Local Government Finance Settlement has been delivered with an indication of funding for the next four years, albeit not guaranteed. As expected there have been further funding reductions, in particular to Revenue Support Grant and Public Health Grant, whilst additional Better Care Funding has been announced which will be fully enacted by 2019/20 with the purpose of assisting with pressures in Social care, it has however been funded by a reduction in New Homes Bonus funding.
4. The overall position is worse than predicted so the Council faces significant challenges over the medium term. There has been a two stage approach to the MTFP this year and this report addresses the first stage which is to agree the budget for 2016/17, including setting the council tax and fees and charges. Cabinet have made proposals on how the funding gap can be achieved and this is out to consultation at present.

Recommendation

5. Council are requested to;
- (a) Approve the Revenue MTFP as summarised in Appendix 7 including the following :-
 - (i) Council tax increase of 3.99% for 2016/17 and subsequent years.
 - (ii) Schedule of charges as set out in Appendix 3
 - (b) A delegation for Cabinet to vary the Revenue Budget for 2016/17 by up to 0.5m without further Council approval.
 - (c) Approve the Capital Medium Term financial Plan set out in paragraphs 51 to 80 and Appendix 8.
 - (d) A delegation for Cabinet to vary the Capital Budget for 2016/17 by up to £0.5m without further Council approval.

Reasons

6. The recommendations are supported by the following reasons :-
- (a) To set the 2016/17 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

Paul Wildsmith: Extension 5828

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 which do not affect service levels have been included in the MTFP.

MAIN REPORT

Background and Context

7. The previous Council administration for the period 2010/11 to 2015/16 financial year, faced unprecedented financial challenges as the then Government responded to the worldwide economic downturn by introducing significant public sector spending reductions throughout the period of the Government. During the period 2010/11 to the forthcoming year 2016/17 the Council's comparable government funding will have reduced in cash terms by £28.5m which in real terms (after taking inflation into account) equates to £37.3m, a 47% reduction. In response, by the end of 2015/16 the Council will have reduced expenditure by over £28.7m leading to workforce reductions of 572, with plans to save a further £6.8m

8. It is predicted that comparable Government funding in real terms will reduce by a further £6.3m by 2020 in addition to the £37.3m already lost since 2010, an overall real terms decrease of £43.6m, a significant 55%.
9. In agreeing the MTFP 2015/16 to 2019/20, the previous Council acknowledged that potentially Council spending would need to be further reduced by £12m by 2019/20. Due to the significant impact such reductions would have in addition to previous reductions and the uncertainty around financial projections due to the pending Government elections, major decisions on spending reductions were deferred to allow the incoming Council to make the decisions with the benefit of greater certainty about the MTFP projections.
10. In terms of the financial context faced by the Council since approving the current MTFP the situation remains similar following the appointment of the new Government and the Local Government Finance Settlement which confirmed the continued reduction in Revenue Support Grant.
11. The 1 December 2015 Cabinet report noted the two stage approach to the MTFP this year. This report looks at the financial position to 2019/20 based on expenditure levels based on current service levels and concentrates on the 2016/17 budget, the council tax and use of balances. Cabinet have made proposals in regard to the second stage and how the funding gap can be closed at its meeting on 11 February which are currently out to consultation and will be considered at a Special Council in June.

Updated Information and Changes to the Draft MTFP

12. As a result of updated information since the draft MTFP was approved for consultation last December 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:-

No.	Change	Effect	Para.	App.
1	Public Health Grant has been projected to reduce following a government announcement and the figures used are based on the national average reduction.	Increase in service expenditure and a reduction in available balances to support the GF.	14, 16, 47	1, 2, 7
2	Children's Services – additional resources to improve the service and manage case loads.	Increase in service expenditure and a reduction in available balances to support the GF.	14, 17, 47	1, 2, 7
3	Apprentice levy – the Government announced an Apprentice Levy in the Spending Review based on 0.5% of the salary bill commensurate from 2017/18.	Increase in service expenditure and a reduction in available balances to support the GF.	14, 18, 47	1, 2, 7

No.	Change	Effect	Para.	App.
4	Other pressures – minor amendments due to ongoing budget management.	Increase in service expenditure and a reduction in available balances to support the GF.	14, 47	1, 2, 7
5	Additional Better Care Fund (BCF) – In the Spending Review a new funding stream was introduced to aid local authorities to meet their Adult Social Care responsibilities.	Improved income projections and increased level of balances to support the GF.	29, 30, 31, 46, 47	7
6	New Homes Bonus (NHB) – in the Spending Review there was a consultation paper on the future of NHB based on a reduction of £0.800M nationally to help fund the BCF with the Governments projected figures used in income projections.	Reduction in income projections and reduced level of balances to support the GF.	26, 27, 28, 31, 46, 47	7
7	RSG – a greater than expected level of reductions in RSG to part fund the BCF.	Reduction in income projections and reduced level of balances to support the GF.	25, 31, 46, 47	7
8	Charges for Services – minor changes to Appendix 3 but no effect on resources.	No effect on MTFP.		3
9	MRP – Utilisation of over provision	Reduction in expenditure and an increase in available balances to support the GF.	14, 21, 22, 23, 47	1, 2, 7
10	NNDR projections reduced due to updated intelligence.	Reduction in resource projections	42, 46, 47	4, 7
11	Final Settlement illustrative figures for NHB £0.002m lower than anticipated	Reduction in income projections and reduced level of balances to support GF	26, 27, 28, 31, 46, 47, 49	7

Production of Phase One of the MTFP Revision

13. The following sections bring together the various components to deliver a revised MTFP for Phase One and set the scene for Phase two.

Projected Expenditure

14. Estimates attached at **Appendix 1** have been prepared based on current service levels and include known pressures and efficiencies which are summarised below and detailed in **Appendix 2**. The most significant pressures and efficiencies are however discussed in the following paragraph. Assumptions used when preparing the estimates are set out at **Appendix 4**.

	Estimate 16/17 £m	Estimate 17/18 £m	Estimate 18/19 £m	Estimate 19/20 £m
<u>Summary of Pressures</u>				
Service Demand	1.043	1.049	1.061	1.067
Reduced Income	0.974	1.301	1.496	1.489
National Living Wage	1.498	2.203	3.388	4.553
Other	0.124	0.483	0.579	0.820
Additional Savings offsetting pressures	(3.842)	(3.750)	(3.639)	(3.666)
	(0.203)	1.286	2.885	4.263

15. **National Living Wage** – In this year's budget the Chancellor announced there would be a National Living Wage. It will start at £7.20 and rise to £9+ an hour by 2020 and replaces the current £6.50 minimum wage. The estimated impact on the Councils own workforce by 2019/20 is £0.236m however the real pressure is from the anticipated effect on our contracts in particular social care where the increase over and above that already predicted is £4.317m by 2019/20.
16. **Reduced Income** – whilst there a few areas where income has reduced marginally the significant pressure in this area is Public Health where the ring fenced grant is being cut significantly whilst responsibilities are growing. We have not been given the actual allocations yet however based on the national reduction announced we are estimating a loss of £1.378M by 2019/20.
17. **Service Demand** -. We have significant pressure on service demand in Children's Services which requires additional capacity in our social care teams to manage caseload levels and ensure robust performance monitoring. There is a national shortage of social workers in this area and agency and cover staff therefore come at a premium.
18. **Other pressures** include the apprentice levy announced in the Autumn Statement to be introduced in 2017/18. The Council will need to pay over 0.5% of the pay bill which is estimated to be £0.274M in 2017/18.
19. **Implementation of LED Street Lighting** – The Council has been successful in securing funding to carry out works to upgrade the existing street lighting to LED lights in order to save £0.365m per year on its electricity bill. All English local authorities were invited to submit a bid to the Department for Transport's Challenge Fund and Darlington's bid was one of only 28 to be successful in sharing £275m. The Council will receive a contribution of £5.294m to carry out the street lighting improvement works. The work will take 3 years to complete and will involve

converting 11,884 street lights to energy efficient LED lights. In addition to the electricity savings the completed works will reduce the Councils carbon footprint by 1,938 tonnes a year. The Council will also be using the funding to replace 4,053 street lighting columns which are over 40 years old, with new columns.

Debt Re profiling – Minimum Revenue Provision

20. Members will recall that in agreeing the 2015/16 MTFP they agreed to adjust the speed at which outstanding debt was repaid moving from a repayment of 4% of outstanding debt each year to 2% which was agreed by our auditors and felt to be a prudent amount given the life out our assets. This change had the net effect of halving the amount of principal each year and therefore in the short to medium term, reducing revenue expenditure in the region of £1.5m per year.
21. The ability to move away from repaying 4% of principal each year became possible in 2008 when the prudential code was introduced, however the Council did not opt to change its approach until 2014/15. Similar flexibility is available in respect of our PFI debt relating to the Education Village which was not invoked in 2014/15. This means in effect, since 2008 the Council has been paying back more debt than it was prudently required to had it adopted the new accounting methods earlier. If the approach now taken was backdated to 2008 and the same approach taken for the PFI scheme the Council would be able to benefit and utilise the over provision of £19m over the next 7 Years. Other Councils in the Country have taken this approach with the agreement of their auditors.
22. Clearly such an approach will increase debt costs in the future; they will become more expensive than the current budget in 2030. Whilst some may argue that pushing debt repayment into the future to gain current spending capacity may not be prudent it could equally be argued that providing funds now for preventative services such as Children's early intervention is in fact prudent as such services will reduce costs in the future so balancing off the additional debt costs.
23. It is the Council's Chief Financial Officer's view that this is a reasonable and prudent financial approach. The Council is currently in consultation with our external auditors, Ernst & Young (EY), regarding the proposed revisions to our MRP policy. At present, EY are working with all other local government external audit providers to establish a consistent approach to MRP

Core Grant Funding to Local Government

24. The Governments Local Government Finance Settlement was announced on the 17 December 2015 and included indicative four year settlement figures. This assists in future planning however is subject to each council producing an Efficiency Plan, as yet there are no details on what this needs to contain. Given our history and proven ability to achieve efficiencies we are assuming that the figures detailed below will become our core budget. However it must be noted that this gives the Council certainty only in respect of RSG which is a very small element of overall income.
25. Revenue support grant has again been reduced and by more than originally anticipated, by 2019/20 a further £14.382m will have been lost reducing the grant to £3.556m. The Government promised 100 per cent business rate retention by the

end of Parliament and that Local Government will be entirely funded by Council Tax, Business rates and other local revenues. There is no detail on how this will work and there will undoubtedly need to be some method of equalisation however it is clear that Revenue Support Grant will be stopped altogether.

26. New Homes Bonus (NHB) is included in core Government funding as it is top sliced from RSG with £1.5bn now distributed based on net increases in housing numbers, on current levels Darlington breaks even in this arrangement. The current financial rewards in terms of NHB are £1,470 per band D equivalent property with an additional £350 for affordable housing. However the government are proposing and currently consulting on reducing the payment from six to four years and this is likely to commence in 2017/18.
27. The Governments preferred option is that from 2017/18 onwards Local Authorities who have not submitted a Local Plan prepared under the 2004 Act should not receive new NHB allocations for the years for which that remains the case. Their legacy payments relating to allocations in previous years would be unaffected although would still be subject to a reduction in the number of year's entitlement.
28. There are other proposals in the consultation to further reduce the payment of NHB and due to this the MTFP is based on indicative figures supplied by the Government for the next 4 years until it is clear which option is introduced.
29. The savings the Government will make on changing the NHB scheme along with a reduction in RSG are being used to fund the Additional Better Care Fund (BCF) which is separate to the current funding stream allocated direct to the NHS. This additional BCF is included in the core settlement funding however the proposal is for it to come through a section 31 grant via the NHS, it is not clear therefore that it is entirely within the gift of the Council to make decisions on how this is best used.
30. The Government will consult on how the additional BCF is distributed with the default option being that the BCF grant should act as a method of equalising the relative needs for social care services and the maximum possible impact of the social care council precept. The government has recognised the pressure councils are under in regards to social care funding however it is disappointing this funding won't be coming fully into force until 2019/20 when the pressures we are facing are immediate.
31. Set out in the table below are the latest projections which show a further £11.113m reduction in cash terms which equates to £11.485m in real terms.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	17.938	13.286	9.094	6.334	3.556
Top up Grant	3.979	4.012	4.091	4.212	4.346
New Homes Bonus	1.880	2.698	2.713	1.704	1.635
Better Care Fund	0.000	0.000	0.161	1.731	3.147
TOTAL	23.797	19.996	16.059	13.981	12.684

32. What happens to Local Government funding beyond 2020 is unknown, the previous Government committed to a “reset” of the system which would take account of local needs and ability to raise local taxation therefore re-establishing some form of equalisation within the system. As noted above the Government has announced that it will be reviewing the system and is proposing to allow Councils to keep 100% of NNDR subject to some equalisation of resources and safety nets. In return Local Government will receive no RSG and take on additional responsibilities and costs. Any changes will reflect the need for further savings to be made.
33. This change puts a significant level of uncertainty in to the system at a time when the need for certainty to allow good financial planning is paramount given the scarcity of resources. Although the new system has not been shared by Government, based on past history it is an officer view that such changes will not benefit areas such as the North East and more likely to assist more wealthy areas, however at this stage there are no real facts so we must await the details and continue to plan based on the best information available at the time of making decisions.

Council Tax Income

34. Council Tax is by far the largest single funding stream and it will become an increasing percentage over the coming years as it represents 50% of all income in 2015/16 increasing to 61% by 2019/20, this is due to reducing government funding and planned annual increases of 3.99%, 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 £393,000 and that Darlington has the second lowest Council Tax in the North East Region.
35. In the Autumn Statement delivered on the 25 November 2015 the Government announced that Council’s with responsibility for adult social care will be able to levy a ‘precept’ of 2% on top of the current council tax referendum limit to help fund the increasing cost of social care and must be spend on adult social care services. For Darlington, adult social care expenditure is the largest overall budget and the 2% levy is required to help in funding the ongoing increases. The 3.99% quoted above includes the additional 2%.
36. Current planning estimates anticipate growth levels to be an average of 415 properties over the period of this plan which is a growth on the tax base of 1.5%. These figures have been used to prepare the estimates; clearly should this be any different income levels will differ. Pleasingly the collection rate has increased slightly during the year and it is anticipated to be at 99% in 2016/17.
37. Taking the above into account Council Tax income over the period of this plan is estimated as follows :-

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Total Council Tax anticipated	39.291	41.698	43.833	46.180	48.608

National Non Domestic Rates

38. 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 tax-base 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.
39. Whilst there have been a number of successes in regard to economic regeneration and the subsequent increases in business rates, a number of downward revaluations and successful rating appeals have been granted through the Valuation Office during the course of the year, along with an increase in reliefs for small businesses, charities and empty properties which have had an overall damaging effect on the NNDR anticipated.
40. The ability to increase NNDR is a key tool to improve the Council’s financial position and one of the key drivers in achieving the MTFP. However this is not a quick solution as major developments and attracting businesses into the Town by their very nature take time and upfront investment.
41. The in-year collection rate target for NNDR is 97.2% and as at the end of December 2015 the actual collection figure is 80.2% as opposed to the equivalent figure in 2014 of 80.6%.
42. Taking the above into account the projections of NNDR are shown below

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
NNDR	15.995	16.486	16.963	17.466	17.938

Collection Fund

43. The Collection Fund account reflects the statutory requirements for the Council to maintain a separate Fund in relation to the operation of Council Tax and Business Rates Retention Scheme (BRRS). The Fund records all of the transactions for billing in respect of Non Domestic Rates (NDR) and Council Tax, exemptions and discounts granted, provision for bad debts and appeals and payments made to the Council’s General Fund, the Police and Fire & Rescue precept authorities and Central Government.
44. The Collection Fund at 31 March 2016 is projected to have a deficit of £2.532m of which £1.4m is Darlington’s share. The key reasons are :-

	£m's
Loss of NNDR appeals / reduction in liability	0.800
Increase in Charitable NNDR Relief	0.370
Increase in Empty Property Relief	0.180
Increase in small business rate relief	0.050

Other Grants

45. Set out below are the estimated grants which are included in service estimates at Appendix 1.

	2016/17
	£m
Public Health Grant	8.806*
PFI	3.200
Troubled Families Grant	0.360
Discretionary Housing Payments	0.200
Youth Justice Board	0.281
Local Reform & Community voices	0.057
Adult & Community Learning	0.911
Bus Service Operators Grant	0.027
Community Sports Activation Fund	0.023
Individual Electoral Registration	0.007
Total	<u>13.872</u>

* based on expected reductions in grant

Total Income

46. The table below shows the Council's estimated income for the period of this plan which shows a very slight cash increase over the 4 year period. This obviously presents a problem when the council has significant cost pressures to contend with and inflationary issues in terms of the National living wage, pay awards and contract inflation. The profile of income is also not helpful as it falls considerably before starting to increase towards the end of the plan.

Resources - Projected and assumed	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Council Tax	39.291	41.698	43.833	46.180	48.608
Business rates retained locally	19.974	20.498	21.054	21.678	22.284
Revenue Support Grant	17.938	13.286	9.094	6.334	3.556
New Homes Bonus	1.880	2.698	2.713	1.704	1.635
Better Care Fund	0.000	0.000	0.161	1.731	3.147
Total Resources	79.083	78.180	76.855	77.627	79.230

Projected MTFP Phase One

47. Set out in the table below are the projections based on the income and expenditure analysis discussed in the previous sections of this report. As explained earlier there are significant budget gaps to be addressed in phase 2. The table shows the planned use of resources in 2016/17 to produce a balanced budget. Beyond

2016/17 no balances have been applied leaving £8.757m available to assist bridging the budget gap during implementation of reductions, details of balances are in paragraph 49.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Estimated Expenditure	84.515	85.765	86.735	87.708
Add Pressures / Additional savings	(0.203)	1.286	2.885	4.263
	84.312	87.051	89.620	91.971
Less				
Estimated Income	(78.180)	(76.855)	(77.627)	(79.230)
Use of Revenue Balances previously agreed	(6.593)			
Budget (Surplus) / Deficit	(0.461)	10.196	11.993	12.741

Revenue Balances

48. The table below is revised to take account of the projected revenue outturn for 2015/16 which is detailed at **Appendix 5**, the key issues for the report are below :-
49. And other changes including the assessment of required risk balances as set out in **Appendix 6**.

	£m's
Projected Balances at 31 March 2016	19.217
Less Risk Balances	(4.330)
Less Planned Usage already agreed	(6.593)
Add projected balances in 2016/17 not utilised	0.461
Total	8.755

Planning for the MTFP Revision in February 2016

50. Members will note the table in paragraph 47 that at this time the projected budget deficit is £12.739m by 2019/20. The second stage of the MTFP with proposals on how this deficit will be addressed is in a further report to be tabled later on the agenda.

Capital Expenditure

51. 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. The Council continues to deliver a significant capital investment programme in the main funded from the Housing Revenue Account (HRA) and external funding which is targeted at specific schemes and programmes such as Transport and Schools. In addition there are a number of schemes financed from

the Council's own resources for example the Dolphin Centre Plant and Equipment refurbishment and the Multi Storey Car Park.

52. Council financed schemes are funded by either capital receipts or prudential borrowing, both of which are scarce in these times of austerity. Attached at **Appendix 8** is the latest capital programme which has regular updates as decisions are made and external funding becomes available. The following paragraphs describe the major elements of the programme. Specific scheme approvals will be subject to detailed reports to Cabinet.
53. Whilst the main purpose of this section is to propose a capital programme in regards to council funding, it is worth noting the significant private sector capital investment the Borough continues to attract.
54. Residential and commercial development is progressing well at Central park, with completion of 95 new homes, opening of the £38m National Biologics Centre and location of 23 businesses into Business Central. Further investment of £2.2m is taking place now in a new junction and road, opening up access to further development, with the construction of the Factories for the Future facility planned to start in 2017/18.
55. The recent purchase of the Cornmill by New River Retail underlines investor confidence in Darlington, as the Town Centre sees the completion of the £30m Feethams Cinema and Leisure complex and the new £10m retail development takes shape on North Road.
56. Elsewhere in the Borough, Lingfield Point has seen £6m capital investment in building development, along with £1m in new infrastructure; investment of £5m in a new manufacturing plant at Faverdale and work at the former Torrington's site on Yarm Road has continued with completion of further warehouse units, bringing the total private sector investment in that site up to £8.5m.
57. Looking forward the pipeline is healthy, examples being the Heritage Lottery Fund Civic theatre restoration and the Arts Council funded Hullaballoon

Internal Investment

58. Set out below are details of the levels of Government funding available for investment by the Council in 2016/17 and outline proposed use of such funds, the detailed use of the funds will be subject to detailed reports to Cabinet.

	2016/17 £000's
Children's Services	
Basic Need	1,593
School Condition Allocation	197
Housing	
Disabled Facilities Grant	437
Transport	
Local Transport Plan	2,479
Local Growth Fund	2,402
Highway Maintenance Challenge Fund	1,546
Housing and Growth Fund	1,000
Other Capital Programme	
Adults Personal Social Services	279
Total Capital Grants Available	9,933

Children's Services

Basic Needs Funding

59. In March 2013 the local authority was allocated £1,519,760 as a two year allocation (13/14 & 14/15) to deliver additional school places (Basic Need Funding). An additional £1,516,959 was received in 2015/2016 and it is estimated that a further allocation of £1,592,807 will be made for 2016/2017.
60. A School Organisation Plan (SOP) for the period 2013-2017 has been approved by Cabinet alongside the release of £90,000 for feasibility projects which will finalise the next wave of addition school place projects. Feasibility projects for the following two schools are on-going in order to meet the demand for primary places on the East side of Darlington:

- (a) Red Hall Primary - PAN 30 to PAN 60 a total increase of 210 places
- (b) Heathfield Primary - PAN 60 to PAN 90 a total increase of 210 places

*Planned Admission Number (PAN) = number of places available in each admission year.
There are 7 admission years in each primary school from Reception to Year 6.*

- 61. The £90,000 feasibility funding has also been used to consider the possibility of expanding St Georges Academy from a PAN 45 to PAN 60 a total of 105 places due to a 250 home planning application being granted permission in early 2015, and other potential developments being considered within the village.
- 62. All feasibilities are at the CP1 stage, and over the next few months will be worked up to the planning application stage (CP2) to give an accurate cost and programme for each scheme. Both Red Hall and Heathfield will be shelved until Phase 2 Lingfield and the Burdon Hill development progress to allow each expansion to work alongside the developers build out rate. St Georges Academy will progress to CP3 stage, which will require submission of a planning application and a further report to Cabinet in spring 2016.
- 63. The LA will be looking to future DfE allocations along with developer contributions to fund further expansions required at primary schools and potentially at secondary phase to provide for the large primary cohorts moving through.

School Condition Allocations

- 64. The Local Authority now only receives school condition funding for Community Maintained Schools. Maintenance funding for Academies is available through other routes. This funding received by the Local Authority will be spent in line with key priorities identified with each maintained school through the locally agreed asset management planning (LAMP) process, carried out each January. There are no strict spend deadlines for these small scale condition related projects which are prioritised and completed as funding becomes available.
- 65. Devolved formula capital (DFC) is a formula based grant provided to maintained schools to help support the capital need 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 LAMP process. The allocation for 2015/2016 was £295,401 and has yet to be allocated. It is estimated that the LA will receive £197,000 for 2016/2017 which is slightly lower than in previous years as 3 maintained schools are consulting to convert to Academy status during 2016. At this stage this is only an indicative cost for 2017/2018, as the allocation will be reviewed annually and adjusted to reflect any more schools moving responsible body, opening and closing.
- 66. The annual LAMP process is currently being undertaken and the team are in the process of visiting the maintained schools to establish a programme which will be ready for cabinet approval in spring/summer 2016. It is anticipated that the cabinet report will seek the release of 2 years' worth of funding (2015/2016 and 2016/2017) to address condition, suitability, safeguarding, mechanical or electrical related items within maintained school buildings across the authority.

LCVAP

67. 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.

Housing

68. The priorities identified through the Housing Business Plan to be funded from the estimated capital resources for 2016/17 include:-
- (a) Adaptations – £300,000 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 - £1,470,000 to fund new condensing boiler and central heating upgrades. This work will predominantly be completed in the following wards: Redhall & Lascelles. 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) Structural Repairs - £140,000 has been set aside to address any structural issues that may be identified within the year.
 - (d) 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.
 - (e) 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.
 - (f) Roofing – £420,000 for the replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. The programme will primarily be in Harrogate Hill & Park East Wards.
 - (g) Garages - £75,000 will be invested in improvements to the Council's garage blocks in areas to be determined.
 - (h) External Works - £500,000 will be used to provide new rear dividing fences and new footpaths to Council properties across areas to be determined.

- (i) 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.
- (j) Pavement Crossings - £25,000 has been identified to fund pavement crossings across the Borough.
- (k) Energy Efficiency - £850,000 is required for the replacement PVCu windows and the installation of composite doors to Council properties across areas to be determined. Consideration will be given to properties depending on their Energy SAP ratings and repair trends.
- (l) Door Entry Systems - £80,000 will be used to replace failing door entry systems and communal doors across the borough.
- (m) Internal planned maintenance – £2,100,000 for the replacement of kitchens and bathrooms, rewiring of electrical systems and heating system upgrades where required. This work will predominantly be completed in the following wards: Rurals, Lingfield & Firthmoor. 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.
- (n) Communal Works - £50,000 will be spent on the upgrade and improvement of flooring within communal areas across the borough.
- (o) Lifts - £87,000 to complete any unplanned major works to passenger lifts within sheltered and extra care schemes.
- (p) New Build - £8,614,000 will be spent developing 64 new build council housing units.

Transport and Highways

69. The following works are proposed for delivery in 2016/17

Local Transport Plan

- 70. The Department for Transport (DfT) releases capital funding to Local Authorities through the Local Transport Plan (LTP) based on a needs formula. The allocation is constituted of two blocks of funding; the Integrated Transport Block and Highways Capital Maintenance.
- 71. During 2016/17 £886,000 has been allocated for the Integrated Block and £1,593,000 for the Highways Maintenance Block and will fund an agreed priority of maintenance of highway assets, management of the highway network and improvement schemes.
- 72. The Highways Maintenance Block reduces over the term of the MTFP with two new elements introduced by the DfT that enables authorities to try and recover money that has been top-sliced from allocations by Government. These are:

- (a) Competitive Highway Maintenance Challenge Fund bidding process and,
- (b) Incentive Fund for Highway Maintenance management.

73. Since April 2015 within the Local Growth Fund (LGF) the Local Enterprise Partnership (LEP) has been allocated a significant element of the available capital funding for transport schemes. In the Tees Valley the Local Growth Fund funding priorities are agreed by Tees Valley LEP, the key factors being strategic importance to supporting Economic Growth, deliverability and leverage in securing funds from other partners. Proposals for LGF schemes to be delivered in 2016/17 are a new car park at Morton Palms (£0.550M).
74. The Council has recently submitted a funding proposal to Highways England for a £1M contribution, from their 'Housing and Growth Fund' towards a package of measures in the North Western area of the Town, aimed at mitigating for increases in traffic arising from new housing and commercial development. If successful the Highways England funding will be allocated to widening the A68 approach to the Rotary Way roundabout, constructing a new left turn lane.

Council Funded Schemes

75. At this stage in the MTFP development process it is usual to review any demands for capital expenditure and propose the allocation of any available resource. Given the considerable financial challenge the Council faces and the need to significantly reduce spending it would be inappropriate to make any further significant investment decisions at this point in time however some urgent works will need funding.
76. An equally significant reason for not making any decisions on capital investment at this time is the links between capital and revenue expenditure. Despite capital receipts and prudential borrowing only being available to fund capital expenditure there are links as set out below :-
- (a) Any prudential borrowing has to be funded via repayments from revenue.
 - (b) Utilising capital receipts for capital expenditure removes the ability of the Council to utilise receipts from reducing debt and consequential revenue debt repayment costs.
 - (c) Recent announcements by the Government may make it possible to fund certain expenditure from capital.
77. Given the above it is recommended that only urgent capital expenditure be proposed at this stage. This does leave however a list of competing priorities which are not funded which will need to be reviewed in future years or as and when any funding becomes available.
78. Urgent works proposed are set out below and will be subject to detailed reports to Cabinet;
- (a) Advanced Design Fees/development site preparedness - £0.150m. This is to ensure that resources are available to work up any new schemes brought forward in relation to economic growth including site investigations on

development sites, industrial and housing land. Without this funding, schemes would not progress and growth would stall.

- (b) Railway Museum structural repairs £0.250m – as required under the lease terms essential structural repairs and damp proofing need to be completed to keep the building above the LIVE line.
- (c) Council premises planned maintenance programme £0.250m - the Council owns a significant number of premises and various works need to be completed to ensure they remain structurally sound and in good repair. Work will be completed on the Town Hall, Central House and Central House annex among others.

79. As noted there are a number of further and/or aspirational priorities which would be recommended if there were sufficient resources, they priorities are listed in the table below.

Future capital priorities and aspirations					
	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000
Schemes to be considered					
Dolphin Centre M&E	-	750	750	-	1,500
Indoor Market refurbishment	-			4,000	4,000
West Cemetery Extension	300	-	-	-	300
Crematorium - refurbishment	-	-	2,000	2,500	4,500
Highway Maintenance	450	450	450	450	1,800
CPI Temporary car park	250	-	-	-	250
Town Centre aesthetic uplift	200	-	-	-	200
Town Centre Fringe - Gasometer		200			200
Heritage Campus / Head of Steam	2,000	-	-	-	2,000
Speculative Fund to accommodate growth	750	750	750	750	3,000
Development Pot - subject to LGF funding	-	900	500	-	1,400
Total Resources	3,950	3,050	4,450	7,700	19,150

80. The Tees Valley Devolution Deal offers the promise of more flexibility on the various capital funding streams that are directed towards economic growth and transport, and from 2017, additional funding of £15m per year. Council Officers will continue to work to develop proposals and programmes that could enable access to these resources, and will also be contributing to the development of criteria and priorities.

Consultation

81. The Efficiency and Resources Scrutiny Committee met on the 25 January 2016 to consider the draft MTFP and the responses from all the Councils Scrutiny Committees. The minutes are shown in **Appendix 9**, however in summary there was a majority support for the council tax increase of 3.99% and the fees and charges levels.

82. Attached at **Appendix 10** is the ANEC response to the provisional settlement which highlights the large scale of the cut in grant next year in particular Revenue Support Grant at £2.74bn (27.6%) nationally with only £0.39bn of this being offset by the additional 2% precept for adult social care. In the North East the cut in RSG for the twelve local authorities is £120m, with the potential to raise only £19.5m from the 2% precept to help offset this cut. This will place councils in an extremely difficult position, particularly given the additional cost pressures arising from the costs of the National Living Wage.

Comments of the Director of Neighbourhood Services and Resources

83. As the Council's Statutory Chief financial Officer I must advise the 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 as noted in the following report on the agenda are agreed for delivery in 2016/17 and beyond as the council will be operating with minimum levels of balances to fund any cost pressures or non delivery of saving.

APPENDICES

Appendix 1	Detailed Estimates
Appendix 2	Budget Pressures / Savings
Appendix 3	Fees & Income Proposals
Appendix 4	Assumptions used to prepare estimates
Appendix 5	Projected Revenue Outturn 2015/16
Appendix 6	Assessment of Risk Balances
Appendix 7	Proposed MTFP 2016 to 2020
Appendix 8	Capital summary
Appendix 9	Efficiency & Resources Scrutiny consultation
Appendix 10	ANEC consultation

REVENUE ESTIMATES 2016/17 - Summary
Appendix 1

	2015/16	2016/17			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
People	31,684	53,829	(12,027)	(8,807)	32,995
Children's Services	17,608	58,467	(4,802)	(34,227)	19,438
Economic Growth	12,305	28,056	(16,245)	(27)	11,784
Neighbourhood Services & Resources	21,191	86,788	(27,384)	(38,513)	20,891
Group Totals	82,788	227,140	(60,458)	(81,574)	85,108
Financing Costs	3,230	462	0	0	462
Council Wide Pressures / Savings	7	(1,823)	(20)	0	(1,843)
Contingencies	835	585	0	0	585
Grand Total	86,860	226,364	(60,478)	(81,574)	84,312

Revenue Estimates 2016/17

People

	2015/16 Net Budget £000	2016/17			
		Gross Budget £000	Income £000	Grants £000	Net Budget £000
<u>Commissioning & Public Health</u>					
Director of Commissioning	164	166	0	0	166
<u>Development and Commissioning</u>					
Assistant Director Development & Commissioning	108	105	0	0	105
Commissioning	3,070	3,249	(41)	0	3,208
Workforce Development	264	253	0	0	253
<u>Public Health</u>					
Public Health	100	8,973	(67)	(8,807)	99
Community Safety	107	155	(46)	0	109
<u>Adult Social Care & Health</u>					
External Purchase of Care	23,443	35,200	(9,735)	0	25,465
Intake & Reablement	816	2,225	(1,335)	0	890
On-going Long Term Care - Older People	1,094	1,293	(161)		1,132
On-going Long Term Care - Physical Disability	9	59	(46)		13
On-going Long Term Care - Learning Disability	1,656	1,796	(143)		1,653
On-going Long Term Care - Mental Health	1,008	1,184	(149)		1,035
On-going Long Term Care - Children's	552	568	(14)		554
Service Development & Integration	(707)	(1,397)	(290)		(1,687)
Total People	31,684	53,829	(12,027)	(8,807)	32,995

Revenue Estimates 2016/17

Children's Services

	2015/16 Net Budget £000	2016/17			
		Gross Budget £000	Income £000	Grants £000	Net Budget £000
<u>Director of Children & Adults</u>	0	130	0	0	130
<u>Children, Families & Learning</u>					
Management & Social Work	2,377	3,473	0	0	3,473
Looked After Children	9,206	9,476	(92)	0	9,384
Youth Offending Service	218	645	(165)	(281)	199
Other Children and Families Services	45	47	0	0	47
Educational Services	856	16,270	(1,826)	(13,176)	1,268
Family Support	3,211	6,984	(164)	(3,520)	3,300
Review Development & Safeguarding	367	570	(105)	0	465
Schools	0	17,217	0	(17,217)	0
Transport Unit	0	2,294	(2,294)	0	0
Organisational Planning Unit	1,328	1,361	(156)	(33)	1,172
Total Children's Services	17,608	58,467	(4,802)	(34,227)	19,438

Revenue Estimates 2016/17
Economic Growth

	2015/16	2016/17			
	Net Budget	Gross Budget	Income	Grants	Net Budget
	£000	£000	£000	£000	£000
Director of Economic Growth	159	150	0	0	150
<u>Economic Initiative</u>					
AD Economic Initiative	135	108	0	0	108
Christmas Lights	33	33	0	0	33
Consolidated Budgets	172	175	0	0	175
Development Management	9	557	(533)	0	24
Economic Regeneration	385	426	(47)	0	379
External Funding	158	153	0	0	153
Planning Strategy	307	353	(26)	0	327
<u>Regeneration Projects</u>					
AD Regeneration Projects	103	104	0	0	104
Property Management & Estates	2,193	3,653	(1,370)	0	2,283
Regeneration Projects	447	463	0	0	463
<u>Regulatory Services</u>					
AD Regulatory Services	90	100	(9)	0	91
Building Control	149	330	(178)	0	153
CCTV	134	503	(362)	0	141
Commercial & Licensing	(18)	186	(185)	0	1
Emergency Planning	88	90	0	0	90
Environmental Health	543	585	(29)	0	555
Flood & Water Act	97	99	0	0	99
Parking	(939)	1,239	(2,565)	0	(1,326)
Private Sector Housing	208	184	(5)	0	179
Taxi Licensing	0	135	(135)	0	0
Trading Standards	275	288	(2)	0	286
<u>Transport & Capital Projects</u>					
AD Transport & Capital Projects	101	102	0	0	102
Building Design Services	11	469	(453)	0	15
Capital Projects	108	209	(99)	0	110
Concessionary Fares	3,302	3,345	0	0	3,345
Highways	3,736	3,884	(581)	0	3,303
Highways - DLO	(471)	9,110	(9,573)	0	(463)
Sustainable Transport	168	243	(70)	(27)	145
<u>Creative Darlington</u>					
Strategic Development of Arts		139	(21)	0	118
<u>Joint Boards & Levies</u>					
Coroners	183	188	0	0	188
Environment Agency Levy	98	102	0	0	102
Contributions	341	349	0	0	349
Total Economic Growth Services	12,305	28,056	(16,245)	(27)	11,784

Revenue Estimates 2016/17
Neighbourhood Services & Resources

	2015/16 Net Budget £000	2016/17			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<u>Chief Executive's Office</u>					
Chief Executive Officer	229	229	0	0	229
Communications & Engagement	915	787	(44)	0	743
Darlington Partnership	14	93	(79)	0	14
Strategic Arts	135	0	0	0	0
<u>Resources & Neighbourhood Services</u>					
Director of Neighbourhood Services & Resources	191	192	(46)	0	146
<u>Democratic & Administration</u>					
Customer Services	574	874	(306)	0	568
Democratic Services	1,436	1,354	(19)	(7)	1,328
Registrars of births, deaths and marriages	(61)	219	(273)	0	(54)
Administration & Town Hall	1,922	2,102	(99)	0	2,003
<u>Legal & Procurement</u>	1,106	1,284	(143)	0	1,141
<u>AD Housing & Building Services</u>					
Voluntary Sector Support	405	420	0	(57)	363
<u>AD Finance & Human Resources</u>					
Financial Services & Governance	1,448	2,609	(1,140)	0	1,469
Financial Protection & Assessments	211	237	(25)	0	212
Xentrall Services (D&S Partnership)	1,497	2,298	(755)	0	1,543
Complaints & Freedom of Information	146	155	(6)	0	149
Parish Grants	12	12	0	0	12
Human Resources	481	992	(394)	0	598
Health & Safety	120	177	(49)	0	128
Equal Pay	100	0	0	0	0
<u>AD ICT</u>	665	678	(9)	0	669
<u>Community Services</u>					
AD Community Services	115	116	0	0	116
Building Cleaning - DLO	28	838	(786)	0	52
Cemeteries & Crematorium	(793)	556	(1,394)	0	(838)
Civic Theatre	(116)	1,068	(1,161)	0	(93)
Commercial Catering - DLO	0	143	(143)	0	(0)
Countryside	248	247	(38)	0	209
Dolphin Centre	801	3,668	(2,966)	0	702
Eastbourne Complex	(51)	145	(88)	0	57
Head of Steam	199	252	(47)	0	205
Healthy Darlington	0	45	(23)	(23)	0
Indoor Bowling Centre	13	24	(12)	0	12
Libraries	925	935	(51)	0	884
Markets	(256)	334	(591)	0	(257)
Outdoor Events	164	131	0	0	131
School Meals - DLO	45	939	(881)	0	58
Stray Dogs	46	50	(3)	0	47
Street Scene	4,962	6,630	(1,657)	0	4,972
Waste Management	2,568	2,643	0	0	2,643
Winter Maintenance	406	421	0	0	421
<u>Building Services</u>					
Construction - DLO	(469)	9,207	(9,745)	0	(538)
Maintenance - DLO	(387)	3,353	(3,739)	0	(386)
Other - DLO	0	0	0	0	0
<u>General Support Services</u>					
Works Property & Other	115	106	0	0	106
<u>Housing</u>					
Local Taxation	241	712	(284)	(145)	283
Rent Rebates / Rent Allowances / Council Tax	(87)	37,508	0	(37,595)	(87)
Housing Benefits Administration	120	851	(50)	(686)	115
Homelessness	208	374	(159)	0	215
Service, Strategy & Regulation and General Services	134	314	(180)	0	134
Social Fund Admin / Programme	466	467	0	0	467
Total Neighbourhood Services & Resources	21,191	86,788	(27,384)	(38,513)	20,891

APPENDIX 2

Pressures	Estimate 16/17 £M	Estimate 17/18 £M	Estimate 18/19 £M	Estimate 19/20 £M
Increased Demand				
Staying Put/Supported Lodgings - Support costs	0.151	0.151	0.151	0.151
Childrens Services, additional case load work.	0.892	0.898	0.910	0.916
	1.043	1.049	1.061	1.067
Reduced Income				
Financing costs	0.230	0.337	0.309	0.085
Public Health - shortfall in grant	0.718	0.938	1.161	1.378
Education Services Grant (ESG) reduction in grant	0.026	0.026	0.026	0.026
	0.974	1.301	1.496	1.489
National Living Wage				
Adults - effect of National Living wage	1.498	2.182	3.294	4.317
Effect of Living Wage on other GF areas	0.000	0.021	0.094	0.236
	1.498	2.203	3.388	4.553
Other				
Planned relocation of Eastbourne Complex not now expected to happen	0.040	0.040	0.040	0.040
Cost of Vehicle Replacement - current value £7.8m spread across approx 250 assets	0.010	0.044	0.068	0.123
Looked After Through Care increased support costs	0.045	0.045	0.045	0.045
Child Sexual exploitation previously funded from carry forwards	0.030	0.030	0.030	0.030
Municipal Election	0.000	0.000	0.000	0.120
Apprentice Levy	0.000	0.274	0.277	0.280
Various small pressures and income	(0.001)	0.050	0.119	0.182
	0.124	0.483	0.579	0.820
Savings				
Street Lighting - Savings in electricity from lantern & column replacement	(0.210)	(0.254)	(0.356)	(0.376)
Street Lighting - Savings in Repairs and Maintenance	(0.040)	(0.086)	(0.132)	(0.134)
Building Construction - better than expected turnover	(0.296)	(0.183)	0.000	0.000
Cemeteries - increase in charges	(0.025)	(0.025)	(0.025)	(0.025)
Allotments - increase in charges	(0.005)	(0.005)	(0.005)	(0.005)
Corporate Management - reduced Audit fees	(0.023)	(0.023)	(0.023)	(0.023)
Corporate Management - Members allowances	(0.014)	(0.015)	(0.015)	(0.016)
Mayoral car to be purchased outright	(0.008)	(0.008)	(0.008)	(0.008)
Utilisation of MRP over provision	(3.221)	(3.151)	(3.075)	(3.079)
	(3.842)	(3.750)	(3.639)	(3.666)
Total net pressures	(0.203)	1.286	2.885	4.263

Contingencies (from previous years)				
Adults Packages	0.235	0.235	0.235	0.235
Employers pension increase	0.350	0.390	0.440	0.490
	0.585	0.625	0.675	0.725

SCHEDULE OF CHARGES 2016/17

Description	Existing Charge £	New Charge £	Financial Effect £
LEARNING SKILLS – LEARNING FOR LIFE			
Standard Fee is £60 per course per term			
Full Fees (including enrolment and tuition fees) per hour	2.50	3.00	NIL

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 2015)

Learners are aged 19-24 (on 31 August 2015) 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 a funded qualification at level 3 or above.

Learners aged 19-24 who are unemployed and on a Traineeship

Learners who have left the British Armed Forces in the past 10 years after completing four or more years' service; or been medically discharged from the British Armed Forces due to an injury in active service, after completing basic training. This applies to learners aged 19 or over where they 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</p> <p>Entering a Notice of Marriage or Civil Partnership</p> <p>For a Registrar to attend a Marriage at the Register Office</p> <p>Civil Partnership Registration</p> <p>Incumbents for every Entry Contained in Quarterly Certified</p> <p>Copies of Entries of Marriage</p> <p>Registrars fee for attending a marriage at a registered building or for the housebound or detained</p> <p>Superintendents Registrar fee for attesting a notice of marriage away from his office for housebound or detained</p> <p>Superintendents Registrar fee for attending the marriage of the housebound or detained</p> <p>Certification for Worship and Registration for Marriages</p> <p>Place of Meeting for Religious Worship</p> <p>Registration of Building for Solemnisation of Marriage</p> <p>Certificates issued from Local Offices</p> <p>Standard Certificate (SR)</p> <p>Standard Certificate (RBD) (at time of Registration)</p> <p>Standard Certificate (RBD) (after Registration)</p> <p>Short Certificate of Birth (SR)</p> <p>Short Certificate of Birth (RBD)</p> <p>Certificates of Civil Partnership (at time of Ceremony)</p> <p>Certificates of Civil Partnership (at later date)</p> <p>General Search fee</p> <p>Each Verification</p>		<p>These charges set nationally by Statute and will be charged at the advised rate for 2015/16</p> <p>These Charges set nationally by Statute and will be charged at the advised rate for 2015/16</p>	

Description	Existing Charge £	New Charge £	Financial Effect £
Civil Funerals			
All Ceremonies – Backhouse Hall			
Monday to Thursday	150.00	200.00	}
Friday	150.00	200.00	}
Saturday	200.00	250.00	}
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	400.00	}
Fee for Attendance Saturday	400.00	450.00	}
Fee for Attendance Sunday	500.00	500.00	}
Fee for Attendance Bank Holidays	500.00	500.00	}
			£10,000
Certificates			
Walk in Certificates	15.00	20.00	£1,400
REGISTER OF ELECTORS, OPEN REGISTER AND MONTHLY UPDATES - 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	
LIST OF OVERSEAS ELECTORS – SALE			
The following fees do not incur VAT.			
List – Printed Form	10.00	10.00	
Per 1,000 Names – Printed	5.00	5.00	
List – Data Form	20.00	20.00	
Per 1,000 Names – Data	1.50	1.50	
MARKED COPY OF THE REGISTER OF ELECTORS AND MARKED ABSENT VOTERS LIST – SALE			
The following fees do not incur VAT			
Register – Printed Form	10.00	10.00	
Per 1,000 Names – Printed	2.00	2.00	
Register – Data Form	10.00	10.00	
Per 1,000 Names – Data	1.00	1.00	
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	28.50	

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 (Residential)	140.00	140.00	
Expedited search (Commercial)	190.00	190.00	
Personal Search	No charge	No charge	
Additional Written Enquiries received after a Search has been Completed	5.00	5.00	
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:	700.00	700.00	
	- for the first year	585.00	585.00	
	- 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.			
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	5.00	5.00	
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	0.30	0.30	
Printing			
Text Printouts			
A4 B&W	0.15	0.15	
A3 B&W	0.30	0.30	
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			
Library members First 30 minutes FREE , Members & Non Members £1.00 per 30 minutes hereafter	1.00	1.00	
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	
			Minimal
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	504.00	504.00	
Small Scale Major Developments for a written response, including up to 2 meetings	504.00	504.00	
Minor Developments for a written response to include a meeting if necessary	252.00	252.00	
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	126.00	126.00	
Householder developments	24.00 to 36.00	24.00 to 36.00	
Advertisements	63.00	63.00	
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	126.00	126.00	
Other Charges			
Pre-Application meeting involving Planning Committee Members	630.00	630.00	

Description	Existing Charge £	New Charge £	Financial Effect £
PLANNING – SUPPLEMENTARY ITEMS			
Items inclusive of VAT at 20%			
Letter confirming exemption	26.00	26.00	
Letter confirming completion	26.00	26.00	
Letter confirming enforcement action will not be taken	26.00	26.00	
Site inspection to determine info.	26.00	26.00	
A4 Photocopy (ex plans) – first page	1.10	1.10	
Subsequent pages	0.10	0.10	
A3 Photocopy (ex plans) – first page	1.20	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	16.00	16.00	
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, per person			
1-10	200.00	200.00	
11-25	240.00	240.00	
26-40	280.00	280.00	
41-60	320.00	320.00	
61-80	360.00	360.00	
81-99	400.00	400.00	
100 or over	450.00	450.00	
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	1,200.00	
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	1,200.00	
Description	Existing Charge	New Charge	Financial Effect
	£	£	£
SEV Variation	3,700.00	1,200.00	
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	
Motor Metal Dealers			
Collectors Licence (3 years)	150.00	150.00	
Major Variation	50.00	50.00	
Minor Variation	15.00	15.00	
Site Licence (3 years) Grant	350.00	270.00	
Additional Sites (per site per year of licence)	195.00	195.00	
Minor Variation Site	15.00	15.00	
	50.00 +	50.00 +	
	65.00 per	65.00 per	
	additional	additional	
	site per	site per	
	year	year	
Major Variation Site			
Caravan Sites			
New Application for a permanent residential site licence;			
1-5 pitches	200.00	200.00	
6-10 pitches	225.00	225.00	
11-20 pitches	225.00	225.00	
21-50 pitches	240.00	240.00	
Greater than 50 pitches	260.00	260.00	
Annual Fees associated with administration and monitoring of site licences;			
1-5 pitches	No charge	No charge	
6-20 pitches	220.00	220.00	
21-50 pitches	220.00	220.00	
Greater than 50 pitches	260.00	260.00	
Cost of Laying Site Rules	25.00	25.00	
Cost of Variation/Transfer	100.00	100.00	
Zoo Licensing Act			
New Application (4 years) or renewal (6 years) for a Zoo Licence (excluding the inspection costs of appointed inspector)	450.00	450.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Street Trading			
November / December - Full Calendar Month	975.00	975.00	
- Week	385.00	385.00	
- Day	85.00	85.00	
January / October - Full Calendar Month	660.00	660.00	
- Week	270.00	270.00	
- Day	60.00	60.00	
Note- The above to apply to Itinerant traders. For regular all year round traders - fees as follows			
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	
Skip Hire Licence			
More than 3 days' notice	15.00	15.00	
Less than 3 days' notice	30.00	30.00	
Hoarding/Scaffold Licence	50.00	50.00	
Administration Charge (per hour or part thereof)	35.00	35.00	
Statutory Fees			
Petroleum Licences			
Less than 2,500 litres	41.00	41.00	
2,500 – 50,000 litres	57.00	57.00	
More than 50,000 litres	118.00	118.00	
Transfer/variation	8.00	8.00	
Gambling Act			
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	
Description	Existing Charge £	New Charge £	Financial Effect £
Transfer	1,200.00	1,200.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	1,200.00	1,200.00	
Family Entertainment Centres – 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	
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	
<u><i>Permit Type – The following fees are set by statute and will be revised as changed nationally</i></u>			
Small Society Lottery Registration	40.00	40.00	
Small Society Annual Fee	20.00	20.00	
FEC gaming machine – Renewal fee	300.00	300.00	
FEC gaming machine – Change of name	25.00	25.00	
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	
Description	Existing Charge £	New Charge £	Financial Effect £
Licensing Act Fees			
Statutory Fees- The following gambling fees are set within statutory bands and will be revised as changed nationally.			
Premises Licences			
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
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 with Multiplier	- Initial fee	900.00	900.00
	- Annual fee	640.00	640.00
Band E with Multiplier	- Initial fee	1,905.00	1,905.00
	- Annual fee	1,050.00	1,050.00
Club Premises Certificates			
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
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
Large Scale Events			
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	
Description		Existing Charge £	New Charge £	Financial Effect £
	- 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	
Other Licensing Act 2003 Fees & Charges				
Minor Variations		89.00	89.00	
Personal Licence		37.00	37.00	
Provisional Statement		315.00	315.00	
Temporary Event Notice (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	
Change of Name / Address		10.50	10.50	
Notification of Interest		10.50	10.50	
Notification of Alteration of Club Rules		10.50	10.50	
Explosives Act/Fireworks Annual Registration		52.00	52.00	
				Minimal

Description	Existing Charge £	New Charge £	Financial Effect £
HACKNEY CARRIAGES			
The following fees do not incur VAT			
Taxi Licencing			
A cost recovery basis exercise is on-going and there is a statutory requirement to advertise & consult on any changes to fees. This process will be on-going with a view to implementing changes to fees from 1st April 2016			
Driver Licence (single)	70.00	TBC	
Driver Licence (combined)	110.00	TBC	
Hackney Carriage Vehicle Licence (excluding plate fee)	410.00	TBC	
Private Hire Vehicle Licence (excluding plate fee)	375.00	TBC	
Operator Levy	35.00	TBC	
Private Hire Operator Licence (operating levy in addition to vehicle licence fee)	300.00	TBC	
<i>Additional Charges</i>			
Knowledge / Regs test (re-sits only)	30.00	35.00	
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	
			TBC

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 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			

Description	Existing Charge £	New Charge £	Financial Effect £
Explosive Act (Statutory Fee) Registration of Premises Licencing of Explosive Stores Sale of Fireworks – Licensing	**See Note **See Note **See Note	**See Note **See Note **See Note	
Prosecution Costs Hourly rate for Preparation of Case Reports ** these are statutory rates that are set centrally in April	39.50	39.50	
<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			
			NIL
PARKING – all off-street charges inclusive of VAT at 20% Chesnut Street Lorry Park Per hour Per day Per week Overnight	 0.50 2.00 7.50 4.00	 1.00 2.00 7.50 4.00	

Description		Existing Charge £	New Charge £	Financial Effect £
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	
Feethams		N/a	1.00	
Covered Market (30 minutes only)		0.50	0.50	
East Street		0.50	1.00	
Car Parks- Mixed Charges				
Archer Street	per hour	0.50	1.00	
	per day	4.00	4.00	
	per week	16.00	16.00	
Garden Street	per hour	0.50	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	
	per day	4.00	4.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<div>per week</div> <div>Park Lane per day</div> <div>Central House (Saturday and Bank Holidays) per day</div>	<div>16.00</div> <div>5.00</div> <div>4.00</div>	<div>16.00</div> <div>5.00</div> <div>4.00</div>	
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	1.10	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)	3.00	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	56.50	
			Minimal
DOLPHIN CENTRE			
Swimming			
Adult Swim	3.60	3.60	
Concession	2.70	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	
	Free of Charge	Free of charge	
Under 12 months			

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	3.00	3.00	
Soft play admissions Monday to Friday	3.75	3.75	
Soft play admissions Weekends	3.75	3.75	
Sensory Room Monday to Friday	3.75	3.75	
Sensory Room Weekends	3.75	3.75	
Parent/toddler (Soft play)	3.75	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	80.00	80.00	
Diving Pool - per hour	45.00	45.00	
Teaching Pool - per hour	45.00	45.00	
Gala - per hour			
Swimming Galas - whole complex			
Normal opening hours - per hour	255.00	255.00	
Outside normal opening hours - per hour	135.00	135.00	
Swimming Galas - Schools, Junior Clubs and Organisations			
Main Pool - Peak	180.00	180.00	
Main Pool - Off Peak	125.00	125.00	
Main Pool and Teaching Pool - Peak	150.00	150.00	
Main Pool and Teaching Pool - Off Peak	155.00	155.00	
Electronic Timing	75.00	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	28.50	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	
			NIL

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	36.00	36.00	
Juniors Match	20.00	20.00	
			NIL
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	
Stalls let 2013 onwards	12 month licence	12 month licence	
Shops }	Three - Five year leases	Three - Five year 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			
General Open Per 3m x 4.5m gazebo	30.00	30.00	
Per 6m x 4.5m gazebo	60.00	60.00	
Per 3m x 3m gazebo	20.00	20.00	
Per 6m x 3m gazebo	40.00	40.00	
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 -	50.00	50.00	
Non Charitable			
1 - 10 stalls (minimum charge)	80.00	80.00	

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)	8.00	8.00	
			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	

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

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 of Museum Field			
Caravan Users - per Caravan per night	7.70	7.70	
Educational Use	No charge	No charge	
	Negotiated on an individual basis	Negotiated on an individual basis	
Corporate Events			
			NIL

Description	Existing Charge £	New Charge £	Financial Effect £
REFUSE COLLECTION AND DISPOSAL			
Refuse sacks (per 25) (Exclusive of VAT)	83.20	85.70	
Bulky Household Collection up to 6 items	16.10	16.50	
Garden waste sacks (Non-Vatable)	7.95	8.20	
Cost of replacement (inclusive of 20% VAT)			
360L Wheeled Bin	No Charge	50.27	
240L Wheeled Bin	No Charge	19.80	
Caddie	No Charge	5.10	
Glass Box	No Charge	3.24	
55L Box	No Charge	1.62	
			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	250.00	250.00	
Person over 18 years	625.00	710.00	
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	250.00	250.00	
Person over 18 years	625.00	710.00	
Cremated remains	130.00	150.00	
Exclusive rights of burial (these fees will be doubled if the purchaser is a non-resident of Darlington if not purchased at time of first interment).			
Exclusive burial rights (50 years)	650.00	750.00	
Exclusive burial rights for a bricked grave	1,350.00	1,500.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Other charges			
Scattering of cremated remains	45.00	45.00	
Indemnity form (to produce duplicate grant	45.00	45.00	
Use of Cemetery Chapel	100.00	100.00	
After post mortem remains	130.00	150.00	
Evergreens (including grass mats)	65.00	65.00	
Exhumation of a body (excl. re-interment)	1,200.00	1,500.00	
Exhumation of cremated remains (excl. re-interment)	300.00	350.00	
Grave Maintenance (inclusive of 20% VAT)			
Initial payment	45.00	50.00	
Annual Maintenance	35.00	36.00	
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)	190.00	195.00	
Provision of kerbs – traditional sites only)	90.00	100.00	
Vases not exceeding 300mm	80.00	80.00	
Additional inscription	80.00	80.00	
Total financial effect for Cemeteries			25,000

Description	Existing Charge £	New Charge £	Financial Effect £
CREMATORIUM			
Crematorium fees (inclusive of certificate of cremation, 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	120.00	150.00	
Stillborn or child not exceeding 12 months	No charge	No charge	
Person over 12 months up to 18 years	250.00	250.00	
Person over 18 years	625.00	678.00	
After post mortem remains	120.00	150.00	
Other charges			
Environmental Surcharge	52.00	52.00	
Postal Carton	15.00	15.00	
Metal Urn	40.00	40.00	
Wooden Casket	50.00	50.00	
Baby Urn	10.00	10.00	
Crematorium Chapel	100.00	100.00	
Scattering of remains at reserved time	45.00	45.00	
Medical Referee Fee	20.00	20.00	
Book of Remembrance (inclusive of 20% VAT)			
Single Entry (2 lines)	70.00	70.00	
Double Entry (3 or 4 lines)	110.00	110.00	
Additional lines	25.00	25.00	
Crest or floral emblem	115.00	115.00	
Memorial Cards (inclusive of 20% VAT)			
Single entry card (2 lines)	20.00	20.00	
Double entry card (3 or 4 lines)	27.00	27.00	
Additional lines	5.00	5.00	
Crest of floral emblem	60.00	60.00	
Personal photographs – set up	40.00	40.00	
Additional photographs – after set up	10.00	10.00	
Memorial Books (inclusive of 20% VAT)			
Single entry book (2 lines)	70.00	70.00	
Double entry card (3 or 4 lines)	77.00	77.00	
Additional lines	5.00	5.00	
Crest of floral emblem	60.00	60.00	
Personal photographs – set up	40.00	40.00	
Additional photographs – after set up	10.00	10.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Triptych (inclusive of 20% VAT)			
Single entry card (2 lines)	65.00	65.00	
Double entry (3 or 4 lines)	72.00	72.00	
Additional lines	5.00	5.00	
Crest or floral emblem	60.00	60.00	
Personal Photographs – set up	40.00	40.00	
Additional Photographs – after set up	10.00	10.00	
Other Memorial Schemes			
Replacement kerb vase plaque	270.00	270.00	
Replacement flower holder	5.00	5.00	
Wall plaques	245.00	245.00	
Planter plaques	365.00	365.00	
Lease of space for memorial plaques (per annum)	25.00	25.00	
Total financial effect for Crematorium			Minimal
ALLOTMENTS			
Rent per year	54.00	80.00	
Rent per year (Concession)	27.00	40.00	
			4,800
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	350.00	
Private Road Openings (repair existing)	77.50	125.00	
Vehicle Crossings (plus actual construction costs)	77.50	100.00	
Vehicle Crossings if planning permission required on a classified road (plus actual construction costs)	150.00	150.00	
Temporary Road Closure Notices	100.00	125.00	
Temporary Road Closure Orders (plus advertising)	200.00	250.00	
Emergency Road Closures	100.00	125.00	
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 Charge £	New Charge £	Financial 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	
NRSA Defect Charges	Nationally set scale of charges	Nationally set scale of charges	
NRSA Road Opening Inspection Charges (sample)	Nationally set scale of charges	Nationally set scale of charges	
Section 74 – charges for overstay	Nationally set scale of charges	Nationally set scale of charges	
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	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Access protection markings	No charge	No charge	
Tourist Sign (plus actual cost of sign)	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests	£75.00 + VAT	£75.00 + VAT	
Traffic Count Data	75.00	75.00	
Street Lighting Design Service	Individually priced based on charge out rate	Individually priced based on charge out rate	
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
PUBLIC RIGHTS OF WAY			
Public Path Orders (HA 80 S 118 and 119, TCPA 90 s247, 257)			
Actual cost based on charge out rate plus advertising and legal costs			
PROW Temporary Closures – as Highways fees and charges			
Landowner Rights of Way Statement and Declaration s31.6			
One parcel of land, includes 2 notices	No charge	250.00	
Additional parcel	No charge	50.00	
Additional notice	No charge	50.00	
Authorisation for installing a new gate or stile (HA 80 s147)	No charge	100.00	
SUSTAINABLE TRANSPORT			
Charges for Concessionary Travel (ENCTS);			
Replacement pass for lost/stolen without a CRN	5.00	10.00	
Learn to Ride per session (child)	N/a	3.00	
Production, placement and retrieval of notices when bus stops are temporarily per bus stop	N/a	60.00	
Production and placement of bus timetable information when bus services have to be re-registered due to road closures – up to 6 timetables	N/a	84.00	
			Minimal

TRANSPORT SERVICES			
Charges for Taxi Licensing;			
Taxi Vehicle Test	50.00	50.00	
Taxi Vehicle Test and MOT	60.00	60.00	
Failure to attend (less than 48 hours' notice)	50.00	50.00	
Re-test	25.00	25.00	
Re-test including emissions	35.00	35.00	
Re-test emissions only	10.00	10.00	
Charges for General Public;			
MOT for Motorbike Class I & II	25.00	25.00	
MOT for Standard Car Class IV	30.00	30.00	
MOT for Class V Vehicles	40.00	40.00	
MOT for Class VII Vehicles	45.00	40.00	
			Minimal
PRIVATE SECTOR HOUSING			
General Enforcement Activities;			
Preparation of case reports per hour	25.00	39.50	
Works in default & statutory activities per hour	25.00	39.50	
Housing inspections & consultancy per hour (inclusive of VAT)	30.00	47.40	
Charge for the service relevant Housing Act 2004 legal notice	250.00	400.00	
Securing empty homes (addition of VAT by agreement)	150.00	237.00	
Houses in Multiple Occupation Activities;			
HMO licence fee per letting/let/tenancy;			
Non accredited landlord	300.00	175.00	
Accredited landlord	250.00	175.00	
Other relevant HMO activities per hour	25.00	39.50	
Other Charges;			
Housing immigration inspections;			
Within 10 working days (including VAT)	120.00	120.00	
Fast Track within 5 working days (including VAT)	120.00	150.00	
Additional copies of legal notices via post	10.00	10.00	

Description	Existing Charge £	New Charge £	Financial Effect £
Smoke and Carbon Monoxide Alarms (England) Regulation 2015 – Energy Act 2013 Fines for failing to provide a working smoke or carbon monoxide alarm. Offence by the same individual or organisation;			
First	N/a	500.00	
Second	N/a	1,000.00	
Third	N/a	2,000.00	
Fourth	N/a	3,000.00	
Fifth or more	N/a	5,000.00	
The Redress Schemes for Letting Agency Work and Property Management Work (England) Order 2014 (‘the Order’) article 3 and 5 Fines for failing to join an approved letting and management redress scheme;			
Businesses that have been served with a notice of intent and failed to join an approved scheme	N/a	5,000.00	
Businesses that have joined an approved scheme following the service of the notice of intent	N/a	4,000.00	
Businesses that have joined an approved scheme prior to enforcement action being taken, after the 1 st October 2014	N/a	3,000.00	
			Minimal

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 (NNDR) – 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

APPENDIX 4

KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2016-20

Factor	Assumption
Resources	
Council Tax base	Variable depending on projected additional properties.
Council Tax	3.99% increase in each year (including a 2% levy for Adult Social Care)
Council Tax collection	99% collected
Government Grants	Government grants for 2016-17 as indicated in settlement and indicative figures for 2017/18 – 2019/20.
	Increase in Business Rates Scheme and Top Up Grant of 2.1% 2016-17, 2.9% 2017-18, 3.0% 2018-19 & 2019-20 (projected RPI).
	Reduction in Revenue Support Grant of 26% in 2016/17, 32% in 2017/18, 30% in 2018/19 and 44% in 2019/20.
Expenditure	
Pay inflation	2016-17 onwards 1.0%.
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 2016-17, 4.16%; 2017-18, 4.05%; 2018-19, 4.08%; 2019-20, 4.15%.
Interest rates payable on new debt – 10 year rate	2016-17, 3.25%; 2017-18, 4.05%; 2018-19, 4.50%; & 2019/20, 4.50%.
Interest rates receivable	2016-17, 1.25%;. 2017-18, 1.75%; 2018-19 2.25% & 2019-20 2.75%.
Income	
Inflationary increases	Various based on individual service considerations

REVENUE BUDGET MANAGEMENT 2015/16

Projected General Fund Reserve at 31st March 2016

	2015-20 MTFP (Feb 2015) £000
Medium Term Financial Plan (MTFP) :-	
MTFP Planned Opening Balance 01/04/2015	21,307
Approved net contribution from balances	(7,821)
Planned Closing Balance 31/03/2016	13,486
 Increase in opening balance from 2014-15 results	 2,533
 Projected corporate underspends / (overspends) :-	
Council Wide (Pressures)/Savings	122
Financing Costs	163
Council Wide based savings	377
Economic Growth based savings	250
Neighbourhood Services & Resources based savings	655
People - Development & Commissioning based savings	223
Cabinet approval - Dolphin Centre refurbishment	(210)
Collection Fund - Business Rates	(1,400)
Collection Fund - Council Tax	0
Holiday Pay	(15)
 Projected General Fund Reserve (excluding Departmental)	 at 16,184
31st March 2016	
 Planned Balance at 31st March 2016	 13,486
Improvement	<u>2,698</u>

Departmental projected year-end balances

	Improvement / (decline) compared with 2015-20 MTFP £000
People	64
Children's Services	(711)
Economic Growth	99
Neighbourhood Services & Resources	631
 TOTAL	 <u>83</u>

Summary Comparison with :-

	2015-20 MTFP £000
Corporate Resources - increase in opening balance from 14/15 results	2,533
Quarter 1 budget claw back	1,505
Corporate Resources - additional in year Improvement / (Decline)	(1,340)
Departmental - Improvement / (Decline)	83
 Improvement / (Decline) compared with MTFP	 <u>2,781</u>
 Projected General Fund Reserve at 31st March 2015	 <u>16,267</u>

APPENDIX 6

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	20	0.080	2	0.160
		Failure of significant service provider contractors	£20M pa corporately – assess risk of 10% cost increase	2.0	10	0.200	2	0.400
	Energy Costs Significant Increases	Higher Annual Revenue Costs			10	0.060	2	0.120
	General Price Inflation	Higher Annual Revenue Costs	£30M – assess risk of 3%	0.9	25	0.225	2	0.450
	Pandemic or Similar Event	Increased employee absence requiring cover at extra cost	£0.5M per 1% of employee costs 0.6	0.5	10	0.050	1	0.050
SERVICES	New Children’s Care Packages	Higher Costs NB see “Key Assumptions” – Appendix 4	Average £0.1M per Case – 5 cases	0.5	25	0.125	2	0.250
			Average £0.02M per case – 10 cases	0.2	25	0.050	2	0.100
	Social Care Increasing Demand	Higher annual Revenue Costs			20	0.100	2	0.200
Capital Overspends	Fund from Revenue (no Capital Resources available)	One-off £5M funded over 10 years	0.5	10	0.050	2	0.100	
GENERAL	Planned Savings Not Achieved	Higher annual Revenue Costs	£16M – assess risk of 25% shortfall	4.00	30	1.200	2	2.400
	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine 0.5	10.0	1	0.100	1	0.100
	TOTAL GENERAL FUND RESERVE REQUIREMENT							4.330

MEDIUM TERM FINANCIAL TERM 2016 TO 2020

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
People	32.929	34.150	35.505	36.768
Children's Services	18.266	18.395	18.667	18.913
Economic Growth	11.784	12.096	12.279	12.534
Neighbourhood Services & Resources	22.063	22.525	23.039	23.541
Financing costs	0.462	0.584	0.477	0.148
Council Wide Pressures/(savings)	(1.843)	(1.619)	(1.393)	(1.174)
Contingencies	0.585	0.920	1.046	1.241
Contribution to/(from) revenue balances - previously agreed	(6.593)	0.000	0.000	0.000
Contribution to/(from) revenue balances	0.461	0.000	0.000	0.000
Total Expenditure	78.180	87.051	89.620	91.971
Future Efficiency and savings programme	0.000	(10.196)	(11.993)	(12.741)
Total Net Expenditure	78.180	76.855	77.627	79.230
<u>Resources - Projected and assumed</u>				
Council Tax	41.698	43.833	46.180	48.608
Business rates retained locally	20.498	21.054	21.678	22.284
RSG	13.286	9.094	6.334	3.556
NHB	2.698	2.713	1.704	1.635
Better Care Fund	0.000	0.161	1.731	3.147
Total Resources	78.180	76.855	77.627	79.230
<u>Balances</u>				
Opening balance	19.217	8.755	8.755	8.755
Risk reserve	(4.330)			
Contribution to/(from) balances - previously agreed	(6.593)			
Contribution to/(from) balances	0.461	0.000	0.000	0.000
Closing balance	8.755	8.755	8.755	8.755

Capital Medium Term Financial Plan 2016/17 - 2019/20

Appendix B

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Resources					
Capital Grants	9,933	7,810	7,197	6,897	31,837
HRA Revenue Contributions	6,383	6,467	6,572	6,908	26,330
HRA Investment Fund	7,996	6,413	3,134	-	17,543
HCA Grant	618	1,000	1,618	-	3,236
Capital Resources	650	-	-	-	650
HRA Capital Receipts	194	196	198	200	788
Total Resources	25,774	21,886	18,719	14,005	80,384
Commitments - see below	25,774	21,886	18,719	14,005	80,384
Children, Families & Learning					
Basic Needs funding	<i>1593</i>	<i>0</i>	<i>0</i>	<i>0</i>	1,593
School Condition Allocations	<i>197</i>	<i>197</i>	<i>197</i>	<i>197</i>	788
	1,790	197	197	197	2,381
Housing					
Adaptations	300	300	300	315	1,215
Heating replacement programme	1,470	1,530	1,592	1,668	6,260
Structural works	140	140	140	147	567
Lifeline Services	80	80	80	84	324
Repairs before painting	100	100	100	105	405
Roofing	420	420	420	450	1,710
Garages	75	75	75	79	304
External Works (footpaths, fencing, etc.)	500	500	500	525	2,025
Smoke detection	50	50	50	53	203
Pavement Crossing	25	25	25	26	101
Energy efficiency	600	600	600	630	2,430
Replacement Door Programme	250	250	250	260	1,010
Door entry	80	80	30	32	222
IPM works	2,100	2,190	2,285	2,394	8,969
Communal Works	50	50	50	53	203
Lifts	87	23	23	24	157
New build (net of HCA grant)	7,996	6,413	3,134	-	17,543
New build (financed by HCA grant)	618	1,000	1,618	-	3,236
Fees	250	250	250	263	1,013
	15,191	14,076	11,522	7,108	47,897
Transport					
Highway Maintenance	<i>1,593</i>	<i>1,398</i>	<i>1,398</i>	<i>1,398</i>	5,787
Integrated Transport	<i>886</i>	<i>886</i>	<i>886</i>	<i>886</i>	3,544
Highway Maintenance Challenge Fund	<i>1,546</i>	<i>1,613</i>	-	-	3,159
Highways England Housing and Growth Fund	<i>1,000</i>				1,000
Local Growth Fund	<i>2,402</i>	<i>3,000</i>	<i>4,000</i>	<i>3,700</i>	13,102
	7,427	6,897	6,284	5,984	26,592
Other Capital Programmes					
Adults' Personal Social Services	279	279	279	279	1,116
Disabled Facility Grants	437	437	437	437	1,748
	716	716	716	716	2,864
Council funded Schemes					
Advanced Design Fees	<i>150</i>				150
Planned Maintenance Programme	<i>250</i>				250
Railway Museum structural repairs	<i>250</i>				250
	650	-	-	-	650
Total Spending Plans	25,774	21,886	18,719	14,005	80,384

Figures shown in italics are estimates, awaiting confirmation of funding streams.

EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE

25th January, 2016

PRESENT - Councillor I. Haszeldine (in the Chair); Councillors Carson, Coultas, Crumbie, Johnson, K. Nicholson and C, Taylor (7)

APOLOGIES – Councillor Mrs. H Scott (1)

ABSENT – Councillor Crichlow (1)

ALSO IN ATTENDANCE – Councillor Harker (1)

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 2016/17 TO 2020/21 – SCRUTINY COMMITTEE'S RESPONSE - Submitted – The Minutes (previously circulated) of all of this Council's Scrutiny Committees which had been held to consider a response to Cabinet on its proposals in relation to the first stage of revising the MTFP for 2016/17.

It was also reported that Place Scrutiny Committee had requested further information in relation to a number of charges within its remit and an explanation had been provided to that Committee as a response.

Discussion ensued on the proposed schedule of charges and Members commented that of approximately 545 fees only approximately 45 were being recommended to be increased and an explanation was given as to why that was the case in some areas. Members felt that further work should be undertaken in relation to the schedule of charges and it was reported that Cabinet would be setting these at its meeting to be held on 11th February, 2015, in advance of approval by Council, however, the charges could be reviewed later in the year if Members felt it appropriate.

In relation to the Adults and Housing Scrutiny Committee, discussion ensued on the Government's proposal to allow Council's with responsibility for Adult Social Care to be able to levy a 'precept' of two per cent on top of the current Council Tax referendum limit to help fund the increased cost of adult social care, which, in Darlington was the largest overall budget and further information was requested on the impact of this for Darlington and the Assistant Director Finance and Human Resources reported that the two per cent equated to approximately £800,000.

RESOLVED – (a) That Cabinet be advised that, taking into account the views and comments of all of the Council's Scrutiny Committees, the following is this Scrutiny Committee's response to the proposals contained within the first stage of the MTFP 2016/17 :-

- (i) that, in relation to the proposed Council Tax increase of 3.99 per cent for 2016/17 and subsequent years, the majority view is that Cabinet's proposals as contained in its report dated 1 December 2015 be supported and the minority view is that the proposal is not supported;
 - (ii) that the schedule of charges, as set out in Appendix 3 of Cabinet's report dated 1 December 2015, be supported, however, it be noted that Scrutiny will undertake further work during the next financial year to re-visit those charges and make recommendations thereon if appropriate; and
 - (iii) that, in relation to the use of £1.613 million revenue balances to fund the budget gap in 2016/17, Cabinet's proposals as contained in its report dated 1 December 2015, be supported and the minority view is that the proposal is not supported.
- (b) That it be noted that the 2016/17 to 2019/20 MTFP will be reviewed by Cabinet at its meeting held on 11 February 2015, and that further consultation thereon will be undertaken.



15 January 2016

The Rt Hon Greg Clark MP
Secretary of State
Department for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Dear Secretary of State

PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT (LGFS) 2016/17

In response to the Department for Communities and Local Government's (DCLG) consultation on the provisional Local Government Finance Settlement 2016/17, North East councils have collectively identified a number of key issues to draw to your attention before final decisions are made on future funding. These are made in the spirit of co-operation and commitment towards delivering strong and ambitious plans for economic growth and for the future prosperity of places and communities right across the North East. We also acknowledge that resources for councils is central to the Department's thinking and that you recognise the cost pressures facing adult social care and are seeking to address these through measures such as the 2% adult social care precept. With regard to a move to multi-year settlements, which is something we have asked for, we believe there is a need for much greater clarity to illustrate what guarantee of grant certainty this would bring as well as the efficiencies and benefits to individual councils.

As I'm sure you are aware, we have been strongly focusing our efforts on ways in which we can continue to deliver on the Government's economic programme in the context of stretched resources and have, indeed, already managed and delivered higher than average savings targets following significant cuts in Revenue Support Grant and other grants since 2010. The disproportionately high cut in spending power during the five years of the last Parliament has, however, created huge financial challenges for councils in the region.

Given this background, North East councils' main concern regarding the 2016/17 LGFS is the large scale of proposed further funding reductions, particularly in the grant for upper tier and unitary services such as Children's and Adult Social Care, Concessionary Travel as well as Council Tax Support in billing authorities. The grant cuts will not be offset by increases in business rates or council tax and this poses significant challenges for all councils in managing cost pressures in these core statutory services.

It is important that the large scale of the cut in grant next year is properly acknowledged. The cut in national Revenue Support Grant in 2016/17 of £2.74bn (27.6%) includes a £2.14bn cut in grant for Upper Tier and Unitary services, with only £0.39bn of this being offset by the additional 2% precept for adult social care. This means substantial net cash cuts in the funding for social care next year. In the North East the cut in RSG for the twelve local authorities is £120m, with the potential to raise only £19.5m from the 2% precept to help offset this cut. This will place councils in an extremely difficult position, particularly given the additional cost pressures arising from the costs of the National Living Wage.

We therefore ask that the Secretary of State provides some additional funding to ease the impact in 2016/17, for example by reducing the cut in upper tier and unitary funding by passing onto councils the £94.3m extra funding from inflation on the central share of business rates in 2016/17.

The £1.25bn (2.8%) cut in core spending power in 2016/17 includes New Homes Bonus, all council tax income (including growth) and the 2% precept for adult social care. The North East continues to receive an above average 3.9% cut in spending power, due mainly to our relatively low council tax base. Based on our analysis, the North East is the region with the highest cut in spending power, both in cash and percentage terms, over the four years of the settlement.

The reality facing councils in the North East is that their spending power will reduce next year by an average of £68 per dwelling to £1,819 per dwelling, compared with a national average cut of £53 per dwelling. This leaves the North East with a spending power that is less than the national average of £1,829, while facing higher service and cost pressures. The relatively low council tax base in the North East continues to be a real issue for us, resulting in significant detriment which is no longer recognised or addressed by an adequate council tax resource equalisation adjustment. We recognise that the Department has sought to take this issue into account in the way the Better Care Funding has been calculated, however the general adjustment for low council tax bases continues to be eroded by the cuts in RSG.

Even though the SFA cut is more proportionate in percentage terms, the burden of the cuts in spending power continues to fall more heavily on poorer areas of the country – which cannot be sustainable or justified. Over the four years the Department's estimate is that spending power in the North East will fall by £33/dwelling -1.7%, more than the national average (£9/ dwelling -0.5%). We would ask that you consider further adjustments (such as a fairer way of top-slicing the funding for the New Homes Bonus) to ensure that the cut in spending power for the North East is no greater than the national average and reflects the cost pressures that councils face.

The focus on the impact on spending power over four years shows only a small percentage change in cash funding due to the assumption of a 10% increase in business rates income and a 20% increase in council tax income to offset the impact of large grant cuts. This assumes that these increases will in fact occur, however, it doesn't take into account the real pressures on service spending, the inclusion of new burdens money – such as the Care Act and Better Care Funding – and the impact of cuts to public health funding over the period.

Given the uncertainty about the increase in spending power over the four year period, we are asking the Government to give a guarantee that the business rates baseline will be increased each year by RPI as happens now. We would also recommend that there is a need for a general council tax equalisation adjustment to sit alongside the business rates adjustment.

We would also ask that the impact of the £40m cut in New Homes Bonus grant from DCLG and the £50m safety net top-slice is mitigated by passing the £94.3m of extra income from inflation on the central share of business rates to councils in 2016/17.

Funding adult social care cost pressures as recognised by Government will, as outlined, be critical for all councils. In addition, however, we would highlight the need for adequate resources to be made available to councils to enable them to carry out their statutory duties to protect and support children and young people. Councils in the North East are facing a much higher increase – 30% based on latest figures - in the number of Looked After Children and would ask you, therefore, to give greater focus in the finance settlement to addressing children's social care cost pressures.

We are keen to discuss the concerns highlighted with DCLG Ministers and Civil Servants and to provide further detail on solutions we believe would help improve the financial sustainability of North East councils and address some of the challenges they face. We attach an annex highlighting analysis underpinning the key issues outlined in our response. We are happy to meet in London or in the North East. I should be grateful if you would let us know as soon as possible.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Paul Watson' with a stylized flourish at the end.

Councillor Paul Watson
Chair

ASSOCIATION OF NORTH EAST COUNCILS (ANEC) ASSESSMENT OF THE POTENTIAL IMPACT OF THE PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/17 TO 2019/20

Introduction

- Following the publication of the provisional Local Government Finance Settlement 2016/17 North East councils have considered the potential impacts of the proposed funding reductions and policy changes. This annex sets out some of the implications for the North East and also provides relative information comparing the impact with the England average, in order to inform and supplement ANEC's response to the settlement.
- The provisional settlement unusually provided information on indicative grant and spending power over four years, with an offer of a four year settlement. This focussed the initial discussions on the impact over the four years to 2019/20, which appears at first sight to be relatively small – a national cash cut of only £222m (- 0.5%). This deflected attention from the larger and more immediate national cut in 2016/17, which involved:
 - a £2,743m (27.6%) cut in Revenue Support Grant (RSG);
 - a £2,648m (12.5%) cut in Settlement Funding Assessment (SFA), which includes localised business rates: and
 - a £1,247m (2.8%) cut in Core Spending Power, which also includes New Homes Bonus and all Council Tax Income, including the new 2% Precept for Adult Social Care, as well as an estimate of 'growth'.
- A comparison between the impact for the North East area and the England average shows that our cut in RSG and SFA is proportionately around 3.5% and 1.4% less than the percentage national reduction. When council tax income and New Homes Bonus is taken into account, the core spending power cut of 3.9% is just over 1% higher than the national average cut of 2.8%.

2016/17 HEADLINE LOCAL GOVERNMENT FINANCE FIGURES										
	England					ANEC				
	Total		Change			Total		Change		
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%
Revenue Support Grant	7,184	304	-2,743	-116	-27.6%	463	385	-147	-122	-24.1%
Settlement Funding Assesment	18,601	786	-2,648	-112	-12.5%	1,133	940	-141	-117	-11.1%
Core Spending Power	43,255	1,829	-1,247	-53	-2.8%	2,192	1,819	-82	-68	-3.9%

- The average spending power in the North East will reduce next year by £68 per dwelling to £1,819 per dwelling, compared with an England average cut of £53 per dwelling. This is generally due to the lower council taxbase in the ANEC area, which is no longer being recognised by an adequate council tax resource equalisation adjustment. This shows that even though the SFA cut is proportionate (in % terms), the burden of the cuts in terms of cut in spending power (£/dwelling) is still falling more heavily on poorer areas of the country.
- It should be noted that the average spending power per dwelling in the North East area of £1,819 is below the national average, despite the higher spending pressures facing the area. It should be noted that the spending power for

individual authorities does vary and this is set out in the additional detailed analysis set out at the end of this annex.

- 6 A comparison with the proportional change in the 2015/16 settlement (which is summarised in the table below) excluding public health and Better Care Fund money shows that the North East had a higher proportionate cut in RSG and SFA in 2015/16, as well as a higher cut in spending power compared with the national average.

2015/16 HEADLINE LOCAL GOVERNMENT FINANCE FIGURES (EXCLUDING PUBLIC HEALTH & BETTER CARE FUNDING)										
	England					ANEC				
	Total		Change			Total		Change		
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%
Revenue Support Grant	9,509	405	-3,492	-149	-26.9%	591	494	-227	-190	-27.8%
Settlement Funding Assesment	20,998	895	-3,232	-138	-13.3%	1,267	1,058	-212	-177	-14.3%
Core Spending Power	45,297	1,930	-2,843	-121	-5.9%	2,289	1,912.60	-187	-156	-7.5%

- 7 This would indicate that the cut in RSG and SFA are more proportionate in 2016/17 for the North East than they were in 2015/16. This is due in part to the fact that council tax freeze grant is now taking a proportionate share of grant cuts, instead of all the cut falling on core service funding.
- 8 The four year change to 2019/20 is shown in the table below.

2019/20 AND FOUR YEAR CHANGE TO HEADLINE LOCAL GOVERNMENT FINANCE FIGURES										
	England					ANEC				
	Total 2019/20		Change from 2015/16			Total 2019/20		Change from 2015/16		
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%
Revenue Support Grant	2,284	97	-7,643	-323	-77.0%	186	154	-425	-353	-69.6%
Settlement Funding Assesment	14,653	619	-6,597	-279	-31.0%	911	756	-363	-301	-28.5%
Core Spending Power	44,279	1,887	-222	-9	-0.5%	2,234	1,854	-39	-33	-1.7%

- 9 Looking at the four year change in RSG and SFA the cut for the North East is proportionally lower than the national average. The cut in Core Spending power is proportionately higher by 1.2%, due generally to the lower council tax base and income in the North East and the redistributive nature of New Homes Bonus. An attempt has been made to reflect lower council tax income in the way the Better Care Fund is allocated, but this only partly reflects the differences in council tax resources. The cash impact in terms of £/dwelling cut is higher than the national average by £24 per dwelling, which is a key issue.
- 10 The focus on the impact on spending power over four years shows only a small % change in cash funding due to the assumption of a 10% increase in Business Rate income and a 20% increase in council tax income to offset the impact of large grant cuts. This assumes that these increases will in fact occur, it ignores the real pressures on service spending, the inclusion of new burdens money in terms of the Care Act and the additional Better Care funding and it also ignores the impact of cuts to public health funding over the period.
11. The inclusion of assumed council tax growth over the period is a cause for concern as it is likely to distort the real change in spending power. The growth in the tax base may not just be due to a growth in dwellings – it could be due to other changes (such as changes to council tax support schemes) which may not be continued in future years. Additional dwelling usually means an increase in population, which in itself leads to additional service cost pressures. Where

growth is assumed the number of dwellings should be adjusted for in future years in the calculation of spending power per dwelling. The current analysis, which only uses dwelling as at 2015 in the calculation of spending power per dwelling at 2019/20, is inaccurate. An adjusted number of dwellings reflecting the assumed level of council tax growth should be used if this growth is still to be included in spending power.

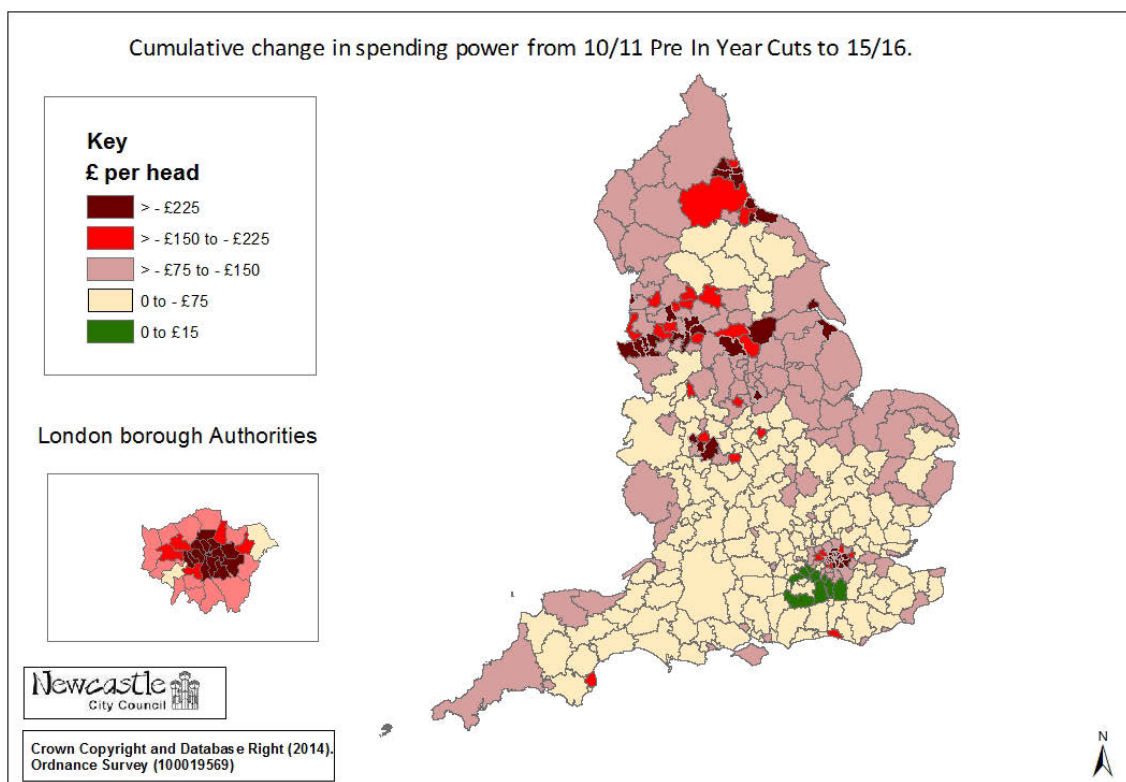
Key Issues

12 In light of this assessment the following key issues and concerns are identified:

- The large scale of the cuts in RSG, SFA and Spending power in 2016/17 and 2017/18;
- The large cut in 2016/17 for Upper Tier Services including Childrens and Adult Social Care – large net cut for adult services next two years;
- Pressures relating to Children’s Social Care costs;
- Give councils with social care responsibilities the inflation on the Central Share in 2016/17 (£94.36m) and future years to mitigate the impact of the £40m cut in New Homes Bonus grant from DCLG and the £50m safety net topslice. This would cushion some of the cut in this funding for social care;
- Uncertainty about the increase in spending power over the 4 years – will the Government give assurances that Business rates baseline will be increased each year by RPI - underwritten if necessary by the central share?
- New Homes Bonus – highlights the impact of the extra topslice against the extra NHB grant and press for the funding of the topslice to be revisited as part of the consultation – to reduce the distributional impact;
- Need for a general council tax equalisation adjustment – to sit alongside the Business Rate adjustment;
- There is clear contrast between the North East and other regions, with the North East receiving the largest cut in spending power of any region and ; and
- Clarification is needed on what the acceptance of the 4 year offer would mean in detail.

13 The 2016/17 settlement continues the disproportionate cut in spending power that the North East has experienced from 2010/11 to 2015/16. This disproportionate cut was highlighted in our previous analysis and in the heat map showing changes in spending power since 2010/11.

Cumulative 2010/11 to 2015/16 Regional Area* Spending Power Change			
	£m	%	£phd
North East	-562.455	-19.5%	-£215
London	-1,662.832	-18.2%	-£203
North West	-1,337.251	-18.1%	-£190
Yorkshire & Humber	-854.924	-17.0%	-£160
West Midlands	-843.951	-15.5%	-£151
East Midlands	-494.271	-12.3%	-£108
South West	-382.359	-8.2%	-£71
East	-411.638	-8.0%	-£70
South East	-449.833	-6.1%	-£52
ENGLAND	-6,999.514	-13.7%	-£131



We have also compared the change in actual spending on key service lines from 2010/11 to 2014/15, which indicates the areas of greatest service pressures and where councils have made cuts. Higher cuts have had to be made in discretionary services and higher cuts have had to be made in the North East (due to disproportionate cuts in funding and spending power) across almost all services. This includes significant cuts in social care services, which is why the spending on social care in the North East has increased by less than the rest of England

	NORTH EAST		REST OF ENGLAND	
	Actual Spend in 2014/15 £m	% Change on 2010/11 %	Actual Spend in 2014/15 £m	% Change on 2010/11 %
Parking	-9.6	0.8%	-678.0	35.0%
Childrens Social Care	413.6	12.1%	7,677.7	22.2%
Flooding / Drainage/ Coast Protection	2.0	49.1%	70.4	18.6%
Concessionary Bus Travel	82.7	3.1%	1,071.7	8.1%
Waste Management / Refuse Collection	147.9	-4.8%	3,183.0	2.6%
Adult Social Care	714.1	-11.8%	13,781.8	1.3%
Central Services	193.5	-8.3%	2,873.2	-4.7%
Street Cleaning	38.8	-23.1%	656.9	-5.4%
Fire and Rescue	127.2	-4.3%	1,917.9	-5.6%
Police	501.9	-15.0%	10,387.0	-8.5%
Culture and Heritage	27.2	-24.0%	481.8	-13.8%
Libraries	39.3	-25.3%	723.2	-16.3%
Open Spaces / Tourism	44.6	-34.7%	708.5	-18.7%
Recreation and Sport	41.4	-38.3%	616.4	-18.8%
Public Transport (inc Support Bus Services)	57.2	-18.1%	2,024.6	-19.8%
Roads, Pavements, Street Lights	109.7	-23.7%	1,887.0	-20.5%
Planning, Building/Development Control	16.8	-41.7%	535.3	-21.5%
GF Housing - Strategy/Homelessness/Welfare	78.9	-28.3%	1,772.8	-25.3%
Community Safety	12.9	-53.1%	298.5	-31.4%
Regulatory (Trading standards/ licensing / cemeteries etc)	19.1	-44.7%	515.2	-32.0%
Community Development	16.1	-66.1%	267.3	-38.3%
Economic Development Business support	28.3	-62.0%	423.9	-48.9%

Additional Analysis

14 Set out below in a range of charts and tables is additional detailed analysis showing:

- The reduction in Upper Tier Funding;
- The impact of £90m Safety net and Extra NHB Topslice and impact of an additional £94.36m allocated on the basis of the RSG for Upper Tier Services;
- Adult Social Care 2% Precept;
- Better Care Funding;
- Combined impact of Council Tax Precept and Better Care Funding;
- New Homes Bonus analysis; and
- Regional change in Spending Power.

Reduction in Upper Tier Funding

This table shows the significant cut in Upper Tier Funding in 2016/17 and over the next 4 years

	REVENUE SUPPORT GRANT FOR UPPER TIER SERVICES								
	2015/16 ADJ	2016/17	2017/18	2018/19	2019/20	CUT IN 2016/17		CUT BY 2019/20	
	£m	£m	£m	£m	£m	£m	%	£m	%
TOTAL England	7,840.48	5,699.76	4,017.34	2,897.30	1,861.35	- 2,140.72	-27%	- 5,979.14	-76%
Darlington	16.30	11.88	8.39	6.07	3.78	-4.42	-27%	-12.52	-77%
Durham	91.53	69.01	51.11	39.02	27.08	-22.52	-25%	-64.45	-70%
Gateshead	43.43	33.39	25.39	19.97	14.60	-10.04	-23%	-28.82	-66%
Hartlepool	20.48	15.93	12.30	9.81	7.35	-4.55	-22%	-13.13	-64%
Middlesbrough	31.32	24.45	18.92	15.09	11.28	-6.87	-22%	-20.03	-64%
Newcastle upon Tyne	64.66	50.91	39.86	32.25	24.69	-13.75	-21%	-39.97	-62%
North Tyneside	36.89	27.80	20.62	15.81	11.07	-9.09	-25%	-25.82	-70%
Northumberland	47.83	34.20	23.51	16.47	9.55	-13.63	-28%	-38.28	-80%
Redcar and Cleveland	25.57	19.15	14.05	10.62	7.22	-6.42	-25%	-18.35	-72%
South Tyneside	36.60	28.82	22.57	18.27	14.00	-7.78	-21%	-22.59	-62%
Stockton-on-Tees	26.88	19.28	13.29	9.31	5.38	-7.60	-28%	-21.50	-80%
Sunderland	64.47	51.28	40.68	33.36	26.09	-13.19	-20%	-38.38	-60%
NORTH EAST	505.94	386.09	290.68	226.04	162.10	-119.85	-24%	-343.84	-68%

	REVENUE SUPPORT GRANT FOR UPPER TIER SERVICES								
	2015/16 ADJ	2016/17	2017/18	2018/19	2019/20	CUT IN 2016/17		CUT BY 2019/20	
	£/dwelling	£/dwelling	£/dwelling	£/dwelling	£/dwelling	£/dwelling	%	£/dwelling	%
TOTAL England	331.49	240.98	169.85	122.50	78.70	-90.51	-27%	-252.79	-76%
Darlington	328.88	239.67	169.28	122.39	76.20	-89.21	-27%	-252.68	-77%
Durham	381.67	287.76	213.13	162.73	112.92	-93.91	-25%	-268.74	-70%
Gateshead	467.77	359.63	273.50	215.09	157.31	-108.14	-23%	-310.46	-66%
Hartlepool	476.10	370.41	285.89	228.14	170.91	-105.69	-22%	-305.19	-64%
Middlesbrough	504.28	393.67	304.61	242.96	181.69	-110.60	-22%	-322.59	-64%
Newcastle upon Tyne	509.59	401.22	314.15	254.14	194.56	-108.38	-21%	-315.04	-62%
North Tyneside	384.78	289.98	215.03	164.90	115.48	-94.80	-25%	-269.30	-70%
Northumberland	319.94	228.77	157.25	110.17	63.90	-91.17	-28%	-256.04	-80%
Redcar and Cleveland	404.59	302.99	222.33	167.99	114.31	-101.61	-25%	-290.29	-72%
South Tyneside	516.88	407.00	318.78	258.04	197.76	-109.88	-21%	-319.12	-62%
Stockton-on-Tees	317.41	227.70	156.97	109.91	63.56	-89.70	-28%	-253.85	-80%
Sunderland	508.29	404.30	320.69	262.99	205.68	-103.99	-20%	-302.61	-60%
NORTH EAST	419.84	320.38	241.21	187.57	134.51	-99.46	-24%	-285.32	-68%

£90m Reduction in Grant Topslices or Allocation of the £94.36m of Extra Business Rates income to support Social Care

A key proposal would be to reduce the overall grant topslice for New Homes Bonus by the £40m cut in DCLG Grant and by £50m for the Business Rates Safety Net. Instead we would propose that these two topslices be funded by the Increase in the Business Rate Central Share for the RPI inflation uplift in 2016/17 – estimated at £94m. The Government has said that the Central Share would be transferred to local government anyway by 2019/20.

The current topslices have been taken generally from RSG and the estimated cost and benefit of reducing these two topslices is estimated at £5.7m for North East authorities, as shown below. This is based on a pro rata allocation to the £24m refund of the New Homes Bonus topslice

	Estimate of £50m Safety Net Topslice	Estimate of £40m NHB Topslice	Estimate of £90m Topslice
	£	£	£
England	50,000,000	40,000,000	90,000,000
Darlington	103,133	82,506	185,639
Durham	577,323	461,858	1,039,181
Gateshead	265,010	212,008	477,017
Hartlepool	129,114	103,291	232,406
Middlesbrough	207,185	165,748	372,934
Newcastle	409,124	327,299	736,423
North Tyneside	219,233	175,387	394,620
Northumberland	313,966	251,173	565,138
Redcar & Cleveland	162,333	129,866	292,199
South Tyneside	223,878	179,102	402,980
Stockton-on-Tees	178,606	142,885	321,490
Sunderland	388,624	310,899	699,523
TOTAL ANEC	3,177,528	2,542,023	5,719,551

The additional £90m or the full £94.36m of grant funding could be allocated to help reduce the pressure on the cuts in Adult and Childrens Social Care. One way of achieving this would be to increase the RSG provided for Upper Tier Services – which includes adult and children social care.

The benefit of this approach is that it would be linked to a social care pressure highlighted by the Secretary of State. It would also give a higher level of funding to shire counties which would secure their support.

The estimated benefit for ANEC would be increased to £6.39m as illustrated below.

	£90m Extra Upper Tier RSG £	£94m Extra Upper Tier RSG £
England	90,000,000	94,360,000
	-	
Darlington	187,545	196,631
Durham	1,089,615	1,142,401
Gateshead	527,179	552,718
Hartlepool	251,587	263,775
Middlesbrough	386,018	404,719
Newcastle	803,844	842,786
North Tyneside	438,990	460,257
Northumberland	540,009	566,169
Redcar & Cleveland	302,361	317,009
South Tyneside	455,027	477,071
Stockton-on-Tees	304,491	319,242
Sunderland	809,744	848,972
TOTAL ANEC	6,096,412	6,391,750

ADULT SOCIAL CARE 2% PRECEPT

The potential income from the 2% Adult Social Care precept is shown in the table below in £m and in £/dwelling.

POTENTIAL ADULT SOCIAL CARE PRECEPT INCOME - SHOWN IN SPENDING POWER ESTIMATE

Local Authority	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£/dwelling	£/dwelling	£/dwelling	£/dwelling
England	392.75	820.87	1,289.80	1,803.95	16.61	34.71	54.53	76.27
Darlington	0.80	1.69	2.67	3.74	16.23	34.08	53.79	75.56
Durham	3.51	7.27	11.31	15.66	14.65	30.32	47.16	65.29
Gateshead	1.52	3.22	5.12	7.27	16.35	34.65	55.20	78.26
Hartlepool	0.64	1.33	2.08	2.90	14.91	31.00	48.45	67.39
Middlesbrough	0.86	1.78	2.78	3.86	13.86	28.73	44.78	62.13
Newcastle upon Tyne	1.75	3.64	5.67	7.88	13.82	28.67	44.72	62.10
North Tyneside	1.55	3.27	5.20	7.37	16.13	34.13	54.29	76.86
Northumberland	2.81	5.81	9.02	12.47	18.80	38.84	60.32	83.39
Redcar and Cleveland	1.05	2.21	3.50	4.92	16.67	35.02	55.33	77.80
South Tyneside	0.99	2.07	3.28	4.62	13.92	29.29	46.31	65.19
Stockton-on-Tees	1.43	3.01	4.76	6.70	16.92	35.57	56.24	79.14
Sunderland	1.59	3.31	5.17	7.20	12.52	26.07	40.78	56.79
NORTH EAST	18.51	38.62	60.57	84.58	15.36	32.04	50.26	70.18

The amount of income that councils can raise locally is lower than the national average in terms of £/dwelling on average in the North East and for 9 out of 12 authorities, due to relatively low taxbases. The precept raises more council tax in Northumberland because it is also applied to what would be the Fire Precept in other areas where these are separate.

BETTER CARE FUND

The potential income from the Better Care Fund is set out below. No Better Care Fund is paid in 2016/17. A minimal level is estimated from 2017/18 rising to £1,500m nationally by 2019/20.

The estimated income from the better care fund that was included in estimated Core Spending Power is shown in the table below.

POTENTIAL BETTER CARE FUND INCOME - SHOWN IN SPENDING POWER ESTIMATE

Local Authority	2016/17	2017/18	2018/19	2019/20	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£/dwelling	£/dwelling	£/dwelling	£/dwelling
England	0.00	105.00	825.00	1,500.00	0.00	4.44	34.88	63.42
Darlington	0.00	0.16	1.73	3.15	0.00	3.24	34.92	63.51
Durham	0.00	2.38	13.41	23.14	0.00	9.92	55.91	96.51
Gateshead	0.00	0.76	4.81	8.32	0.00	8.18	51.78	89.58
Hartlepool	0.00	0.39	2.31	3.99	0.00	9.17	53.60	92.78
Middlesbrough	0.00	0.75	3.85	6.56	0.00	12.07	62.06	105.65
Newcastle upon Tyne	0.00	1.41	7.46	12.75	0.00	11.15	58.83	100.51
North Tyneside	0.00	0.46	3.84	6.81	0.00	4.84	40.02	71.02
Northumberland	0.00	0.04	4.34	8.46	0.00	0.27	29.02	56.59
Redcar and Cleveland	0.00	0.37	2.82	4.99	0.00	5.88	44.58	78.90
South Tyneside	0.00	0.96	4.73	7.97	0.00	13.53	66.83	112.51
Stockton-on-Tees	0.00	0.16	2.65	4.92	0.00	1.93	31.35	58.13
Sunderland	0.00	1.80	8.54	14.35	0.00	14.21	67.36	113.11
NORTH EAST	0.00	9.66	60.49	105.40	0.00	8.01	50.20	87.46

COMBINED IMPACT OF THE ADULT SOCIAL CARE PRECEPT AND THE BETTER CARE FUND

POTENTIAL ADULT CARE PRECEPT/ BETTER CARE FUNDING BY 2019/20

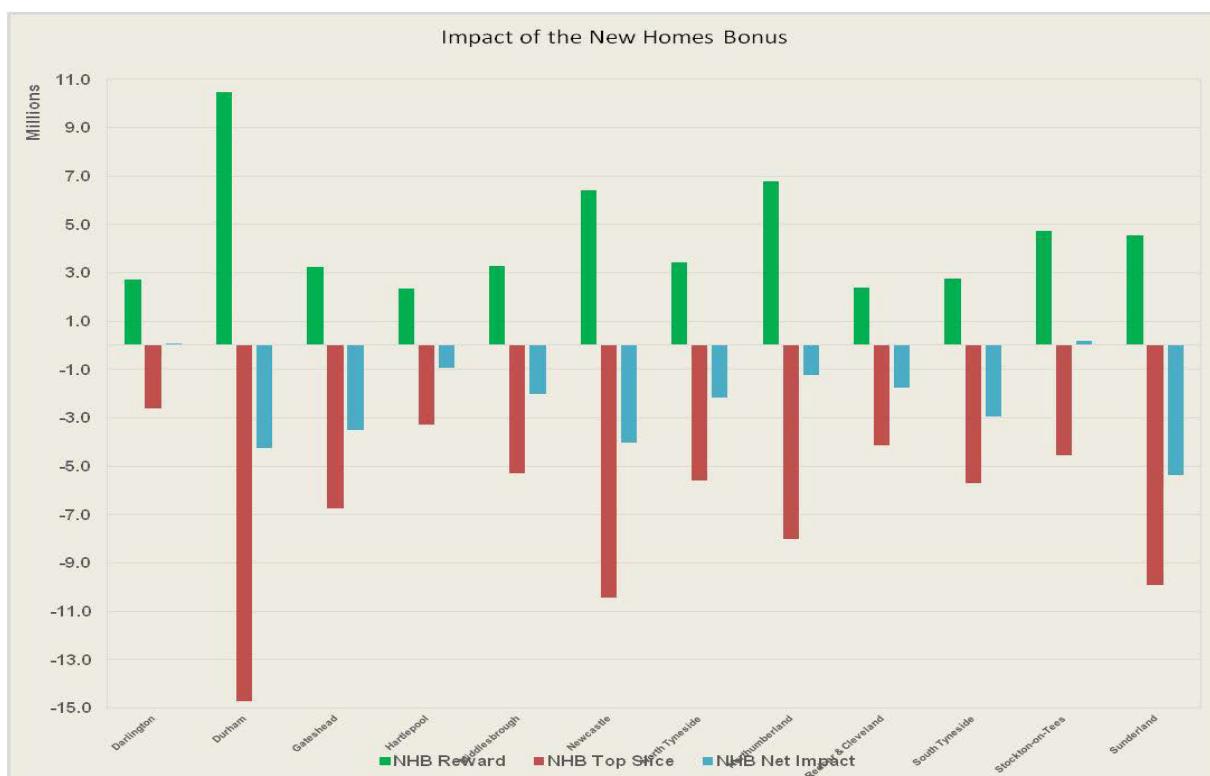
Local Authority	Potential Council Tax revenue from 2% Adult Social Care Precept	Proposed Improved Better Care Fund	Total	Potential Council Tax revenue from 2% Adult Social Care Precept	Proposed Improved Better Care Fund	Total
	£ millions	£ millions	£ millions	£/Dwelling	£/Dwelling	£/Dwelling
England	1,803.95	1,500.00	3,303.95	76.27	63.42	139.69
Darlington	3.74	3.15	6.89	75.56	63.51	139.07
Durham	15.66	23.14	38.80	65.29	96.51	161.80
Gateshead	7.27	8.32	15.58	78.26	89.58	167.85
Hartlepool	2.90	3.99	6.89	67.39	92.78	160.17
Middlesbrough	3.86	6.56	10.42	62.13	105.65	167.78
Newcastle upon Tyne	7.88	12.75	20.63	62.10	100.51	162.61
North Tyneside	7.37	6.81	14.18	76.86	71.02	147.89
Northumberland	12.47	8.46	20.93	83.39	56.59	139.98
Redcar and Cleveland	4.92	4.99	9.90	77.80	78.90	156.70
South Tyneside	4.62	7.97	12.58	65.19	112.51	177.70
Stockton-on-Tees	6.70	4.92	11.62	79.14	58.13	137.27
Sunderland	7.20	14.35	21.55	56.79	113.11	169.90
NORTH EAST	84.58	105.40	189.98	70.18	87.46	157.65

New homes Bonus

The following New Homes Bonus analysis highlights the net impact of NHB for the provisional 2016/17 settlement. The net impact of the scheme shows the total NHB allocations as in the Core Spending Power spreadsheet and the provisional allocations as per the NHB allocations spreadsheet. Taking one from the other gives the returned funding amounts for each local authority. The returned funding element is used as a proxy for the level of top slice apportioned to each local authority from the total top slice. This proxy top slice is then taken from the total NHB allocations to give the net impact of the scheme. The table also includes a column to show the value above or below the average net impact.

Local Authority	New Homes Bonus (including returned amount) per Core SP spreadsheet	New Homes Bonus Provisional Rewards (from allocations spreadsheet)	New Homes Bonus Provisional Returned Funding	Initial Top Slice in Proportion to Returned Funding	Upfront Net Impact of the Scheme (before any returned funding)
	2016-17	2016-17	2016-17	2016-17	2016-17
	£	£	£	£	£
England	1,485,000,000	1,460,768,441	24,231,559	-1,275,000,000	210,000,000
Darlington	2,700,489	2,650,508	49,981	-2,629,889	70,601
Durham	10,461,357	10,181,569	279,789	-14,721,731	-4,260,373
Gateshead	3,236,786	3,108,354	128,432	-6,757,745	-3,520,960
Hartlepool	2,341,867	2,279,294	62,573	-3,292,415	-950,548
Middlesbrough	3,271,379	3,170,970	100,408	-5,283,228	-2,011,849
Newcastle	6,392,426	6,194,152	198,274	-10,432,664	-4,040,238
North Tyneside	3,438,399	3,332,152	106,247	-5,590,447	-2,152,048
Northumberland	6,762,030	6,609,872	152,158	-8,006,124	-1,244,094
Redcar & Cleveland	2,384,301	2,305,630	78,672	-4,139,486	-1,755,184
South Tyneside	2,767,424	2,658,926	108,498	-5,708,889	-2,941,465
Stockton-on-Tees	4,747,054	4,660,496	86,558	-4,554,447	192,607
Sunderland	4,555,394	4,367,055	188,339	-9,909,903	-5,354,509
TOTAL NORTH EAST	53,058,906	51,518,977	1,539,929	-81,026,967	-27,968,062

The North East has a net loss of almost £28m from the New Homes Bonus arrangements, with 10 out of 12 authorities losing in net terms. For the two authorities that gain, their net gain is less than the average related to a net £210m grant allocation.



The position in terms of £/dwelling is set out below.

Local Authority	New Homes Bonus (including returned amount) per Core SP spreadsheet	New Homes Bonus Provisional Rewards (from allocations spreadsheet)	New Homes Bonus Provisional Returned Funding	Initial Top Slice in Proportion to Returned Funding	Upfront Net Impact of the Scheme (before any returned funding)
	2016-17	2016-17	2016-17	2016-17	2016-17
	£/Dwelling	£/Dwelling	£/Dwelling	£/Dwelling	£/Dwelling
England	62.78	61.76	1.02	-53.91	8.88
Darlington	54.49	53.48	1.01	-53.07	1.42
Durham	43.62	42.46	1.17	-61.39	-17.77
Gateshead	34.87	33.48	1.38	-72.79	-37.93
Hartlepool	54.44	52.99	1.45	-76.54	-22.10
Middlesbrough	52.68	51.06	1.62	-85.08	-32.40
Newcastle	50.38	48.82	1.56	-82.22	-31.84
North Tyneside	35.86	34.76	1.11	-58.31	-22.45
Northumberland	45.23	44.22	1.02	-53.56	-8.32
Redcar & Cleveland	37.73	36.48	1.24	-65.50	-27.77
South Tyneside	39.09	37.55	1.53	-80.63	-41.54
Stockton-on-Tees	56.05	55.03	1.02	-53.78	2.27
Sunderland	35.91	34.43	1.48	-78.13	-42.21
TOTAL NORTH EAST	44.03	42.75	1.28	-67.24	-23.21

Regional Impact of Spending power Change

The North East has the largest reduction in spending power of any region in 2016/17

Regional Change in Spending Power 2016/17		
	%	£/Dwelling
EAST	-2.6%	-£46
EAST MIDLANDS	-2.9%	-£49
LONDON	-2.1%	-£52
NORTH EAST	-3.6%	-£68
NORTH WEST	-3.6%	-£65
SOUTH EAST	-2.4%	-£42
SOUTH WEST	-2.4%	-£41
WEST MIDLANDS	-3.3%	-£60
YORKSHIRE & HUMBER	-3.5%	-£61
England	-2.8%	-£53

HEADLINE SUMMARY LOCAL GOVERNMENT SETTLEMENT FIGURES FOR ANEC											
2016/17 HEADLINE LOCAL GOVERNMENT FINANCE FIGURES											
	England					ANEC					
	Total		Change			Total		Change			
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%	
Revenue Support Grant	7,184	304	-2,743	-116	-27.6%	463	385	-147	-122	-24.1%	
Settlement Funding Assesment	18,601	786	-2,648	-112	-12.5%	1,133	940	-141	-117	-11.1%	
Core Spending Power	43,255	1,829	-1,247	-53	-2.8%	2,192	1,819	-82	-68	-3.9%	
2015/16 HEADLINE LOCAL GOVERNMENT FINANCE FIGURES (EXCLUDING PUBLIC HEALTH & BETTER CARE FUNDING)											
	England					ANEC					
	Total		Change			Total		Change			
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%	
Revenue Support Grant	9,509	405	-3,492	-149	-26.9%	591	494	-227	-190	-27.8%	
Settlement Funding Assesment	20,998	895	-3,232	-138	-13.3%	1,267	1,058	-212	-177	-14.3%	
Core Spending Power	45,297	1,930	-2,843	-121	-5.9%	2,289	1,912.60	-187	-156	-7.5%	
2019/20 AND FOUR YEAR CHANGE TO HEADLINE LOCAL GOVERNMENT FINANCE FIGURES											
	England					ANEC					
	Total 2019/20		Change from 2015/16			Total 2019/20		Change from 2015/16			
	£m	£/dwelling	£m	£/dwelling	%	£m	£/dwelling	£m	£/dwelling	%	
Revenue Support Grant	2,284	97	-7,643	-323	-77.0%	186	154	-425	-353	-69.6%	
Settlement Funding Assesment	14,653	619	-6,597	-279	-31.0%	911	756	-363	-301	-28.5%	
Core Spending Power	44,279	1,887	-222	-9	-0.5%	2,234	1,854	-39	-33	-1.7%	
HEADLINE LOCAL GOVERNMENT SETTLEMENT FIGURES FOR ANEC											
	Revenue Support Grant					RSG CUT					
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
TOTAL NORTH EAST	610.41	463.38	343.94	264.52	185.56	-147.03	-119.44	-79.42	-78.96	-424.85	-69.6%
ENGLAND	9,926.76	7,183.93	4,990.73	3,599.39	2,283.95	-2,742.84	-2,193.20	-1,391.34	-1,315.44	-7,642.81	-77.0%
	Settlement Funding Assessment (SFA)					SFA CUT					
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
TOTAL NORTH EAST	1,274.37	1,133.04	1,027.00	967.87	911.47	-141.33	-106.04	-59.14	-56.40	-362.91	-28.5%
ENGLAND	21,249.94	18,601.46	16,631.40	15,583.47	14,652.58	-2,648.48	-1,970.06	-1,047.93	-930.89	-6,597.36	-31.0%
	Core Spending Power					Core Spending Power Cut					
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
TOTAL NORTH EAST	2,273.50	2,191.51	2,150.87	2,182.53	2,234.10	-81.99	-40.64	31.66	51.58	-39.40	-1.7%
ENGLAND	44,501.32	43,254.76	42,690.14	43,170.30	44,278.86	-1,246.56	-564.62	480.16	1,108.56	-222.46	-0.5%
HEADLINE LOCAL GOVERNMENT SETTLEMENT FIGURES FOR ANEC											
	Revenue Support Grant					RSG CUT					
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Darlington	18.58	13.29	9.09	6.33	3.56	-5.30	-4.19	-2.76	-2.77	-15.02	-80.8%
Durham	103.68	77.14	56.00	41.86	27.62	-26.54	-21.14	-14.14	-14.24	-76.06	-73.4%
Gateshead	49.13	37.26	27.78	21.42	15.01	-11.87	-9.47	-6.36	-6.41	-34.11	-69.4%
Hartlepool	23.72	18.21	13.79	10.80	7.78	-5.51	-4.42	-2.99	-3.02	-15.94	-67.2%
Middlesbrough	35.81	27.64	21.05	16.53	11.96	-8.17	-6.59	-4.52	-4.57	-23.85	-66.6%
Newcastle	74.28	57.76	44.46	35.39	26.21	-16.52	-13.30	-9.07	-9.18	-48.07	-64.7%
North Tyneside	42.02	31.18	22.60	16.91	11.20	-10.83	-8.59	-5.68	-5.72	-30.82	-73.4%
Northumberland	58.49	41.46	27.80	18.99	10.28	-17.03	-13.66	-8.81	-8.71	-48.21	-82.4%
Redcar and Cleveland	29.20	21.55	15.46	11.40	7.31	-7.65	-6.09	-4.06	-4.09	-21.89	-75.0%
South Tyneside	41.06	31.98	24.68	19.70	14.67	-9.08	-7.30	-4.98	-5.03	-26.39	-64.3%
Stockton	31.21	21.96	14.65	9.84	5.00	-9.25	-7.31	-4.81	-4.84	-26.21	-84.0%
Sunderland	72.77	57.23	44.71	36.16	27.51	-15.54	-12.52	-8.55	-8.65	-45.26	-62.2%
NORTH EAST	579.95	436.67	322.07	245.34	168.10	-143.28	-114.60	-76.73	-77.24	-411.85	-71.0%
Cleveland Fire	8.70	7.72	6.44	5.72	5.24	-0.98	-1.27	-0.73	-0.48	-3.46	-39.8%
Durham Fire	6.82	5.81	4.53	3.84	3.42	-1.00	-1.28	-0.69	-0.42	-3.39	-49.8%
Tyne Wear Fire	14.94	13.18	10.90	9.62	8.80	-1.76	-2.28	-1.28	-0.82	-6.15	-41.1%
TOTAL NORTH EAST	610.41	463.38	343.94	264.52	185.56	-147.03	-119.44	-79.42	-78.96	-424.85	-69.6%
ENGLAND	9,926.76	7,183.93	4,990.73	3,599.39	2,283.95	-2,742.84	-2,193.20	-1,391.34	-1,315.44	-7,642.81	-77.0%

	Settlement Funding Assessment (SFA)					SFA CUT						
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	
Darlington	39.37	34.25	30.47	28.34	26.27	-5.13	-3.78	-2.13	-2.07	-13.10	-33.3%	
Durham	219.22	193.65	174.80	164.16	153.83	-25.58	-18.85	-10.64	-10.33	-65.39	-29.8%	
Gateshead	102.19	90.77	82.35	77.60	72.98	-11.43	-8.42	-4.75	-4.62	-29.21	-28.6%	
Hartlepool	49.58	44.28	40.37	38.17	36.02	-5.30	-3.91	-2.20	-2.15	-13.55	-27.3%	
Middlesbrough	77.58	69.76	63.99	60.74	57.58	-7.82	-5.76	-3.25	-3.16	-20.00	-25.8%	
Newcastle	156.32	140.49	128.81	122.23	115.83	-15.83	-11.67	-6.58	-6.41	-40.49	-25.9%	
North Tyneside	85.86	75.39	67.67	63.32	59.08	-10.47	-7.72	-4.35	-4.23	-26.77	-31.2%	
Northumberland	121.04	104.53	92.11	85.20	78.61	-16.51	-12.42	-6.91	-6.59	-42.43	-35.1%	
Redcar and Cleveland	61.93	54.55	49.11	46.04	43.06	-7.38	-5.44	-3.07	-2.98	-18.87	-30.5%	
South Tyneside	85.95	77.25	70.83	67.21	63.70	-8.70	-6.41	-3.62	-3.51	-22.25	-25.9%	
Stockton	67.21	58.27	51.67	47.95	44.32	-8.95	-6.60	-3.72	-3.63	-22.89	-34.1%	
Sunderland	150.71	135.82	124.84	118.65	112.64	-14.89	-10.97	-6.19	-6.01	-38.07	-25.3%	
NORTH EAST	1,216.96	1,078.99	977.02	919.62	863.93	-137.97	-101.96	-57.41	-55.69	-353.03	-29.0%	
Cleveland Fire	17.20	16.29	15.18	14.71	14.52	-0.91	-1.11	-0.47	-0.19	-2.68	-15.6%	
Durham Fire	11.16	10.36	9.39	8.98	8.81	-0.80	-0.97	-0.41	-0.17	-2.35	-21.1%	
Tyne Wear Fire	29.05	27.41	25.40	24.55	24.21	-1.65	-2.00	-0.85	-0.35	-4.85	-16.7%	
TOTAL NORTH EAST	1,274.37	1,133.04	1,027.00	967.87	911.47	-141.33	-106.04	-59.14	-56.40	-362.91	-28.5%	
ENGLAND	21,249.94	18,601.46	16,631.40	15,583.47	14,652.58	-2,648.48	-1,970.06	-1,047.93	-930.89	-6,597.36	-31.0%	

	Core Spending Power					Core Spending Power Cut						
	2015-16 adj	2016-17	2017-18	2018-19	2019-20	2016-17	2017-18	2018-19	2019-20	TOTAL		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	
Darlington	80.55	78.50	77.50	78.73	81.04	-2.05	-1.00	1.24	2.31	0.50	0.6%	
Durham	402.06	385.59	377.74	383.39	392.34	-16.47	-7.85	5.65	8.95	-9.72	-2.4%	
Gateshead	178.15	172.40	170.44	174.71	180.25	-5.75	-1.96	4.27	5.54	2.10	1.2%	
Hartlepool	82.98	79.75	77.98	78.66	80.13	-3.23	-1.77	0.69	1.47	-2.85	-3.4%	
Middlesbrough	122.28	117.47	114.67	115.65	117.63	-4.80	-2.80	0.98	1.98	-4.64	-3.8%	
Newcastle	248.34	237.42	231.75	233.70	237.64	-10.92	-5.68	1.95	3.94	-10.70	-4.3%	
North Tyneside	163.44	158.69	157.12	161.01	166.36	-4.75	-1.57	3.89	5.34	2.92	1.8%	
Northumberland	266.06	257.05	251.75	254.11	259.45	-9.01	-5.30	2.36	5.35	-6.61	-2.5%	
Redcar and Cleveland	114.98	111.33	109.74	111.96	115.13	-3.65	-1.60	2.23	3.17	0.15	0.1%	
South Tyneside	136.19	130.93	128.78	131.46	134.96	-5.26	-2.15	2.68	3.51	-1.22	-0.9%	
Stockton	141.05	137.00	135.35	137.50	141.59	-4.05	-1.65	2.15	4.09	0.54	0.4%	
Sunderland	232.40	222.42	217.65	221.20	225.91	-9.98	-4.77	3.54	4.72	-6.49	-2.8%	
NORTH EAST	2,168.48	2,088.55	2,050.46	2,082.09	2,132.45	-79.92	-38.10	31.63	50.36	-36.03	-1.7%	
Cleveland Fire	27.24	26.67	25.96	25.92	26.18	-0.57	-0.71	-0.04	0.26	-1.06	-3.9%	
Durham Fire	28.47	27.89	27.20	27.21	27.53	-0.57	-0.69	0.00	0.33	-0.93	-3.3%	
Tyne Wear Fire	49.32	48.39	47.25	47.31	47.94	-0.92	-1.15	0.06	0.63	-1.38	-2.8%	
TOTAL NORTH EAST	2,273.50	2,191.51	2,150.87	2,182.53	2,234.10	-81.99	-40.64	31.66	51.58	-39.40	-1.7%	
ENGLAND	44,501.32	43,254.76	42,690.14	43,170.30	44,278.86	-1,246.56	-564.62	480.16	1,108.56	-222.46	-0.5%	

Section 1.4

General Fund Revenue and Capital Budget

1.1 Setting the Council Tax for 2016-17

- report to Council 25 February 2016

SETTING THE COUNCIL TAX FOR 2016/17

**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 2016/17 before 11 March 2016.

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 11 February 2016 will result in Band D council tax of £1,313.75, if approved by Council. This includes a 2% Adult Social Care precept as announced by Central Government in the provisional local government finance settlement in December 2015. The Office of the Durham Police and Crime Commissioner has set its Band D council tax for 2016/17 at £165.95. County Durham and Darlington Fire and Rescue Authority has set its Band D council tax for 2016/17 at £95.76. Therefore the recommended council tax for a Band D property will be £1,575.46 which is an overall increase of 3.65%. 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 £41,816,825 which includes Parish Precepts of £118,825. The Council Tax requirement for the Council’s own purposes for 2016/17 (excluding Parish Precepts) is therefore £41,698,000.

Recommendation

5. It is recommended that
 - (a) the following amounts be calculated by the Council for 2016/17 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	£226,482,825
(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	£184,666,000
(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	£41,816,825
(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)	£1,317.49
(v)	the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached Appendix 1	£118,825
(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	£1,313.75
(vii)	That the basic council tax for 2016/17 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 2016/17 for each part of its area and for each of the categories of dwellings	

- (b) It be noted that for the year 2016/17 The Office of the Durham Police and Crime Commissioner 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	110.63	129.07	147.51	165.95	202.83	239.71	276.58	331.90

- (c) It be noted that for the year 2016/17 County Durham and Darlington Fire and Rescue 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
Fire Authority	63.84	74.48	85.12	95.76	117.04	138.32	159.60	191.52

- (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 2016/17 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 2016/17
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notifications.

Elizabeth Davison: Extension 5830

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 or plus any contribution from the Collection Fund in respect of any prior year's surplus. 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 £1,313.75. 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 1 December 2015 and approved it for consultation. After public consultation and review by the relevant Scrutiny Committees, Cabinet considered the MTFP again on 11 February 2016.
10. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2016. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2015/16 demands/precepts. It is estimated that there will be a nil surplus on the Collection Fund at 31st March 2016.

11. The Council has determined that its basic amount of Council Tax for 2016/17, 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 2016/17, as calculated in accordance with Section 31A(4) of the Act, is £41,816,825.

The Council Tax Calculations

Basic Council Tax

13. The Council set its tax base at 31,739.6 at the meeting on 28 January 2016 along with the tax bases for various parish councils. These are shown in Appendix 1 (column 4).
14. The basic council tax must first be calculated by dividing the Council Tax requirement by the approved tax base as follows:-

$$\frac{£41,816,825}{31,739.6} = £1,317.49$$

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

$$\frac{£118,825}{31,739.6} = £3.74$$

16. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,313.75 (£1,317.49 - £3.74). This also excludes the Police Authority and Fire Service precepts. It represents a 3.99% increase compared with the council tax in 2016/17, 1.99% to fund general expenditure and 2% to fund adult social care expenditure.

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 28 January 2016. The Parish Council Precepts for 2016/17 are detailed in Appendix 1 and total £118,825.
18. In 2014 the Local Government Boundary Committee for England concluded a review of ward boundaries in the Borough. Following the ward boundary review Council agreed to hold Community Governance Reviews (CGR's) to review the boundaries of the parishes within the Borough.

19. Council, at its meeting on 19 November 2015, approved changes to parish arrangements with effect from 1 April 2016, most notably that Archdeacon Newton would become a parish meeting and Low Dinsdale parish would cease to exist and would merge with Middleton St George and Neasham parish councils.
20. As part of the 2015/16 settlement, the Government identified part of the Council Tax Support funding as being for Parishes. The Government no longer separately identifies any amount but the Council has decided to passport the relevant amount of £12,437 (Appendix 1 column 2) on to the Parishes to reduce the amount levied on the Parish Council Taxpayer.
21. 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 14, this provides the Billing Authority's basic council tax for each parish area (Appendix 1, column 7).
22. The decrease in the average Band D Council Tax for Parish Councils is 6.97% and results in an average Band D Council Tax figure of £3.74 for 2016/17 (£4.02 for 2015/16).

Billing Authority Council Tax

23. 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

24. 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.
25. The Billing Authority's council taxes for each band of property are shown in Appendix 2.

Police and Fire Authority Council Taxes

26. The Office of the Durham Police and Crime Commissioner is a separate body responsible for its own financial affairs. The Authority met on 24 February 2016 and set their precept at £5,267,187. This results in a Band D Council Tax of £165.95, a 1.98% increase from 2015/16 as shown below:-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	110.63	129.07	147.51	165.95	202.83	239.71	276.58	331.90

27. County Durham and Darlington Fire and Rescue Service met on 11 February 2016 and set their precept at £3,039,384. This results in a Band D Council Tax of £95.76, a 1.92% increase from 2015/16.

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	63.84	74.48	85.12	95.76	117.04	138.32	159.60	191.52

Overall Council Tax

28. 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 3.99% increase in the Billing Authority Council Tax next year, inclusive of the 2% adult social care precept, with changes in the amounts of some parish precepts. The Office of the Durham Police and Crime Commissioner has increased its Council tax by 1.98% and the Fire and Rescue Authority has increased its Council Tax by 1.92%.

Consultation

29. The content of this report was not subject to consultation. Extensive 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 Corporate Plan and Medium Term Financial Plan. The outcomes of consultation are included in those plans.

APPENDIX 1

COUNCIL TAX FOR PARISH AUTHORITIES 2016/17

	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
Bishopton	6,400	(532)	5,868	168.60	34.80	1,313.75	1,348.55
Heighington	16,046	(1,560)	14,486	891.60	16.25	1,313.75	1,330.00
High Coniscliffe	1,000	(370)	630	104.20	6.05	1,313.75	1,319.80
Hurworth	41,805	(3,352)	38,453	1,203.50	31.95	1,313.75	1,345.70
Low Coniscliffe / Merrybent	5,530	(274)	5,256	286.20	18.36	1,313.75	1,332.11
Middleton St. George	45,182	(3,523)	41,659	1,638.80	25.42	1,313.75	1,339.17
Neasham	1,887	(439)	1,448	234.80	6.17	1,313.75	1,319.92
Piercebridge	1,512	(235)	1,277	60.00	21.28	1,313.75	1,335.03
Sadberge	7,500	(1,125)	6,375	286.20	22.27	1,313.75	1,336.02
Whessoe	4,400	(1,027)	3,373	549.10	6.14	1,313.75	1,319.89
	131,262	(12,437)	118,825				

APPENDIX 2

BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2016/17

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bishopton	899.03	1,048.88	1,198.71	1,348.55	1,648.22	1,947.91	2,247.58	2,697.10
Heighington	886.66	1,034.45	1,182.22	1,330.00	1,625.55	1,921.11	2,216.66	2,660.00
High Coniscliffe	879.86	1,026.52	1,173.16	1,319.80	1,613.08	1,906.38	2,199.66	2,639.60
Hurworth	897.13	1,046.66	1,196.18	1,345.70	1,644.74	1,943.79	2,242.83	2,691.40
Low Coniscliffe /								
Merrybent	888.07	1,036.09	1,184.10	1,332.11	1,628.13	1,924.16	2,220.18	2,664.22
Middleton St. George	892.78	1,041.58	1,190.38	1,339.17	1,636.76	1,934.36	2,231.95	2,678.34
Neasham	879.94	1,026.61	1,173.26	1,319.92	1,613.23	1,906.55	2,199.86	2,639.84
Piercebridge	890.02	1,038.36	1,186.70	1,335.03	1,631.70	1,928.38	2,225.05	2,670.06
Sadberge	890.68	1,039.13	1,187.58	1,336.02	1,632.91	1,929.81	2,226.70	2,672.04
Whessoe	879.92	1,026.59	1,173.24	1,319.89	1,613.19	1,906.51	2,199.81	2,639.78
All other parts of the Council's area	875.83	1,021.81	1,167.78	1,313.75	1,605.69	1,897.64	2,189.58	2,627.50

APPENDIX 3

OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2016/17

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bishopston	1,073.50	1,252.43	1,431.34	1,610.26	1,968.09	2,325.94	2,683.76	3,220.52
Heighington	1,061.13	1,238.00	1,414.85	1,591.71	1,945.42	2,299.14	2,652.84	3,183.42
High Coniscliffe	1,054.33	1,230.07	1,405.79	1,581.51	1,932.95	2,284.41	2,635.84	3,163.02
Hurworth	1,071.60	1,250.21	1,428.81	1,607.41	1,964.61	2,321.82	2,679.01	3,214.82
Low Coniscliffe /								
Merrybent	1,062.54	1,239.64	1,416.73	1,593.82	1,948.00	2,302.19	2,656.36	3,187.64
Middleton St. George	1,067.25	1,245.13	1,423.01	1,600.88	1,956.63	2,312.39	2,668.13	3,201.76
Neasham	1,054.41	1,230.16	1,405.89	1,581.63	1,933.10	2,284.58	2,636.04	3,163.26
Piercebridge	1,064.49	1,241.91	1,419.33	1,596.74	1,951.57	2,306.41	2,661.23	3,193.48
Sadberge	1,065.15	1,242.68	1,420.21	1,597.73	1,952.78	2,307.84	2,662.88	3,195.46
Whesoe	1,054.39	1,230.14	1,405.87	1,581.60	1,933.06	2,284.54	2,635.99	3,163.20
All other parts of the Council's area	1,050.30	1,225.36	1,400.41	1,575.46	1,925.56	2,275.67	2,625.76	3,150.92

Section 2

Housing Revenue Account

1.1 Housing revenue Account – Revenue Budget 2016-17

- report to Council 25 February 2016

HOUSING REVENUE ACCOUNT – MTFP 2016/17 TO 2020/21

**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 2016/17 in the context of the HRA Medium Term Financial Plan to 2019/20 and the 30 year Business Plan.

Summary

2. The key decision regarding the HRA is the balance between rent and service charge levels and investment in the housing stock. For the next four years, commencing in 2016/17 the Government are introducing a compulsory 1% reduction in Social and Affordable rents through the Welfare Reform and Work Bill 2015. There is no discretion in making this change and all Council tenants will therefore have an average 77p reduction in weekly rent (Average Rent 2015/16 £72.94 – Average Rent 2016/17 £72.17). Some alternative options for generating additional income to partially compensate for the significant loss in rental income have therefore been included in this report. It is worth noting that 70% of tenants will have any increases covered by benefit payments. An Equality Impact Assessment has been undertaken to enable Members to understand the full impact of the proposed rent and service charges and this is attached at **Appendix 5**. The proposals included in this report have been considered and supported by the Customer Panel and Housing Executive.

Recommendations

3. It is proposed that the following are recommended by Council:-
 - (a) The Equalities Impact Assessment at Appendix 5 is given full consideration before making any decisions.
 - (b) An average weekly rent reduction of 1% for 2016/17 be implemented giving an average rent of £72.17.

- (c) Convert all social rents to affordable rents as properties become available to let where this would result in an increase in the overall charge.
- (d) Garage rents and service charges are increased as shown in Table 3, including an administration fee of 10% where applicable.
- (e) Implement the standard charge from April 2016 for properties previously excluded from pavement crossing and hard-standing charges.
- (f) The budget at **Appendix 1** is approved.
- (g) The Housing Business Plan **Appendix 2** is agreed.

Reasons

4. The recommendations are supported :-

- (a) 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.
- (b) To allow the results of consultation to be considered before final decisions are made.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

CLG Rent Restructuring Guidance

Pauline Mitchell: Ext 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 Council approval and the report will be presented to Council in February 2016.
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 for the HRA

5. Councils no longer have the previous levels of flexibility to decide the balance between the levels of service provided to tenants and the levels of rent charged. For a four year period commencing in 2016/17 all social and affordable rents must be reduced by 1%. The MTFP as described in the following sections reflects this requirement whilst striving to ensure the standard of service offered remains high. This will be a challenge in the context of the HRA already having relatively low rents and service charges. The investment identified in the 30 Year Business Plan has been reduced to reflect any loss in income but this could be increased if options identified in the report for potential additional income generation are supported..

6. Analysis of Expenditure within the HRA

(a) Management £5.685m

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 2014/15 (latest available CIPFA stats) cost of £544 per property compare very favourably with our Comparator Group average of £1,018 per property.

(b) Maintenance - Revenue Repairs - £3.827m

This covers the on-going general repairs to the Councils 5,271 properties at a rate of approximately £727 per property per year (2014/15 latest available CIPFA stats). 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 £1,097 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 - £14.611m**

The Council cannot borrow to finance major refurbishments due to the current restriction on HRA borrowing, although we have successfully bid for some grant funding from the Homes and Communities Agency (HCA) for the building of new houses during 2015/18. Grant is preferable to the other options of applying to CLG to increase our borrowing capacity. Most 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 and new house building.

7. Members will appreciate that expenditure items (a) to (d) are relatively fixed and the main variable is the type and location of capital investment. The proposed Business Plan is discussed in the following section and this explains where future capital investment is planned.

Housing Business Plan

8. The purpose of the Housing Business Plan 2015 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.
9. 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.

New Build

10. The Strategic Housing Market Assessment completed for Darlington in 2015 identified that there is a need for 160 affordable dwellings for rent across the Borough of Darlington each year. When also taking into consideration the Council's recent and planned regeneration work, which will result in the loss of over 200 Council homes, there is a clear need for the Council to build new affordable housing.
11. 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.

12. The implementation of the Government's Self-Financing Initiative introduced from April 2012 enabled the creation of an Investment Fund which has been prioritised on the regeneration of Red Hall and a New Build programme. A total of £19.5m is available for the development of new Council housing which when combined with £3.2m in successful grant applications to the Homes and Communities Agency (HCA) Affordable Housing Programme 2015/18 gives a total budget of £23.3m for the development of new council homes for affordable rent.
13. The £23.3m will deliver 60 two and three bedroom houses and 106 two bedroom flats across seven sites. The property mix and completion date for each site is outlined below:
 - (a) Deepdale Way, Red Hall – 8 two bedroomed flats, completed in October 2015.
 - (b) Badminton Close, Red Hall – 12 two bedroomed flats, due for completion in January 2016.
 - (c) Fenby Avenue, Lascelles Park – 12 two bedroomed flats and 10 two bedroomed houses, due for completion in August 2016.
 - (d) Hammond Drive, Skerne Park – 24 two bedroomed flats, due for completion in November 2016.
 - (e) Anfield and Aintree Court, Red Hall – 8 two bedroomed flats and 12 three bedroomed houses, due for completion in December 2016.
 - (f) Sherbourne Close, Branksome – 12 two bedroomed flats and 6 three bedroomed houses, due for completion in January 2017.
 - (g) Allington Way, Lingfield – 30 two bedroomed flats and 32 two and three bedroomed houses, due for completion in October 2017.
14. The HCA required all properties to be completed by March 2018 and are closely monitoring our progress to ensure we deliver to the timescales submitted in our bid for funding.

Housing for Vulnerable People

15. 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 2014/15 over 282 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, hoists and ground floor extensions. The spend profile of the adaptations budget has changed in recent years with an increasing number of major projects being commissioned including:
 - (a) the installation of through floor lifts
 - (b) completion of major structural alterations to provide wheelchair friendly accommodation

- (c) the construction of extensions providing ground floor bathing and bedrooms
- 16. The increasing number of larger project funded through the adaptations budget reflects the fundamental role adaptations play in supporting households to continue to live independently, reduce the need for expensive care packages and prevent a premature move into a more supported form of accommodation. Due to the key role adaptations play in reducing demands on Adult Social Care budgets the Business Plan is committed to investing £300k per year on adaptations.

Existing Stock Investment and Responsive Repairs

- 17. The housing stock has been assessed as being in good condition with significant annual investment as part of a structured programme for both on-going 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 2,700 A-rated combi-boilers and a planned maintenance programme which ensures all properties suitable benefit from cavity wall insulation and 300mm of loft insulation.
- 18. The Business Plan identifies a capital works budget of £52m over the next five years and £254m budget for capital works over the next 30 years. There has been a reduction of £34m over the 30 year plan due to the impact of the 1% rent reduction imposed by Government in June 2015. The impact of these changes is outlined in more detail in paragraphs 23-29 of this report. 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.
- 19. The Council's housing stock is well maintained as a result of a structured capital investment programme. This has resulted in the 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.
- 20. The Business Plan anticipates responsive repairs will remain at historical levels and so allocates a budget of £20.3m for responsive and cyclical repairs within the five year investment plan and £123m within the 30 year investment plan.

Energy Efficiency

- 21. 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.

22. The five year investment plan directs £8m towards investment in A rated combination boilers and £51.98m over 30 Year Business Plan period. A further £4.48m 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 £30.48m of investment in Energy Efficiency measures.
23. Attached at Appendix 2 is the 30 Year Investment Plan and at **Appendix 3** the detailed 5 Year investment plan.

Rent Level Options

24. 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.
25. On 8 July 2015 the new government's first budget introduced a requirement for all social landlords to reduce their rents by 1% every year for the next four years (2016/17 – 2019/20) rather than increasing them by CPI + 1% as previously indicated. The reduction is described by Government as social landlords' contribution to reducing the Housing Benefit Bill. The impact on the Council's HRA is that by year 4 we will be losing rental income of approximately £2.5m every year. Example rents for 2016/17 based on this new information are attached at **Appendix 4**.
26. However, in common with other housing providers affected by the requirement to reduce rents by 1%, consideration is being given to options for limiting the impact of significant losses in rental income. In particular social landlords are considering increasing the number of properties at affordable rent levels. We already charge affordable rents on all our new build properties as this is a requirement for grant funding from the Homes and Communities Agency (HCA). However, we can also convert existing properties, currently charged a social rent to affordable rents as they become available to let. An Affordable Rent is defined as 80% of a Market Rent and includes all service charges. Generally Housing Association rents are significantly higher than Council rents so many Darlington households currently living in social housing are already accustomed to paying higher rents. Table 1 provides some comparative data but it is important to note that there are also some significant variations in market rents across Darlington and it is estimated that around 13% of our housing stock would not benefit from conversion to affordable rents as the rents would be lower than the social rent. As can be seen from Table 1 these are typically one bedroomed flats, particularly those with a range of service charges.

Table 1: Rent Comparisons

Property Type	Average Council Social Rent £	Average Estimated Affordable Rents £	Average HA Rents £
1 Bedroom Flat	68.69	68.40	82.92
2 Bedroom Flat	78.79	79.08	88.16
1 Bedroom bungalow	74.91	91.41	93.10
2 Bedroom House	76.37	82.18	88.85
3 Bedroom House	84.22	92.65	94.10
4 bedroom House	89.37	103.76	109.36
Sheltered/Extra Care			
One Bedroom Flat	90.89	110.07	111.35
Two Bedroom Flat	100.96	109.71	111.35

27. Whilst it is difficult to estimate the increased levels of income from converting social rents to affordable rents on letting, Table 2 gives an indication of potential income based on past numbers of re-lets, excluding properties where affordable rents would not apply. This shows for example, an average rent increase per property of £7.62 per week may generate annual increased income of around £500k by Year 4, rising to over £1m by Year 11. The HRA budget statement at appendix 1 excludes potential additional income from affordable rents at this stage due to the uncertainty about the amount that will be raised. The HRA will be amended next year in light of experience.

Table 2: Projected income (includes 1% rent reduction 2017-2020)

	Year 1	Year 2	Year 3	Year 4	Year 11
Property numbers for additional rent calculation	278	715	1,025	1,314	2,856
Average increase in rent (social to affordable)	£7.62	£7.62	£7.62	£7.62	£7.62
Additional Rental Income In Year	£109,957	£281,295	£401,229	£511,685	£1,122,631

28. Existing tenants will not be affected unless they choose to move and the additional costs will be covered by Housing Benefits for the 71% of tenants who are eligible. In addition to CAB now being easily accessible in the Customer Service Centre, the HRA funds a Money Advice Service and Income Management Team 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. Community based facilities called Healthy Hubs have been established across the borough to provide easy access to food banks, the Credit Union, as well as housing and debt advice. Those tenants, particularly first time tenants who require more sustained intensive support will be referred to the Housing Plus Team.

Garage Rents and Service Charges

29. 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 furnished tenancy charges and scheme heating costs no increase is needed to maintain current levels of service.
30. Legislation allows reasonable administration costs to be recovered through the service charges. Previously we have only recovered administration costs on a few service charges (e.g. Furnished Tenancies, Heating, Meals, etc), but if 10% administration is added to other service charges, over £175k in additional costs could be recovered. Details are shown at Table 3.

Table 3: Garage Rents and Service Charges

Description	Current Weekly Charge (15/16)	Proposed Weekly Charge (No Admin Fee) (16/17)	Proposed Weekly Charge (with 10% Admin Fee) (16/17)
	£	£	£
Garage Rents	6.73	6.72	7.39
Building Cleaning – Flats	1.59	1.60	1.76
Building Cleaning – Sheltered Schemes	3.21	3.27	3.60
Building Cleaning – Extra Care	10.09	10.29	11.32
Grounds Maintenance – General Housing	1.49	1.52	1.67
Grounds Maintenance – Blocks of Flats	1.49	1.52	1.67
Heating – Comprehensive schemes	11.46	11.46	n/a
Heating - Blocks of flats	1.22	1.28	n/a
Administration – Leaseholders	82.35	84.00	n/a
Furnishings and Fittings – Comprehensive Schemes	1.68	1.68	1.85
Furnishings and Fittings – Good Neighbour Schemes	0.76	0.76	0.84
Lifeline Response	5.22	5.24	n/a
Lifeline - Sheltered and Extra Care Housing	15.00	15.27	16.80
Pavement Crossings and Hard standings	3.60	3.60	3.96
Mid-day Meal – Extra Care (Residents only)	32.27	32.27	n/a
Mid-day Meal – Extra Care (Non-Residents only)	38.78	38.78	n/a
Furnished Tenancies - 1 bed flat	28.51	28.51	n/a
Furnished Tenancies - 2 bed flat	29.65	29.65	n/a
Furnished Tenancies - 2 Bed House	45.97	45.97	n/a
Furnished Tenancies - 3 Bed House	48.10	48.10	n/a
Furnished Tenancies - White Goods	6.10	6.10	n/a
Guest Rooms in Sheltered Schemes	78.40	79.80	n/a
Door Entry Systems	0.59	0.59	0.65
TV Aerials	0.17	0.17	0.19
Housing Plus Service	17.36	17.71	n/a

Consultation

31. The Annual Review of the HRA Business Plan is developed in consultation with Council tenants through their Customer Panel and associated sub-groups supplemented with surveys, focus groups, bespoke meetings and marketing tools such as mystery shopping. The proposals have been considered by the Customer Panel and Housing Executive and they supported the proposed changes.

Financial Implications

32. 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.
33. The level of revenue balances projected in this report represent an adequate level given the level of risk.

Equality Impact Assessment

34. An Equality Impact Assessment has been undertaken to enable Members to understand the full impact of the recommendations included in this report. The EIA is attached in full at **Appendix 5**. This identified that the proposals had no specific impacts in terms of sex, sexual orientation, gender reassignment, religion or belief, race, marriage or civil partnership, pregnancy or maternity. However a small number of the 518 tenants of working age affected by the Bedroom Tax who have a disability could be affected. This is where they are deemed to have one or more spare bedrooms and are therefore at risk of losing some of their Housing Benefit.
35. As a result of the rent decrease most tenancies will see a rent reduction. The exceptions are tenants of sheltered housing schemes who will see a 2-3% increase overall due to increased service charges. For some such groups as older people and disabled people, the increase in energy efficiency work, together with the continuing aids and adaptations programme will have a positive impact. The increase in housing supply will also have specific positive impacts for older and disabled people because of the specialist design of some properties.
36. A targeted survey was carried out in December 2015 of tenants who have “protected characteristics” and who will have to meet the increase from their own income. The results are included in Appendix 5. 200 tenancies were included in the survey and there was a 25% response. Despite those included in the survey being the worst affected almost half (48%) said it would have no impact on them financially. 35% said they would have to reduce spending to cover the increase while 17% said they would experience some degree of financial difficulty.

HOUSING REVENUE ACCOUNT

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
<u>Income</u>					
Rents Of Dwellings (Gross)	(19,496)	(19,314)	(19,139)	(18,954)	(18,904)
Sundry Rents (Including Garages & Shops)	(351)	(366)	(372)	(379)	(379)
Charges For Services & Facilities	(2,846)	(2,857)	(2,868)	(2,879)	(2,899)
Contribution towards expenditure	(288)	(297)	(302)	(307)	(312)
Interest Receivable	(55)	(27)	(11)	(28)	(23)
Total Income	(23,036)	(22,861)	(22,692)	(22,548)	(22,518)
<u>Expenditure</u>					
Management	5,685	5,765	5,860	5,958	6,058
Capital Financing Costs	3,550	3,493	3,573	3,631	3,715
Increase in Bad Debt Provision	250	250	250	250	250
HRA Revenue Repairs	3,827	3,942	4,061	4,182	4,308
Revenue Contribution to Capital (R.C.C.O.)	14,379	12,880	9,706	6,908	7,443
Contribution to/(from) balance	(4,656)	(3,469)	(757)	1,619	744
Total Expenditure	23,036	22,861	22,692	22,548	22,518
(Surplus) / Deficit	0	0	0	0	0
Opening balance	10,361	5,705	2,236	1,478	3,097
Contribution to/(from) balance	(4,656)	(3,469)	(757)	1,619	744
Closing balance	5,705	2,236	1,478	3,097	3,842
Estimated closing dwelling numbers	5,287	5,295	5,297	5,299	5,269
Closing balance per dwelling	£1,079.06	£422.21	£279.11	£584.46	£729.09

THIRTY YEAR INVESTMENT FORECAST

Appendix 2

	Years 1 to 10 (£000)	Years 11-20 (£000)	Years 21 - 30 (£000)	Total Spend (£000)
Adaptations	3,105	3,150	3,150	9,405
Communal Works	521	530	530	1,581
Decoration following IPM	255	499	476	1,230
External works (footpaths, fencing, etc.)	5,175	5,250	5,250	15,675
Garage Improvements	778	790	790	2,358
Heating Replacements	17,157	17,760	17,063	51,980
Internal Planned Maintenance	25,968	28,050	26,879	80,897
Repairs before painting	1,035	1,050	1,050	3,135
Roof work	4,410	4,500	4,500	13,410
Structural Repairs	1,449	1,470	1,470	4,389
Warden Link & Sheltered Housing	828	840	840	2,508
Walls/Canopies	1,795	3,590	3,590	8,975
Lifts	301	240	240	781
Energy Efficiency	9,680	10,400	10,400	30,480
Professional Fees	2,591	2,630	2,630	7,851
Smoke / Fire Alarms	521	530	530	1,581
Door entry	414	320	320	1,054
New build and regeneration capital investment	17,543	0	0	17,543
Total expenditure	93,526	81,599	79,708	254,833

HRA Business Plan – Draft 5 Year Investment Plan					
	2016/17	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>					
Adaptations	300	300	300	315	315
Heating replacement programme	1,470	1,530	1,592	1,668	1,774
Structural works	140	140	140	147	147
Lifeline Services	80	80	80	84	84
Repairs before painting	100	100	100	105	105
Roofing	420	420	420	450	450
Garages	75	75	75	79	79
External Works (footpaths, fencing, etc.)	500	500	500	525	525
Smoke detection	50	50	50	53	53
Pavement Crossing	25	25	25	26	26
Energy efficiency	600	600	600	630	780
Replacement Door Programme	250	250	250	260	260
Door entry	80	80	30	32	32
IPM works	2,100	2,190	2,285	2,394	2,695
Communal Works	50	50	50	53	53
Lifts	87	23	23	24	24
New build (net of HCA grant)	7,996	6,413	3,134	0	0
Fees	250	250	250	263	263
Total spend	14,573	13,076	9,904	7,108	7,665
<u>Resourced by:</u>					
Capital Receipts	194	196	198	200	222
RCCO	6,383	6,467	6,572	6,908	7,443
Investment Fund	7,996	6,413	3,134	0	0

Examples of Weekly Rent Increases for 2016/17

Area	Property Type	Approved Rent 2015/16	Proposed Rent 2016/17	Increase between 15/16 & 16/17 £	Increase between 15/16 & 16/17 %
<u>Middleton St George</u>					
	1 Bedroom Bungalow	71.25	70.54	(0.71)	-1.00%
	2 Bedroom House	77.73	76.95	(0.78)	-1.00%
	3 Bedroom House	88.66	87.77	(0.89)	-1.00%
<u>Cockerton</u>					
	1 Bedroom Flat	64.19	63.55	(0.64)	-1.00%
	2 Bedroom House	75.17	74.42	(0.75)	-1.00%
	3 Bedroom House	80.99	80.18	(0.81)	-1.00%
<u>Haughton</u>					
	1 Bedroom Flat	64.73	64.08	(0.65)	-1.00%
	2 Bedroom Flat	73.32	72.59	(0.73)	-1.00%
	1 Bedroom Bungalow	71.29	70.58	(0.71)	-1.00%
	2 Bedroom House	77.14	76.37	(0.77)	-1.00%
	3 Bedroom House	86.24	85.38	(0.86)	-1.00%
<u>Branksome</u>					
	1 Bedroom Flat	64.29	63.65	(0.64)	-1.00%
	1 Bedroom Bungalow	71.11	70.40	(0.71)	-1.00%
	2 Bedroom House	73.74	73.00	(0.74)	-1.00%
	3 Bedroom House	83.83	82.99	(0.84)	-1.00%
<u>Lascelles</u>					
	1 Bedroom Flat	63.54	62.90	(0.64)	-1.01%
	2 Bedroom Flat	70.86	70.15	(0.71)	-1.00%
	2 Bedroom House	72.76	72.03	(0.73)	-1.00%
	3 Bedroom House	80.51	79.70	(0.81)	-1.01%
<u>Bank Top</u>					
	1 Bedroom Flat	64.70	64.05	(0.65)	-1.00%
	3 Bedroom House	82.90	82.07	(0.83)	-1.00%
<u>Redhall</u>					
	1 Bedroom Flat	62.07	61.45	(0.62)	-1.00%
	2 Bedroom Flat	68.26	67.58	(0.68)	-1.00%
	1 Bedroom Bungalow	65.81	65.15	(0.66)	-1.00%
	2 Bedroom House	69.77	69.07	(0.70)	-1.00%
	3 Bedroom House	76.40	75.64	(0.76)	-0.99%
<u>Eastbourne</u>					
	1 Bedroom Flat	60.97	60.36	(0.61)	-1.00%
	2 Bedroom Flat	67.91	67.23	(0.68)	-1.00%
	2 Bedroom House	70.72	70.01	(0.71)	-1.00%
	3 Bedroom House	76.54	75.77	(0.77)	-1.01%
<u>Skerne Park</u>					
	2 Bed House	71.51	70.79	(0.72)	-1.01%
	3 Bed House	77.27	76.50	(0.77)	-1.00%
<u>Parkside</u>					
	1 Bedroom Flat	64.78	64.13	(0.65)	-1.00%
	2 Bedroom House	74.29	73.55	(0.74)	-1.00%
	3 Bedroom House	82.13	81.31	(0.82)	-1.00%

EIA Record Form – note free version



Equality Impact Assessment Record Form 2012-16

Section 1 – Service Details and Summary of EIA Activity

Title of activity:	Housing Revenue Account- MTFP 2016/17 - 2020/21
Lead Officer responsible for this EIA:	Ken Davies
Telephone:	01325 405955
Service Group:	Neighbourhood Services and Resources
Service or Team:	Housing and Building Services
Assistant Director accountable for this EIA	Pauline Mitchell
Who else will be involved in carrying out the EIA:	Money Advice Team Income Management Team Housing Management Team Customer Liaison - Asset Management Tenant Customer Engagement Team Lifeline Team Housing Options Team Customer Panel
Stage	Summary of position
Stage 1: Initial Officer Assessment. Whole Population likely to be affected identified	<p>A desk top analysis was conducted in October 2015 of the available evidence</p> <p>The report was presented to Cabinet in December 2015 and updated following consultation in January 2016.</p> <p>The rent change will apply to all Council Tenancies and it may have an impact on decisions made by those who consider applying for a Council Housing</p> <p>The introduction of Affordable Rents will be limited to properties that become empty in certain areas and therefore there will only be an impact on those sections of the population who may want to apply to rent those</p>

	<p>properties.</p> <p>Service Charges are based on actual costs and apply to all Council tenancies. The Council is entitled to recover administrative costs on certain items contained within the service charge and this additional cost mainly affects Council properties with additional services such as cleaning, lifeline, warden charges and grounds maintenance. In combination with the rent decrease most tenants will be charged a lower amount than last year. Those living in Sheltered Housing, Good Neighbour schemes and Extra Care will be charged an overall increase of between 2 and 3%. Garage owners and leaseholders will also have an increased charge</p> <p>There are also 337 properties that should have been charged for pavement crossings and hard standings that will be charged £3.60 per week from April 2016</p>
Stage 2: Further Assessment. Target Population likely to be affected identified	<p>Council Tenants and applicants for properties converted to Affordable Rents. Those renting garages and leaseholders who pay service charges will also be affected.</p>
Stage 3: Further Assessment. Individuals likely to be affected identified	<ol style="list-style-type: none"> 1. The Government are introducing a compulsory 1% reduction in Social and Affordable rents from April 2016 through the Welfare Reform and Work Bill 2015. There is no discretion in making this change. A reduction of 1% has also been introduced for the following three years. All Council tenants will therefore have an average 77p reduction in weekly rent. 2. For the 3,680 tenancies in receipt of Housing Benefit this will have no impact. There will be a very small benefit to those 518 tenancies affected by the Bedroom Tax who will have to pay in the region of 10 and 30 pence less per week 3. Of the 337 properties where a hard stand and pavement crossing charge is being introduced 70% are in receipt of Housing Benefit 4. In the coming year the loss of income will not have a direct impact on day to day services but will have an impact on longer term investment with potential negative consequences for all tenants 5. The introduction of administration charges within the service charges will see varying increases in the service charge above increases in actual costs. A 10% administrative fee will be levied but the extent of the impact will depend on the type and number of services that each property receives. Taking together with the rent decrease most tenants will still pay less than they did last year. Those living in sheltered housing will have a small increase of between 2% and 3%. Garage owners will see a 66 pence per week increase while Leaseholders will have varying increases depending on the number and types of services. 6. The introduction of Affordable Rents will have an impact on those

	<p>who successfully apply for properties with this type of rent. All new properties will be let at Affordable rents as a requirement of the funding received in the Affordable Homes Programme while existing properties will only be converted to Affordable Rents when they become available. This is also part of the Affordable Homes Programme. An affordable Rent is 80% of a market rent and therefore higher than a Social Rent. The level of increase between rents will vary based on local market conditions. They are introduced as part of an agreement with the Homes and Communities Agency that allow the difference between the rents to be used for funding new housing</p> <ol style="list-style-type: none"> 7. Not all areas are suitable for the introduction of Affordable Rents and neither are some types of property in particular locations. The introduction of Affordable Rents will be localised and affect different groups of people. Some of them may have protected characteristics. 8. Some people who need rehousing will benefit from new council housing that will continue to be developed. There are wider benefits to the local economy, the 30 year Business Plan commits to £254 million investment in the stock over 30 years, and as such they have the potential to have positive impacts on tenants with protected characteristics.
Stage 4: Analysis of Findings	<ul style="list-style-type: none"> • There are about 5,300 council tenancies that will be affected by the rent reduction. • In total 69% of tenancies receive full or partial housing benefit and their income will not be affected by the reduction • There are 518 tenancies that receive Housing Benefit and are affected by the Bedroom Tax receive a marginal benefit. They will have to pay 14% of their rent because they under occupy by one bedroom (414 tenancies) or 25% if they under occupy by two beds (104 tenancies). • Approximately 1620 meet the full cost of the rent will benefit by on average 77 pence per week. • The addition of a 10% service charge will have varying impacts ranging from 17 pence to £2.74 depending on the level of services being provided. As a result of the rent decrease most tenancies will see a rent reduction. The exceptions are: <ul style="list-style-type: none"> ○ Sheltered Housing, good Neighbour schemes and Extra Care who will see between a 2 and 3% overall increase. 81% of tenants in this category are in receipt of Housing Benefit and therefore not affected. ○ 71 Leaseholders who will have varying increases depending on the level of service they receive ○ Garage rents will increase by 66 pence per week • Of the 337 tenancies affected by the introduction of a charge for

	<p>pavement crossings and hard standings 246 are in receipt of Housing Benefit and will not be affected while 91 will have to pay an additional cost of £3.60</p> <ul style="list-style-type: none"> • A total of 235 tenancies are likely to be negatively affected (144+91) 4% of current tenancies • It is estimated that approximately 500 properties may be converted to Affordable Rents during the first year with varying increases on Social Rents <p>The Council is aware that the introduction of Affordable Rents could affect individual decisions to apply for these types of property and that may lead applicants having to consider properties in a different area however this is balanced by the additional income generated to develop much needed new housing.</p> <p>There are positive effects contained within the Housing Business Plan. The funding generated through the rents has a number of direct benefits. The planned programme of work will benefit tenants by improving housing conditions, regenerating Council estates and by building new Council houses that will help meet current and future needs. A significant amount of energy efficiency work is planned that should see significant reductions in flue bills making Council housing more affordable. The improvements in the stock have a general accumulative impact:</p> <ul style="list-style-type: none"> • There are more properties that have been adapted to meet the needs of people who are disabled • Some new properties will specifically address the needs of older people and people with disabilities • Energy efficiency measures reduce the overall cost of running a home and there are implied benefits for people with protected characteristics
Stage 5: Sign-Off	<p>Ken Davies</p> <p>Pauline Mitchell</p>
Stage 6: Reporting and Action Planning	<p>The actions will fit into the monitoring processes established for the Housing Strategy</p>

Details of the activity (main purpose and aims)
<p>Consider proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2016/17 in the context of the HRA Medium Term Financial Plan to 2020/21 and the 30 year business plan. The report therefore considers the level of rent and the level of expenditure. It also seeks approval of the Medium Term Financial Plan and the updated 30 year Business Plan</p> <p>The HRA is a ring-fenced self-funding budget exclusively for use on Council housing.</p> <ul style="list-style-type: none"> (a) The key decision regarding the HRA is the balance between rent levels and investment in the housing stock. Changes to the HRA financial regime have increased flexibility in how finances can be managed generally although restrictions remain in place on borrowing. The proposals contained in the Welfare Reform and Work Bill to reduce rents and this alters the position over the medium and long term. (b) The rents go towards funding the maintenance and repair of the housing stock. This includes an expanding energy efficiency programme that should see the reduction in energy bills for tenants and therefore reducing total housing costs. This is particularly important for those who need additional heating because they are house bound or are disabled and for families with small children. The HRA includes funding the regeneration of estates and the funding of new Council housing. These activities help to better meet housing needs. This includes increased availability of properties for people with disabilities and older people. It also provides more housing choice for those who are pregnant and their need a home of their own or need a larger home (c) The impact on the Council's HRA is that by year 4 we will be losing rental income of approximately £2.5m every year. This will have consequences on the long term plan and actions are therefore being taken to mitigate this including a thorough evaluation of priorities for expenditure and income
Who will be affected by the activity? (groups and numbers)
Whole population
<p>There are approximately 1600 people on the waiting list for Council Housing plus 5300 Council Tenants</p>
Target population
<p>43.3% of tenants are Male and 56.7 Female</p> <p>About 48% of tenants are 60 or over</p> <p>96% of Tenants are White British</p> <p>1% are Gypsy or Traveller</p> <p>1.9% are White other</p> <p>0.6% Asian or Asian British</p> <p>0.5% Black or Black British</p>

<p>57% of tenants have a long term health problem</p> <p>In 8.8% of tenants households someone is a wheel chair user</p> <p>2134 Tenants are in receipt full Housing Benefit and 1546 are in receipt of partial Housing benefit. This is about 70% of all tenants. Of these 518 are affected by the Bedroom Tax.</p> <p>416 are under occupying by 1 bedroom and see their housing benefit reduced by 14%</p> <p>102 are under occupying by 2 or more bedrooms and see their rent reduced by 25%</p> <p>81% of tenants living in Sheltered Housing, Good Neighbour Schemes and Extra Care are in receipt of Housing Benefit</p>
Individuals
<p>3680 tenancies will not be affected because they are in receipt of Housing Benefit. There will be a reduction in the cost of Housing Benefit to the Government</p> <p>Of the 1560 tenancies where there is no housing benefit only 144 tenancies will have a rent increase with the remainder having some reduction after taking into account the rent reduction and the increase in the Service Charge due to the introduction of a administrative charges</p> <p>337 tenancies will see and increase as a result of the charge for pavement crossings and hard standings. Of these 246 tenancies will be in receipt of Housing Benefit and will not be affected and 91 will meet the full cost.</p> <p>The rent increase will have a negative impact on 235 tenancies and a identified negative impact on 144 people with protected characteristics, almost entirely older people</p> <p>There may be some negative impact as a result of the introduction of Affordable Rents but this will depend on property types and area.</p>
What data, research and other evidence or information is available which is relevant to the EIA?
<p>The Council retains detailed information on each Council tenancy that it can draw on. This can provide quantitative data, for example who is on Housing Benefit, are they affected by the Bedroom Tax, do they receive DHP:</p> <p>The Bedroom Tax data base contains detailed information producing a number of standard reports. This provides quantitative and qualitative data</p> <ul style="list-style-type: none"> • Orchard Housing Management Information system containing detailed information on tenancies including family composition, most protected characteristics, benefits and other information. This provides quantitative and qualitative data • Lifeline system contains information on those living in properties linked to Lifeline. This includes mainly disabled and older people and is in addition to the information contained on Orchard. This provides quantitative and qualitative data. • Reports on the impact of the Welfare Reforms • Research to support the regeneration of Redhall • The Housing strategy 2012-17

- Supported housing Strategy 2012-17
- A survey has been conducted in December 2015 to gauge the impact of the changes on those with protected characteristic who would have to pay an increase in housing costs

Section 3: Officer Assessment

Use this table to record your views on potential impact on Protected Characteristics. As the activity and the assessment develop your views may change – record them here.

It is important to be searching and honest about this – many Council activities are planned to be of positive benefit to identified target groups but can often have the potential for inadvertent effects on other groups.

Protected Characteristics	Potential Impact Positive/Negative/ Not Applicable			Potential level of impact				Summary of Impact
Age			N		M			<p>There are specific negative impacts based on age as a result of the introduction of administrative costs. This will affect 144 tenancies</p> <p>There are some positive impacts in terms of the increase in availability of properties for older people as a result of the new build programme</p> <p>There is an implied positive impact for older people and very young in the increased energy efficiency measures. Older and very young people are more likely to be affected by cold and therefore likely to be higher uses of energy</p>
Race			NA				nil	There are no specific disproportionate negative impacts based race
Sex			NA				nil	There are no specific disproportionate negative impacts based sex
Gender Reassignment			NA				nil	There are no specific disproportionate negative impacts based Gender Reassignment
Disability (summary of		N				L		A very small proportion of disabled people who live in Sheltered Housing,

detail on next page)								<p>Good Neighbour schemes and Extra Care could be affected by the introduction of an administrative charge however available information suggests that they are all in receipt of Housing Benefit</p> <p>Funding of Aids and Adaptation will positively help those with mobility and other needs. The new build programme may also include specially adapted properties</p>
Religion or belief			NA				nil	There are no specific disproportionate negative impacts based on age Religion
Sexual Orientation			NA				nil	There are no specific disproportionate negative impacts based on sexual orientation
Pregnancy or maternity	P						nil	<p>There are no specific disproportionate negative impacts based on pregnancy or maternity.</p> <p>There may be positive affects as a result of the increase in supply of housing</p>
Marriage/ Civil Partnership			NA				nil	There are no specific disproportionate negative impacts based on marriage/ civil partnership

Section 3: Officer Assessment - continued

The Council must have due regard to disabled people's impairments when making decisions about 'activities'. This list is provided only as a starting point to assist officers with the assessment process. It is important to remember that people with similar impairments may in reality experience completely different impacts. Consider the potential impacts and summarise in the Disability section on the previous page. Officers should consider how the 'activity' may affect a disabled person.

Mobility Impairment		N				L		<p>A very small proportion of disabled people who live in Sheltered Housing ,Good Neighbour schemes and Extra Care could be affected by the introduction of an administrative charge however available information suggests that they are all in receipt of Housing Benefit</p> <p>A programme of aids and adaptations to aid mobility will help people with a mobility problem to remain in their own home</p>
Visual impairment	P						nil	<p>There are no specific disproportionate negative impacts based on visual impairment</p> <p>A programme of aids and adaptations to aid mobility will help people with a mobility problem to remain in their own home. This work is carried out with Adult Social care</p>
Hearing impairment	P						nil	<p>There are no specific disproportionate negative impacts based on hearing impairment</p> <p>A programme of aids and adaptations to aid mobility will help people with a mobility problem to remain in their own home</p>
Learning Disability	P						nil	<p>There are no specific disproportionate negative impacts based on Learning Disability</p> <p>Will help to increase the range of housing choices available increasing the opportunities to</p>

							find suitable housing
Mental Health	P					nil	<p>There are no specific disproportionate negative impacts based on Mental Health</p> <p>Will help to increase the range of housing choices available increasing the opportunities to find suitable housing</p>
Long Term Limiting Illness		N			L		<p>A very small proportion of disabled people who live in Sheltered Housing ,Good Neighbour schemes and Extra Care could be affected by the introduction of an administrative charge however available information suggests that they are all in receipt of Housing Benefit</p> <p>A programme of aids and adaptations to aid mobility will help people with a mobility problem to remain in their own home</p>
Multiple Impairments		N			L		<p>A very small proportion of disabled people who live in Sheltered Housing ,Good Neighbour schemes and Extra Care could be affected by the introduction of an administrative charge however available information suggests that they are all in receipt of Housing Benefit</p> <p>A programme of aids and adaptations to aid mobility will help people with a mobility problem to remain in their own home</p> <p>Will result in more properties being made available for people</p>

								with mobility issues
Other - Specify	None							
Cumulative Impacts								
Change activities				Potential cumulative impacts				
				<p>Impact on tenants and applicants</p> <p>Council tenants are being affected by a number of changes in national and local policy:</p> <p>The Welfare Reforms are changing the eligibility criteria for benefits and the way benefits are paid. This is reducing the overall benefit bill. There are particular impacts for those who are in receipt of disability benefits. This affects people who are disabled; have a long term limiting illness and people who have multiple impairments. They are also being affected the reduction in Council Tax support. There may also be other additional impacts as changes to the funding criteria for receiving care and support services change. Most who fall into this category are in receipt of housing benefit will not be affected but for those who are impacted by the Bedroom Tax this will add additional financial pressure and may lead to difficult decisions being made about moving to other accommodation. There are also proposals for changes to Tax Credits and the removal of the family premium from Housing Benefit which may have negative consequences.</p> <p>The proposed changes to rent and service charges will be a minor benefit for the vast majority of those who are not in receipt of Housing benefit and will have no impact on those in receipt of Housing Benefit</p> <p>There are negative impacts for 144 older people living in specialist accommodation as a result of a modest increase in the costs by 2 or 3%. A survey was conducted in December 2015. It targeted people with protected characteristics who would not be protected from an overall increase in housing costs. This group would be worst affected by the proposed change. There was a 25% response rate. Just under half (48%) said that they expected cost to go up, that they could afford the increase and they thought that their property was good value for money. In contrast 17% thought the properties were too expensive, that rents should decrease or that they would have difficulties meeting the cost of the</p>				

	<p>increase.</p> <p>Affordable Rents have been a growing part of the housing market in Darlington since they were introduced. There are about 400 properties provided by other providers. The conversion of council stock to Affordable Rent will reduce housing choices for some groups in some areas but choice will still be available across Darlington.</p> <p>There are positive impacts particularly for older people and disabled as a result of the accumulative impact of maintaining and modernising of the council stock:</p> <ul style="list-style-type: none"> • More homes will be energy efficient will help those who need to use more energy for health and disability reasons to reduce costs • Increased availability of stock will help a number of protected characteristics as it will provide more housing choice and specifically older people and disabled <p>Conclusion</p> <p>The vast majority of Council tenants will not be affected by the rent and service charge changes with many paying slightly less. 235 tenancies will be negatively affected but the survey identified that a significant proportion of those with protected characteristic would have few problems managing the increase.</p>
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Section 4: Engagement Decision

Is engagement with affected people with Protected Characteristics required, now or during the further development of the activity?	No
<p>If YES, proceed to the next section.</p> <p>If NO, briefly summarise below the reasons why you have reached this conclusion.</p>	
<p>The proposed changes were discussed with the Housing Executive as well as the Customer Panel at a special meeting in January 2016 and a survey was conducted in December 2015 as noted above</p> <p>There is a considerable amount of qualitative and quantitative information available concerning the financial circumstances of council tenants and there is more detailed information available for those who are likely to be the most affected by any increase. This information provides a clear picture of the likely impacts both positive and negative of an increase. Engagement will not provide additional insight into the impacts on protected characteristics. Some of these groups are more likely to be positively affected as a result of the</p>	

Section 5 - Sign-off when assessment is completed

Officer Completing the Form:		
Signed	Name:	Ken Davies
	Date:	15/01/16
	Job Title:	Housing Strategy Officer
Assistant Director:		
Signed	Name:	Pauline Mitchell
	Date:	15/01/16
	Service:	Assistant Director- Housing and Building Services

Section 6 – Reporting of Findings and Recommendations to Decision Makers

Based on the EIA findings, the report may consider the options in the table below, but the report must contain a clear statement of the impacts so that decision-makers can understand the effects of the decision that is being recommended.

What does the review of the information show?	
b)	Negative impact identified – recommend continuing with the activity; clearly specify the people affected and the impacts, and providing reasons and supporting evidence for the

decision to continue

Section 7 – Action Plan and Performance Management

What is the negative impact?	Actions required to reduce/eliminate the negative impact (if applicable)	Who will lead on action	Target completion date
Negative impacts specifically affect one group of people , with a protected characteristic	Everyone will be notified in writing of the increase and given information on what to do to seek advice and support Those affected by the will be specifically contacted the Income Management Team	Hazel Neasham Head of Housing	March 2016
Some tenants will experience an accumulative impact as a result of the Welfare Reforms and other financial pressures	The Housing Service has introduced a dedicated money advice service to address these issues. They are able to target those who are affected by the Welfare Reforms and in combination with the Housing Officers identify tenants who are experiencing difficulties paying the rent	Hazel Neasham Head of Housing	On going
	Advice and information is regularly provided to tenants via Hot News and this is supplemented with information leaflets and information on the Council Website	Hazel Neasham Head of Housing	On going
	Work is on-going with the Credit Union to provide tenants with an affordable alternative to “payday” and “door step” loans. The Council’s Website also provides a link to Smarterbuys	Hazel Neasham Head of Housing	On going
The impact of Affordable Rents may have an impact on Housing choices	The impact will be carefully be monitored to identify any negative impacts	Hazel Neasham Head of Housing	On going

Performance Management	
Date of the next review of the EIA	December 2016
How often will the EIA action plan be reviewed?	Annually with the setting of the HRA budget
Who will carry out this review?	Housing and Building Services