

# **DARLINGTON BOROUGH COUNCIL**

## **BUDGET BOOK 2015-16**

### **INTRODUCTION**

The purpose of this book is to provide a single reference document containing key information relating to the Council's budgets for 2015-16 and medium term financial plans for 2015-16 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 2015-16 to 2019-20 and Revenue Budget 2015-16 – report of Chief Officers Executive to Council 26 February 2015.
- 1.2 Capital Programme 2015-16 – report to Council 26 February 2015.
- 1.3 Setting the Council Tax for 2015-16 – report to Council 26 February 2015.

#### **Section 2**

- Housing Revenue Account - Revenue Budget 2015-16 – report to Council 26 February 2015.

## **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.

During the period 2010/11 to the forthcoming year 2015/16 the Council's comparable government funding will have reduced in cash terms by £23.3m which in real terms (after taking inflation into account) equates to £33.8m, a 42% reduction. In response, by the end of 2014/15 the Council will have reduced expenditure by over £25m leading to workforce reductions of 564, with plans to save a further £10.3m.

It is predicted that comparable Government funding in real terms will reduce by a further £16.5m by 2020 in addition to the £33.8m already lost since 2010, an overall real terms decrease of £50.3m, a significant 57%.

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 1<sup>st</sup> April 2015 is projected to be £21.307M.

The Council has set a revenue budget of £81.119M for 2015-16 which is summarised at group level below:-

	£M
People	31.885
Children's Services	16.716
Economic Growth	12.351
Neighbourhood Services and Resources	22.406
Financing Costs	3.230
Council Wide Pressures/(Savings)	(0.753)
Contingencies	0.835
Contribution from revenue balances	(5.551)
<b>Total net revenue budget</b>	<b>81.119</b>

The budget is funded by:-	£M
Council Tax	39.291
Revenue Support Grant	17.938
Top Up Grant	3.979
Business Rates Scheme	18.031
New Homes Bonus	1.880
<b>Total</b>	<b>81.119</b>

A detailed report prepared by the Chief Officers Executive (COE) was presented to Cabinet on 2 December 2014 for consultation. The views of Efficiency & Resources Scrutiny Committee were fed back to Cabinet on 17 February 2015. The results of the consultation and other updates were considered at the meeting and amendments were made to the budget that was recommended to Council on 26 February 2015.

### **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 £118M from 2015-19.

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 £19.5M is available for the development of new council housing, of which £10.8M is remaining for up to an additional 90 new homes in addition to the 78 new homes already in the pipeline.

Feasibility is underway to develop a number of proposals with a view to submitting a bid for grant funding from the Homes and Communities Agency (HCA).

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 2015-18 was approved at the Council meeting on 26 February 2015 after being considered at a special Audit Committee on 6 February, 2015. 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):-

$$\frac{\pounds 39,291,000}{31,101.0} = \pounds 1,263.34$$

This is the amount paid to the Borough Council for band D properties excluding the average Parish Precept. This represents an increase of 1.99% in Council Tax levels from 2014/15.

Properties are categorized in eight valuation bands (based on estimated market values as at 1<sup>st</sup> 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 2015-16 £
A	Up to 40,000	6/9	842.23
B	40,001 to 52,000	7/9	982.60
C	52,001 to 68,000	8/9	1,122.97
<b>D</b>	<b>68,001 to 88,000</b>	<b>9/9</b>	<b>1,263.34</b>
E	88,001 to 120,000	11/9	1,544.08
F	120,001 to 160,000	13/9	1,824.82
G	160,001 to 320,000	15/9	2,105.57
H	More than 320,000	18/9	2,526.68

In addition to the Council's own requirements, Council Tax bills include the Police Authority precept (£162.73 for Band D), Durham and Darlington Fire and Rescue Authority precept (£93.96 for Band D) and in parish areas the Parish Council's precept (ranging from £0.00 to £35.89 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 31<sup>st</sup> March 2016 is projected to be £9.7M.

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 2015-16 in accordance with this system.

**Paul Wildsmith**  
**Director of Neighbourhood Services & Resources**  
**April 2015**

The report to Council on 26 February 2015 in Section 1 of this book contains the following key information:-

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# Section 1

## **General Fund Revenue and Capital Budget**

### 1.1 Medium Term Financial Plan 2015-16 to 2019-20

- report of Chief Officers Executive to Council 26 February 2015

### 1.2 Capital Programme 2015-16 to 2018-19

- report to Council 26 February 2015

### 1.3 Setting the Council Tax for 2015-16

- report to Council 26 February 2015

## **Section 1.1**

# **General Fund Revenue and Capital Budget**

### **1.1 Medium Term Financial Plan 2015-16 to 2019-20**

- report of Chief Officers Executive to Council 26 February 2015



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**MEDIUM TERM FINANCIAL PLAN  
2015/16 TO 2019/20**

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

**Responsible Director - Chief Officers Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To approve a Medium Term Financial Plan for 2015/16 to 2019/20 including setting a budget for 2015/16.

**Summary**

2. Darlington Borough Council has to date been proactive in adapting to an environment of significant service pressure and resource reductions. During the period 2010/11 to 2015/16 there has been a £23.3m cash reduction in government grant which in real terms (after taking inflation into account) equates to £33.7m, a 42% real reduction with more cuts to come. This is in the context of rising demand for services, in particular social care where the increasing older population and high profile child cases are putting strain on the already financially challenged services.
3. 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 2014/15 – 2019/20 MTFP set out a forward strategy and phased approach to achieving the significant savings required over the period, focusing its planning and resources in three key areas that offer the best prospects of being in a position to continue to serve the public well into the long term. These areas, also described as conditions required are; Building strong communities, Spending wisely by maximising every public service pound spent, and Growing the economy.
4. The Council developed a staged approach to meeting the challenges and a two year budget within a six year planning horizon. The rationale being funding to 2015/16 is known but beyond this point is subject to change; this strategy allows new approaches to be tested to see what could be possible for future years and also given the sheer size of change required over the period to 2020 a staged approach was needed given the Council's capacity and the public's capacity to engage and understand the change required in the Borough.

5. The Council is making progress towards achieving the financial targets set within this strategy and this is detailed within the report. Whilst the savings previously agreed along with the use of additional balances and a proposed 1.99% Council Tax increase will deliver a balanced budget for 2015/16, beyond this period further significant cost reductions will be needed.
6. This report does not recommend any further reductions to service levels but recognises that significant budget savings will need to be developed for consultation in autumn 2015.

## **Recommendations**

### **7. Council are requested to:-**

- (a) Approve the Revenue MTFP as summarised in Appendix 7 including the following:-
  - (i) A 1.99% Council Tax increase for 2015/16 and subsequent years.
  - (ii) Schedule of charges as set out in **Appendix 3**.
  - (iii) Use of a further £3.754m of revenue balances to fund revenue expenditure.
  - (iv) Transfer £2.0m to the decommissioning and redundancy reserve fund.
  - (v) Additional resources of £465,000 for the continuation of the services currently covered by the Local Welfare Provision Grant.
  - (vi) A delegation for Cabinet to vary the Revenue budget for 2015/16 by up to £0.5m without further Council Approval.

## **Reasons**

8. The recommendations are supported by the following reasons :-
  - (a) To enable the council to continue to plan services and finances over the medium term.
  - (b) To set the 2015/16 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

Elizabeth Davison: Extension 2601

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

9. During the period 2010/11 to the forthcoming year 2015/16 the Council's comparable government funding will have reduced in cash terms by £23.3m which in real terms (after taking inflation into account) equates to £33.7m, a 42% reduction. In response, by the end of 2014/15 the Council will have reduced expenditure by over £25m leading to workforce reductions of 564, with plans to save a further £10.3m.
10. It is predicted that comparable Government funding in real terms will reduce by a further £16.5m by 2020 in addition to the £33.8m already lost since 2010, an overall real terms decrease of £50.3m, a significant 57%.
11. 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.
12. 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.
13. 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.
14. The 2014-15 MTFP proposals took account of the public's views and set out a strategy for savings along with the conditions that would be required to achieve those savings whilst maintaining services. The conditions described in paragraph 20 below were Building Stronger Communities, Spending Wisely and Growing the Economy. Savings of £13.752m were identified to be achieved by 2016/17 and it was noted a further £10.341m would be required by 2019/20.
15. This report reinforces the council priorities, the strategy set and the progress made towards these savings along with an updated resource plan.

## Updated Information and Changes to the Draft MTFP

16. 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:-

<b>No.</b>	<b>Change</b>	<b>Effect</b>	<b>Para.</b>	<b>App.</b>
1	Council Tax base projections increased due to updated intelligence on additional properties and effect of Council Tax Reduction Scheme	Improved Income projection	51,61	7
2	New Homes Bonus projections reduced due to updated intelligence on properties	Reduction in Income projection	46,61	7
3	NNDR projections reduced due to updated intelligence (including reduction in projected RPI)	Reduction in income projections	56,61	7
4	Revised assumptions for RSG	Improved income projection for 15/16 due to better draft settlement but projected reductions in 2018/19 & 2019/20.	46,61	7
5	Removal of Pay Award Savings from Departmental Budgets	Higher level of balances available to support the GF	70, 78	7,8
6	Projected Outturn for 2014/15 has been updated to include latest projections. Projected balances at 31 March 2015 have increased by £2.440M to £21.307M	Higher level of balances available to support the GF	76	7
7	Increased Collection Fund Surplus on Council Tax due to better than expected income levels	Higher level of balances available to support the GF	76	7
8	Reduction in Financing Costs by rescheduling Minimum Revenue Provision (MRP)	Debt repayment lowered from 4% to 2% on old debt, therefore higher level of balances available to support the GF	62, 78	7,8
9	Risk Reserve reviewed and reduced by £1M due to reduced risk of Equal	Higher Level of balances available to support the GF	76	4,7

	Pay Settlements			
10	Loan of £1M to Achieving Real Change in Communities (ARCC) to support the Probation Service in the Tees Valley	Reduced level of balances available to support the GF	76	7
11	Economic Growth savings have improved due to increased activity in the market	Reduced net pressures and improved income projections	62, 78	6,7,8
12	Reduction in Local Welfare Provision Administration Grant due to service efficiencies	Reduction in service expenditure and increase in available balances to support GF	7e, 71,78	
13	Increase in Public Health grant to cover Transfer of commissioning of children's 0-5 public health services	No effect on MTFP as increased grant is matched by expenditure	60	8
14	Final RSG Settlement is £0.163M higher than anticipated	Improved income projections & increased level of balance to support the GF	46, 61, 77, 78	7

## A Vision for Darlington

17. The Council has very clear priorities which are set out in the Community Strategy - One Darlington Perfectly Placed (ODPP), and developed in partnership with public services, business and the voluntary and community sector.
18. The Strategy was refreshed and endorsed by Council 8 May 2014, whilst the core vision of creating and maintaining a good quality of life by and for everyone in Darlington (One Darlington), and about making Darlington the best possible place to live and work (Perfectly Placed) remain the same, the outcomes and conditions to achieve those outcomes were updated to reflect the priorities in the current climate where the financial position of the council and the economy as a whole has been through significant change.
19. Fairness for all is central to all the outcomes identified as key for the continued delivery of the vision and the financial challenges also require a need to focus on Economic Growth in order to counter the impact of the financial climate. The outcomes identified as key to ensuring the vision are:
  - (a) Children with the best start in life
  - (b) A safe and caring community
  - (c) More people active and involved
  - (d) More people healthy and independent
  - (e) More businesses and more jobs

- (f) More people caring for our environment
  - (g) Enough support for people when needed
  - (h) A place designed to thrive.
20. In order to achieve these ambitions in a climate of significantly reduced public spending the ODPP identifies the following conditions which are key to achieving the MTFP.
- (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.
21. The 2014/15 – 2019/20 MTFP was built around these conditions and we are in the early stages of the journey towards achieving them. The following section notes the progress made to date.

### **Progress towards Meeting the Gap**

22. Last year's MTFP explored the potential to make the required savings by stopping all discretionary services. Notwithstanding the public concern in doing this it was found that the long term MTFP could not simply be balanced by ceasing all discretionary service spends due to the vast majority of the budget being spent on the statutory minimum level of services. A radical change was required and as Darlington depends highly on discretionary services to create the conditions for growth and prosperity, key to a thriving future for the Borough, plans needed to include the continued provision of some discretionary services. In short, the Council needed to address how it delivers legally required services and to what level it provides them as well as looking at what and how it delivers discretionary services and all such considerations need to be taken against the top priorities of One Darlington Perfectly Placed (ODPP) and the legal framework within which Local Government operates.
23. The Council developed a staged approach to meeting the challenges and a two year budget within a six year planning horizon. The rationale being funding to 2015/16 is known but beyond this point is likely to be subject to change; it allows new approaches to be tested to see what could be possible for future years and also given the sheer size of change required over the period to 2020 a staged approach was needed given the Council's capacity and the public's capacity to engage and understand the change required in the Borough.

24. The initial phase of delivery involved reducing expenditure by £7.219m by 2015/16 leading to annual savings of £13.752m by 2016/17. The targets were ambitious and good progress is being made in achieving the savings with £3.625m already delivered in 2014/15. Progress being made in achieving these savings is noted below, and whilst at this early stage there is an anticipated shortfall of £3.1m in 2016/17 due to policy change, slippage and additional pressures, this shortfall reduces in future years as the measures being implemented under the economic growth strategy start to take effect. A summary is shown in **Appendix 6**.

## **Building Strong Communities**

### Transfer of responsibility for services to others – Head of Steam Museum and Cockerton Library. £300k

25. Following review of the options available set against the importance the Council gives to the heritage of Darlington a decision was taken to reinstate the £265k budget for the Head of Steam. A team is now working alongside colleagues from broader heritage campus projects on remodelling the museum with a view to exploring models that will be sustainable in the long term.
26. Cockerton Library work is ongoing, engaging with a number of interested parties looking at alternative development models for transferring the service to another party by June 2015.

### Public involvement and demand reduction in street cleansing and parks and open spaces. - £600k

27. The concept of the project is to reduce demand for services by encouraging the public to reduce the amount of litter they drop, encourage the public to collect litter that is dropped and for the public and groups to adopt and/or maintain pieces of land. This is a long term goal and internal work has secured £400k savings in the first instance to allow work with the public to build.
28. Work continues on demand reduction, the initial phase of the work for the litter element, under the “Love Where you Live”; Keep Britain Tidy (KBT) banner, is aimed at encouraging public involvement in litter collection in areas where litter collection demand is high. The project team are working with local Councillors, Street Champions, local groups, housing officers and street scene staff to encourage involvement. Other work on the litter strand includes the “Green Feet” - KBT initiative and continuing to work with Litter Free Durham on their annual Spring Clean. Alongside this, the remodelling of Street Scene will see five dedicated Street Orderly/barrow routes focusing on the main arterial roads into town as well as supporting community initiatives.
29. The open spaces element is less developed and more challenging, detailed analysis following project initiation has identified limited scope for public involvement beyond cutting verges outside their properties. However Groundwork have been successful in gaining £80k from the Rethinking Parks programme, which is a fund to support organisations and partnerships to develop, implement and spread new approaches to sustaining and making the most of the UK public parks.



It is a partnership between the Big Lottery Fund, Heritage Lottery Fund and NESTA. The final project will work in partnership with Darlington Cares, Darlington Borough Council and the Friends of South Park, North Park and the Denes to look at developing long term strategic relationships with local businesses. A tool library has also been made available to Street/Green Champions and Friends Group members enabling them to borrow items to help and improve open spaces in their local area.

#### Voluntary sector – co production of services - £200k

30. Work has begun on reviewing Strategic Grant to the voluntary sector. The proposed saving of £50k in relation to the grant to the CAB will be achieved in 2015-16 with a review of infrastructure support (£46k) ongoing and the intention is that a commissioning process for both services will be carried out. It is not anticipated at this stage that savings will achieve the profile in the current MTFP with savings of £50k in 2015/16 and a further £45K in 2016/17 as oppose to the £100k rising to £200k in the MTFP.

### **Growing the Economy**

#### Economic Growth - £1.5m

31. There is a significant amount of activity ongoing in this area. We have seen an increase in the number of houses built which has improved our council tax and new homes bonus targets. There is a number of new business developments either planned or started which will assist in business rate growth, however there have been a number of successful valuation appeals made by businesses which has had a detrimental impact on the council's NNDR figures. It is anticipated the income target of £1.5m will be met, however, there will be slippage on the timescales; a pressure of £473k has been identified in 2016/17 although conversely thereafter there are savings culminating in an anticipated additional saving of £1.012M by 2019/20. This is evidence that the strategy of growing the economy and pump priming this area will pay benefits in the medium term.

### **Spending Wisely**

#### Public sector collaboration and joint commissioning - £1.3m

32. A shared management structure for commissioning and transformation across health and adult social care has now been implemented. The next key milestone is to further develop the joint commissioning and transformation programmes. This is the first stages of the process however at this early stage it is unlikely the full savings will be achieved in the timescales set and will need to be re-profiled over a number of years.
33. Anticipated collaboration with the Tees Valley Authorities in regard to waste collection has stalled however it has given the council the opportunity to renegotiate the waste contract and savings of £280k have been achieved and counted towards this target.

34. The Council is working with Richmondshire District Council to provide Legal and Procurement services. This could potentially deliver the council up to £60k per annum additional net income

Internal Efficiency improvements and restructuring - £800k

35. Through the rebasing exercise carried out earlier in the year and reported to Cabinet in July efficiency savings of £389k have already been identified and therefore the 2015/16 target has been achieved. Work is progressing to identify the balance of £411k for 2016/17.

Service redesigns - £1.602m

36. The budget advisory panels identified that some statutory areas redesign could achieve the same outcomes and likewise the cost of some key discretionary services could be further reduced whilst ensuring their continuation, these are:-
- (a) Refuse Collection - Revised alternate weekly Refuse/Recycling Service now implemented - £400k – on target to be achieved in October 2014.
  - (b) Dolphin & Eastbourne Leisure Facilities – work is ongoing on remodelling the Dolphin Centre and the current year savings have been achieved. Whilst the majority of the 2015/16 savings will be achieved, pressures in the Dolphin Centre income mean it is unlikely the full saving will be achieved in 2016/17.
  - (c) Homelessness Service – contracts have been re-commissioned and the current year savings achieved. However, decisions taken to improve the quality of housing support through the Multi Agency Safeguarding Hub (MASH) through a temporary specialist worker, and a decision to defer the review of the Key Point of Access for a year has meant that the savings will be under target by £95k in 2015/16.
  - (d) Lifeline Services – Draft model and mitigating actions developed which will deliver the savings. Consultation and Equality Impact Assessments are underway with the project due to be completed in the autumn with savings anticipated to be achieved.
  - (e) CCTV –Staffing savings of £38k achieved. A feasibility study into a wireless camera system has been undertaken and at this point there is concern at the reliability of the signal, it is therefore prudent to assume this saving of £42k will not be achieved.
  - (f) Crown Street Library – Savings fully achieved in 2014/15 - £45k.

Adult Social Care - £3m

37. The managing cost of care programme contains a number of projects designed to increase the efficiency of processes and manage demand on Adult social care services. Phase 1 of this programme has been successful in beginning to change both culture and processes which has resulted in a reduction in care package costs

which should result in continued incremental savings. To date at the third quarter £700k of the target £1m savings have been achieved however progress has been slowed due to an unexpected budget pressures as a result of the Cheshire West Deprivation of liberty (DOLS) judgement and therefore the target for the year may not be fully achieved. Further areas of work are about to be initiated including a review of intake and re-ablement (structure and processes) which are expected to result in further incremental savings contributing to the overall target.

#### Children's Social Care - £1.75m

38. The proposed savings in this area are reliant on a continued decrease in numbers and cost of looked after placements as a result of targeted family support. Individual cost of external fostering placement is now subject to a Tees Valley Fostering Framework which provides a reduced cost with specific named providers, this approach is also being finalised for residential placements. The number of looked after children has seen an increase in overall terms but this does not reflect the complexity beneath. Recent legal judgements have resulted in an increase of placements now deemed looked after including a remand placement, and within this figure are children awaiting final adoption orders. Thus the increase in numbers reflects changes in the national guidance regarding who is now 'deemed looked after' and how those placements are financed. An additional factor affecting the savings is the requirement for two secure placements for complex young people which together cost £52,733 per month. Because of their complexity their 'follow on' placement may also be at a similar cost. On this basis the forecast savings of £1m for 2015/16 will be difficult to achieve as these two placements alone may cost £650k, despite reduction in other areas. It is therefore anticipated £500k of the savings target will be achieved.

#### Public Health Recommissioning of Services - £2.7m

39. A specific Public Health board has been established to look at the priorities for Public Health and commissioning decisions to ensure we are achieving the best possible outcomes with the funding available. The savings for 2015/16 have already been identified and the group is comfortable the target will be achieved.

#### **Progress summary**

40. Whilst the summary of savings highlight not all are anticipated to be achieved we are learning from the work that has been done so far and testing new approaches which will allow us to build on successes to help meet the substantial future challenge.
41. The following sections outline the council's financial context and provide an update on the current financial position.

#### **Financial Information and Analysis - Income**

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

projections.

## Core Government Funding to Local Government

43. The Governments finance settlement proposals announced on the 18 December 2013 covered both 2014/15 and 2015/16 and were built into the MTFP. The 2015/16 settlement was confirmed on the 18 December 2014 and was not significantly different from that anticipated.
44. In addition to the 2015/16 settlement detail, further projections of Local Government Funding go beyond 2015/16 and although indicative they are the best information available and represent a continuation of the existing austerity measures. The production of the income projections in future years are based on information provided by the Local Government Association (LGA) and confirmed by LG Futures a well renowned consultancy working in the area of Local Government finance who have recently provided an updated position following the announcement on the 18 December 2014. Consequently, the projections in the following paragraphs represent a sound projection for up to 2020 however they could change if Government policy changes.
45. **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, this has a negative impact on Darlington and the North East in general due to the proportionally lower demand for housing. However as part of the financial strategy to combat the grant cuts, the Council is working towards and is being successful in increasing housing numbers. The current financial rewards in terms of NHB are £1,455 per band D equivalent property with an additional £350 for affordable housing.
46. Set out in the table below is the analysis of government funding from the current financial year to 2019/20 which demonstrates an expected reduction in the region of a further £17.0m in cash terms and around £20.9m in real terms.

	2014/15 £m's	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Revenue Support Grant	24.730	17.938	13.392	9.613	6.097	5.290
Top up Grant	3.904	3.979	4.062	4.178	4.319	4.468
New Homes Bonus	1.341	1.691	2.068	2.194	2.275	2.432
NHB - Additional property growth contributing to MTFP savings	0.000	0.189	0.380	0.515	0.633	0.796
<b>TOTAL</b>	<b>29.975</b>	<b>23.797</b>	<b>19.902</b>	<b>16.500</b>	<b>13.324</b>	<b>12.986</b>

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

## Council Tax Income

48. Council Tax is by far the largest single funding stream and it will become an increasing percentage over the coming years as it represents 44% of all income in 2014/15 increasing to 57% by 2019/20, this is due to reducing government funding and planned annual increases of 1.99%, 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 £380,000 and that Darlington has the second lowest Council Tax in the North East Region.
49. The Government has again offered Councils a Council Tax freeze grant equivalent to a 1% increase which the government has agreed to build into baseline funding. In developing Cabinet's approach to Council Tax this offer has not been included in the plans as it would reduce council tax income by £339,000 in 2015/16 and a further £339,000 plus each year thereafter, therefore removing total funding of £2.3m for this plan.
50. All increases and reductions in the Council Tax base are attributed to the Council; historically a 0.5% increase has been added to the base as this has been the average increase in net growth (around 156 properties per annum). Current planning estimates anticipate growth levels to be far higher with an average of 352 properties over the period of this plan, an anticipated increase of 196 per annum. 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 during the year and it is anticipated to be at 98.5% in 2015/16.
51. Taking the above into account Council Tax income over the period of this plan is estimated as follows :-

	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
Council Tax Income incl 1.99% increase and normal 0.5% growth	38.675	39.641	40.631	41.647	42.687
Additional property growth contributing to MTFP savings	0.616	0.889	1.141	1.400	1.723
<b>Total Council Tax anticipated</b>	<b>39.291</b>	<b>40.530</b>	<b>41.772</b>	<b>43.047</b>	<b>44.410</b>

## National Non Domestic Rates (NNDR)

52. The Council retains 49% of NNDR collected and can gain or lose depending on whether the net tax collected increases or decreases. The Government via the valuation office sets rateable values and the rate paid in the pound is increased each year in line with the Retail Price Index (RPI). The business taxbase is far more volatile than the council tax base and requires very close monitoring. In addition to the potential to "lose" income due to business closures the Council also carries the risk of losing appeals by business against valuations.
53. Whilst there have been a number of successes in regard to economic regeneration and the subsequent increases in business rates, a number of rating appeals have

been granted through the Valuation Office during the course of the year which have had an overall damaging effect on the NNDR anticipated

54. 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.
55. The in-year collection rate target for NNDR is 97.2% and as at the end of December 2014 the actual collection figure is 80.6% as opposed to the equivalent figure in 2013 of 76.7%.
56. Taking the above into account the projections of NNDR are shown below

	2015/16 £m's	2016/17 £m's	2017/18 £m's	2018/19 £m's	2019/20 £m's
NNDR	18.031	18.445	19.165	19.807	20.491

### Collection Fund

57. 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.
58. The Council Tax Collection Fund is estimated to be in surplus by around £0.880M at the end of 2014/15, of which the Council's proportion is approximately 83%, or £0.730M, and this sum has been identified as available resources for the 2015/16 MTFP as due to statutory requirements any contribution from the Collection Fund can only be used in the years following the year in which it is recognised.
59. The Business Rates Retention Scheme Collection Fund is in its second year of operation and the year-end position is more difficult to predict. It is likely that there will be a deficit at year-end although this is expected to be met from the receipt of additional Section 31 grant from Government, which is paid to compensate Council's for the differing reliefs they are statutorily obliged to grant.

### Other Grants

60. Set out below are details of other grants received which are included in service budgets to offset the specific expenditure for which they are granted. The most significant change this year is to the Local Welfare Provision Grant of £407,000. This grant replaced the crisis loans and community care grants with responsibility for administering the grant transferring to Local Authorities in April 2013. The specific grant has been scrapped and there is an amount highlighted in the RSG of £366k, however as the overall allocation for RSG only increased slightly this is in fact a direct cut in budget. This significant reduction in grant will put another

pressure on the council budget if the scheme continues as recommended in paragraph 71 below. As Members will also note, the Welfare provision grant a case in point, that all these grants are subject to change in the short term so represent a risk going forward for the financial plan.

	<b>2015/16</b>
	<b>£m</b>
Public Health Grant	8.400
PFI	3.200
Troubled Families Grant	0.350
Discretionary Housing Payments	0.210
Youth Justice Board	0.296
Local Reform & Community Voices	0.090
Adult & Community Learning	0.897
Bus Service Operators Grant	0.027
Community Sports Activation Fund	0.045
<b>Total</b>	<b><u>13.515</u></b>

### **Total Income**

61. The table below shows the Council's estimated income for the period of this plan which shows a net cash reduction of £7.704m however after allowing for annual inflation of 2.5% this would represent a real term loss of £18.9m.

<b>Resources - Projected and assumed</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Tax	37.541	39.291	40.530	41.772	43.047	44.410
Business rates retained locally	21.979	22.010	22.507	23.343	24.126	24.959
Revenue Support Grant	24.730	17.938	13.392	9.613	6.097	5.290
New Homes Bonus	1.341	1.880	2.448	2.709	2.908	3.228
<b>Total Resources</b>	<b>85.591</b>	<b>81.119</b>	<b>78.877</b>	<b>77.437</b>	<b>76.178</b>	<b>77.887</b>

### **Financial Information and Analysis - Expenditure**

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

	Estimate 15/16 £M	Estimate 16/17 £M	Estimate 17/18 £M	Estimate 18/19 £M	Estimate 19/20 £M
<b><u>Summary of Pressures</u></b>					
Service Demand	0.679	0.737	0.749	0.757	0.763
Price Inflation	0.046	0.046	0.046	0.275	0.521
Reduced Income	1.124	0.933	0.947	0.953	0.959
Other	0.249	0.016	0.034	0.278	0.484
Current Savings Shortfall	1.167	3.081	2.248	1.605	0.848
Contingencies	0.200	0.200	0.200	0.200	0.200
Additional Savings offsetting pressures	(2.188)	(2.081)	(2.192)	(2.437)	(2.579)
	1.277	2.932	2.032	1.631	1.196

**N.B.** the Economic Growth pressures / (savings) shown below that are part of the Current Savings Shortfalls above are now included in Total Resources and are reflected in Business Rates retained locally.

	<b>2015/16 £m's</b>	<b>2016/17 £m's</b>	<b>2017/18 £m's</b>	<b>2018/19 £m's</b>	<b>2019/20 £m's</b>
Economic Growth	(0.036)	0.473	(0.111)	(0.504)	(1.012)

63. **The Care Bill** - At this stage no account has been taken of the potential pressures following the impending implementation of the Care Act 2014. This Act is the biggest change to adult health and social care law in over 60 years and is in response to the demographic changes where average life expectancy has increased from 68 to 80 over the last 60 years. One element of the act is the Care Cap set at £72,000. Many people currently pay for their own social care support however in the future there will be a limit to how much people pay for their care. This limit is called the 'Care Cap'. For older people (aged over 65) the cap will be £72,000 if you are assessed as having an eligible need for adult social care support when you are of pensionable age. The government has not yet said what the cap on care costs will be for someone who is assessed as having eligible needs when they are aged between 18 and pensionable age. This is an unknown burden on The Authority. The cap will not count money spent before 1st April 2016, and does not include living costs (i.e. food, rent, electricity and gas) of staying in a residential home.
64. Progress towards the cap will be monitored through a Care Account. This will have to be set up and monitored by the Authority, when the care cap is reached; the Local Authority then pays the costs associated with care. All residents of the borough that are self-funding their care and have an eligible care need will be able to open a care account with the local authority. To do so they will require an assessment.



65. Deferred Payments will come into law in April 2015. A deferred payment allows an individual to delay part of their payment for permanent residential accommodation. People who enter permanent residential care and wish to delay the sale of their home can do so under the Deferred Payment agreement. A legal charge is placed on the property (through Land Registry), this means that the property cannot be sold whilst the person is in residential care. At the end of the deferred payment agreement the full amount of care costs must be repaid to the Council. The agreement is in place for as long as the person is in residential care, the council can charge interest on this amount. Deferred Payments are already offered by the Council and there is an expectation that demand will rise due to National Communications Strategy
66. The act also brings about Changes to Eligibility & Assessments (this is not expected to impact Darlington hugely as the eligibility criteria for us is not likely to change) but the increase in assessments for both self-funders and carers (who have more rights under the act) could rise by between 30 – 40%. The Act could have significant financial implications for the Council from paying for care above the Care cap to an increase in staffing required for assessment and administration. There is still a significant amount of uncertainty on the funding for this Act so at this stage nothing has been included however a close eye will need to be kept as the act unravels.
67. **Minimum Revenue Provision** - Local authorities are required each year to set aside some of their revenues as provision for expenditure financed by borrowing or credit arrangements i.e. debt. In the past the Council received grant funding for repayment of debt through the Revenue Support Grant (RSG) at a rate of 4% for debt that had been granted under the system used before the Prudential Code. This was then used to repay debt via the Minimum Revenue Provision. More recently under the new finance funding system those direct linkages have disappeared and RSG has and will continue to be reduced substantially
68. In light of these stringent financial times and the challenging savings targets the Council needs to make, to maintain the level of debt repayment at 4% or £2.393M would not be prudent and would potentially lead to cuts in operational services that could be delayed or avoided. There is no set definition of what the MRP amount should be, the duty is for the authority to make a provision it considers to be prudent. It is proposed that the level of debt repayment be reduced to 2% (£1.196M), a similar level was used for the repayment of debt on housing properties until the Local Government Act 2003 when the repayment of any debt for Housing became discretionary.
69. **Fees and charges** - The Council raises income from fees and charges and these are reviewed each year. **Appendix 3** proposes revision to existing levels and if approved these will increase income by £38k and estimates have been prepared assuming their approval. The increase expected is low as account has been taken of price resistance and the economic climate.
70. Taking the above into account projected expenditure based on current service levels and policy is set out in the table below :-

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m
People	32.921	31.885	31.745	32.530	33.034	33.540
Children's Services	15.873	16.716	16.752	16.935	17.244	17.535
Economic Growth	11.250	12.351	12.399	12.866	13.275	13.640
Neighbourhood Services and Resources	22.619	22.406	22.526	23.037	23.543	24.075
Financing costs	2.936	3.230	3.453	3.398	3.243	3.142
Council Wide Pressures/(savings)	(0.804)	(0.753)	(3.290)	(3.527)	(3.765)	(4.003)
Contingencies	0.705	0.835	1.885	1.925	1.975	2.025
<b>Total Expenditure</b>	<b>85.500</b>	<b>86.670</b>	<b>85.470</b>	<b>87.164</b>	<b>88.549</b>	<b>89.954</b>

### Local Welfare Provision Grant Loss

71. In addition to current policy, Cabinet may wish to consider additional funding to cover the loss of the Local Welfare Provision Grant of £465k.
72. The Local Welfare Provision grant was introduced in April 2013 to replace the Community Care Grant and Crisis Loan scheme that had previously been administered by the Department of Work and Pensions to support vulnerable people to return to or remain in the community or to ease exceptional pressure on families.
73. Darlington's initial allocation provided funding for £407K of crisis support; it also included a further payment of £79k for the administration of the grant which has funded two additional posts in the Council Tax and Benefits Service. Of the £79k, only £58k is required due to efficiencies made within the service.
74. To ensure that the crisis support for the most vulnerable in our community is maintained it is proposed that the £465K be included as a growth item in the Council's budget. This money should be directed towards providing continued crisis support and tackling the causes of crisis including financial advice, affordable loans and tackling fuel costs.
75. This reduction in Local Welfare provision grant is in addition to the reduced government subsidy for Council Tax benefits that was rolled into the Finance Settlement after being cut by over 10%. It will continue to fall in line with the current policy so that by 2019/20 Darlington will have lost a further £2.444m since this change meaning the Borough will have lost £2.930m in total in addition to national reductions in welfare benefits. Such reductions continue to put a direct strain on Council finances and those of individuals leading to increased demand on Council services.

### Financial Information and Analysis - Revenue Balances

76. Revenue balances are available to cover financial risks and to meet one off expenditure which includes bridging budget gaps in financial years to assist with implementing cost reductions in a planned and sustainable way. Each year an

estimate is made of the amount that should be retained to cover risks and this is set out at **Appendix 4**. Taking the assessment into account and the latest financial projections for 2014/15 (see **Appendix 5** for detail), the balances position is set out below

	£m's
Revenue Balances at 31 March 2015	19.815
Add MRP saving for 14/15	1.492
Add collection fund surplus	0.730
Total balances anticipated at 31 March 2015	22.037
Less ARCC loan	(1.000)
Less Risk Balances	(4.330)
Less planned usage 2015/16-16/17	(8.390)
Available to use over the life of the MTFP	8.317

77. It is proposed that £0.916m of this balance is used to meet the increased 2015/16 funding gap, £2.838m used to close the gap in the 2016/17 funding and £2m transferred to the decommissioning and redundancy reserve fund to assist with implementing the cost reductions post 2015/16. This would then leave £2.563M in Revenue Reserves available to further support the General Fund.

### Financial Information and Analysis - Initial Revenue Budget Projections

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

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Estimated Expenditure	85.357	83.011	85.021	86.414	87.746
Add Pressures / Additional savings	1.313	2.459	2.143	2.135	2.208
	86.670	85.470	87.164	88.549	89.954
Less					
Estimated Income	(81.119)	(78.877)	(77.437)	(76.178)	(77.887)
Use of Revenue Balances previously agreed	(4.635)	(3.755)			
Proposed further use of Revenue Balances	(0.916)	(2.838)			
<b>Budget Deficit</b>	0.000	0.000	9.727	12.371	12.067

79. The above table demonstrates the significance of the continued financial challenge the Council faces. The 2014/15 MTFP set out the conditions required to meet the financial challenge and we are on the early stages of the journey. Some of the savings targets have already been achieved and there is a strong and positive indication that the economic growth strategy is growing momentum with savings over and above the targets set last year anticipated in 2017/18 onwards. However the challenge cannot be under estimated, the biggest challenge being the magnitude and immediacy of the savings required from 2017/18.

80. Officers will be working on potential savings options to present to the new administration after the local council and national elections. At this time there should be more clarity about Government funding and the new council can decide on its priorities for the following four years and how it wants to deal with the funding deficit.
81. Subject to the approval of the contents of this report at **Appendix 7** is the proposed MTFP and at **Appendix 8** are the supporting detailed estimates.

## **Conclusion**

82. The Council continues to face significant financial challenges with pressure increasing on a number of fronts. Steady progress has been made in achieving the targets set out in the 2014/15 – 2019/20 MTFP which significantly reduce the gap in future years however at this early stage it is clear some savings are not achievable and additional pressures have also been identified during the year.
83. The use of balances can address the 2015/16 & 2016/17 funding gap but beyond that best financial projections show that the Council will need to deliver either more income or further expenditure reduction by 2017/18. The current strategy gives the Council, its partners and the public the opportunity to test out new approaches and build learning and capacity to assist in the delivery of financial sustainability however it is clear that following the elections in May 2015 the new administration will need to review the progress made over the summer period and immediately take action to address the future year funding gap.

## **Consultation**

84. There have been a number of questions of clarification from members of the public with regard to the article in the Darlington together magazine however no specific feedback.
85. The Efficiency and Resources Committee met on the 29 January to consider the draft MTFP. The minutes are shown in Appendix 9 however in summary there was a majority support for the overall strategy and direction of travel along with the proposed council tax increase of 1.99%.

## **Comments of the Director of Neighbourhood Services and Resources**

86. As the Council's Statutory Chief Financial Officer I must advise Council on the robustness of the budget and adequacy of reserves. The budget presented to Members in this report has been based on the most accurate information available therefore I can be confident that they are an accurate reflection of the Council's financial position. General Reserves are adequate however the Council is carrying a very significant risk in terms of the need to reduce expenditure, it is essential that cost reductions are planned in 2015 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 savings.

## APPENDICES

Appendix 1	Assumptions used to prepare estimates
Appendix 2	Budget Pressures
Appendix 3	Fees & Income Proposals
Appendix 4	Assessment of Risk Balances
Appendix 5	Projected Revenue Outturn 2014/15
Appendix 6	Progress on Savings identified in the 2014/15 MTFP
Appendix 7	Proposed Medium Term Financial Plan 2015 to 2020
Appendix 8	Detailed Estimates
Appendix 9	Efficiency and Resources Scrutiny consultation feedback.

## APPENDIX 1

### KEY ASSUMPTIONS USED IN PROJECTED RESOURCES, EXPENDITURE AND INCOME 2015-20

Factor	Assumption
<b>Resources</b>	
Council Tax base	Variable depending on projected additional properties.
Council Tax	1.99% increase in each year
Council Tax collection	98.5% collected
Government Grants	Government grants for 2015-16 as indicated in settlement, confirmed December 2014.
	Increase in Business Rates Scheme and Top Up Grant of 1.91% 2015-16, 2.1% 2016-17, 2.9% 2017-18, 3.4% 2018-19 & 2019-20 (projected RPI).
	Reduction in Revenue Support Grant of 28% in 2015-16, 25% in 2016/17, 28% in 2017/18, 37% in 2018/19 and 13% in 2019/20.
<b>Expenditure</b>	
Pay inflation	2016-17 onwards 2.0%.
Price inflation	Only contractual inflation on running costs, Members Allowances 0% increase in 2015/16
Local Government Pension Scheme	Employers contributions 18.5% of pensionable pay – the current rate
<b>Financing Costs</b>	
Interest rates payable	Average rate on existing debt 2015-16, 4.17%; 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	2015-16, 3.08%; 2016-17, 3.25%; 2017-18, 4.05%; 2018-19, 4.50%; & 2019/20, 4.50%.
Interest rates receivable	2015-16, 0.60%; 2016-17, 1.25%;. 2017-18, 1.75%; 2018-19 2.25% & 2019-20 2.75%.
<b>Income</b>	
Inflationary increases	Various based on individual service considerations

<b>Pressures</b>	Estimate 15/16	Estimate 16/17	Estimate 17/18	Estimate 18/19	Estimate 19/20
	£M	£M	£M	£M	£M
<b>Increased Demand</b>					
Alternative Regular Allowances, increased placements and increased rates following Liverpool judgement	0.350	0.350	0.350	0.350	0.350
Additional 2.5 fte Social Worker posts within area teams	0.065	0.078	0.087	0.094	0.098
Changes to MCA/Dols assessments	0.173	0.173	0.173	0.173	0.173
2 new recovery officers in Local Taxation to collect in-year arrears	0.047	0.049	0.050	0.050	0.051
Continuation of Customer Services 4 advisor posts	0.044	0.087	0.089	0.090	0.091
	<b>0.679</b>	<b>0.737</b>	<b>0.749</b>	<b>0.757</b>	<b>0.763</b>
<b>Price Inflation</b>					
Utility / NNDR inflation not budgeted	0.000	0.000	0.000	0.079	0.163
Concessionary Fares	0.000	0.000	0.000	0.069	0.145
Waste Disposal contract	0.000	0.000	0.000	0.051	0.105
Vehicle fuel	0.000	0.000	0.000	0.030	0.062
Increased postage prices	0.019	0.019	0.019	0.019	0.019
Increase Tender price for Occupational Health	0.027	0.027	0.027	0.027	0.027
	<b>0.046</b>	<b>0.046</b>	<b>0.046</b>	<b>0.275</b>	<b>0.521</b>
<b>Reduced Income</b>					
Loss of SLA income from schools due to formula change	0.017	0.017	0.017	0.017	0.017
Anticipated increases in car park income not realised	0.100	0.100	0.100	0.100	0.100
Loss of income associated with 3 for 2 and reduced fees in car parks	0.195	0.000	0.000	0.000	0.000
Loss of Building Control Income	0.016	0.016	0.016	0.016	0.017
End of HPDG funding	0.169	0.172	0.175	0.179	0.183
Reduction in maintenance surplus	0.014	0.014	0.014	0.014	0.014
Crematorium Income has fallen over a number of years following opening of other facilities	0.040	0.041	0.042	0.044	0.045
Social Fund Admin Grant Government funding stopped 15/16	0.058	0.058	0.058	0.058	0.058
Social Fund Programme Grant Government funding stopped 15/16	0.407	0.407	0.407	0.407	0.407
Reduction in Housing Subsidy Admin Grant	0.066	0.066	0.066	0.066	0.066
Reduced court cost income	0.022	0.022	0.022	0.022	0.022
Reduced CDM fees in Health & Safety due to regulation changes	0.020	0.020	0.030	0.030	0.030
	<b>1.124</b>	<b>0.933</b>	<b>0.947</b>	<b>0.953</b>	<b>0.959</b>
<b>Other</b>					
Maintenance costs associated with retaining current level of CCTV cameras	0.025	0.026	0.027	0.028	0.029
Reinstatement of Estates Officer post due to increased demand	0.045	0.046	0.047	0.048	0.049
Previously identified savings unlikely to be achieved due to delay in DWP implementing new systems	0.053	0.053	0.053	0.053	0.053
Contribution towards Heritage Campus project with SCC/DCC	0.040	0.040	0.040	0.040	0.040
Cost of Enforcement software and associated costs for Parking	0.009	0.009	0.009	0.009	0.009
Net impact of Business Growth Hub	0.061	0.040	0.071	0.064	0.030
Other	0.016	(0.198)	(0.213)	0.036	0.274
	<b>0.249</b>	<b>0.016</b>	<b>0.034</b>	<b>0.278</b>	<b>0.484</b>

	Estimate 15/16 £M	Estimate 16/17 £M	Estimate 17/18 £M	Estimate 18/19 £M	Estimate 19/20 £M
<b>Current Savings Shortfalls</b>					
Shortfall in Homeless MTFP target saving	0.095	0.095	0.095	0.095	0.095
Projected shortfall on current MTFP savings target	1.000	1.250	1.250	1.250	1.250
Feasibility of Wireless CCTV flagged risk due to issues with reliability of signal	0.042	0.042	0.042	0.042	0.042
Economic Growth pressures / (savings)	(0.036)	0.473	(0.111)	(0.504)	(1.012)
Changes to testing regime for swimming pool has impact on cost	0.016	0.016	0.017	0.017	0.018
Saving not achievable from working with Public Health on Healthy Darlington	0.000	0.085	0.085	0.085	0.085
Removal of Savings Target for Head of Steam	0.000	0.265	0.265	0.265	0.265
Voluntary Sector Savings target shortfall	0.050	0.105	0.105	0.105	0.105
Collaboration shortfall	0.000	0.750	0.500	0.250	0.000
	1.167	3.081	2.248	1.605	0.848
<b>Contingencies</b>					
Potential increase in Adult Social Care packages	0.200	0.200	0.200	0.200	0.200
	0.200	0.200	0.200	0.200	0.200
<b>Savings</b>					
Young Inspectors, ending of service	(0.014)	(0.014)	(0.014)	(0.014)	(0.014)
Reduction in Commissioning team	(0.008)	(0.009)	(0.009)	(0.009)	(0.009)
Assumed continuation of Education Services Grant	(0.349)	(0.500)	(0.500)	(0.500)	(0.500)
Childcare Sufficiency audit, ending of the requirement	0.000	(0.025)	0.000	0.000	(0.025)
Lifeline MTFP savings achieved a year ahead of target (Supporting People)	(0.133)	0.000	0.000	0.000	0.000
Reduction of base inflation from 6% to 4% following partnership working with SCC	(0.061)	(0.129)	(0.203)	(0.284)	(0.373)
Concessionary Fares reduction of base budget as per 14/15 fixed price	(0.107)	(0.111)	(0.115)	(0.120)	(0.125)
Reduction of base budget as per agreed reductions with TVU	(0.023)	(0.024)	(0.024)	(0.025)	(0.025)
Dolphin Centre borrowing cheaper than anticipated	(0.039)	(0.039)	(0.039)	(0.039)	(0.039)
Slippage on Housing New Build	(0.200)	0.000	0.000	0.000	0.000
Staff savings on Fitting Shop and Blacksmiths	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)
Financial Assessments additional income	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Savings in members support budgets	(0.011)	(0.012)	(0.012)	(0.012)	(0.012)
Reduced financing costs	(1.173)	(1.148)	(1.206)	(1.364)	(1.387)
Reduction in running costs at Depot	(0.055)	(0.055)	(0.055)	(0.055)	(0.055)
	(2.188)	(2.081)	(2.192)	(2.437)	(2.579)
<b>Total net pressures</b>	1.277	2.932	2.032	1.631	1.196

<b>Contingencies (from previous years)</b>					
Adults Packages	0.235	0.235	0.235	0.235	0.235
Employers pension increase	0.300	0.350	0.390	0.440	0.490
NI increase	0.000	1.000	1.000	1.000	1.000
Organisational Planning Headroom	0.100	0.100	0.100	0.100	0.100
	0.635	1.685	1.725	1.775	1.825

N.B. The Economic Growth pressures / (savings) shown in the Current Savings Shortfall are now reflected in available resources under 'Business Rates Retained Locally'



## SCHEDULE OF CHARGES 2015/16

Description	Existing Charge £	New Charge £	Financial Effect £
<b>LEARNING SKILLS – LEARNING FOR LIFE</b>			
Standard Fee is £50 per course per term			
Full Fees (including enrolment and tuition fees) per hour	2.50	2.50	<b>NIL</b>
<p><b>Accredited Learning</b> Full accreditation fee (if applicable) - if the course has a qualification there will be additional fees to pay for registration and certification.</p> <p><b>No fees will be charged for publicly subsidised courses where:</b></p> <p>Learners are aged 16-18 (on 31 August 2014)</p> <p>Learners are aged 19-24 (on 31 August 2014) with a learning difficulty and/or disability</p> <p>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</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Jobseeker's Allowance (JSA) - this includes the partner where the claim is joint, or</li> <li>• Employment and Support Allowance (ESA) and the learner is in the work-related activity group (WRAG), or</li> <li>• Universal Credit because they are unemployed and are required (mandated) to undertake skills training</li> </ul> <p>Evidence required: Letter of entitlement from Job Centre Plus indicating the date and claim.</p> <p>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.</p> <p>Learners aged 19-24 who are unemployed and on a Traineeship</p> <p>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.</p>			

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

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Civil Funerals</b>			
<b>All Ceremonies – Backhouse Hall</b>			
Monday to Thursday	150.00	150.00	
Friday	150.00	150.00	
Saturday	200.00	200.00	
Sunday and Bank Holidays	250.00	250.00	
<b>All Ceremonies – Approved Premises</b>			
Application Fee (3 years)	1,700.00	1,700.00	
Fee for Attendance Monday to Friday	300.00	300.00	
Fee for Attendance Saturday	400.00	400.00	
Fee for Attendance Sunday	500.00	500.00	
Fee for Attendance Bank Holidays	500.00	500.00	
<b>Certificates</b>			
Walk in Certificates	15.00	15.00	
<b>REGISTER OF ELECTORS, OPEN REGISTER AND MONTHLY UPDATES - SALE</b>			
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	
<b>LIST OF OVERSEAS ELECTORS – SALE</b>			
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	
<b>MARKED COPY OF THE REGISTER OF ELECTORS AND MARKED ABSENT VOTERS LIST – SALE</b>			
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	
<b>TOWN HALL</b>			
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	
Emergency Planning	16.92	16.92	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>LAND CHARGES</b>			
<b>The following fees do not incur VAT</b>			
<b>Search Fees</b>			
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	
<b>Con 29 Required</b>			
<b>Residential Property</b>			
One Parcel of Land	64.00	64.00	
Several Parcels of Land – Each Additional Parcel	20.00	20.00	
<b>Commercial Property</b>			
One Parcel of Land	104.00	104.00	
Several Parcels of Land – Each Additional Parcel	20.00	20.00	
<b>Con 29 Optional</b>			
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			<b>NIL</b>

FINANCIAL PROTECTION SERVICES				
Category	Description	Existing Charge £	New Charge £	Financial Effect £
1	Work up to and including the date upon which the court makes an order appointing a deputy for property and affairs	670.00	670.00	
II	Annual management fee where the court appoints a local authority deputy for property and affairs, payable on the anniversary of the court order:			
	- for the first year	700.00	700.00	
	- for the second and subsequent years	585.00	585.00	
	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	
				<b>NIL</b>

## SERVICES FOR PLACE

Description	Existing Charge £	New Charge £	Financial Effect £
<b>LIBRARIES</b>			
<b>Fines On Overdue Items</b>			
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	
<b>Loan Charges for Audio Materials (1 week)</b>			
CD's	1.00	1.00	
DVD's	1.50	1.50	
<b>Reservation Fees for books and Audio Materials</b>			
Adults	0.50	0.50	
Senior Citizens	0.25	0.25	
Children/Unemployed	0.25	0.25	
<b>Reservation Fees for Books Obtained from Outside the Authority</b>			
Single charge for all books obtained from other libraries	5.00	5.00	
<b>Repeat Fee for Renewal of Books from Outside the Authority</b>			
Single Charge for all books obtained from other local authorities	2.50	5.00	
<b>Replacement Tickets</b>			
Adults	1.20	1.20	
Senior Citizens	1.20	1.20	
Children/Unemployed	0.60	0.60	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Spoken Word</b>			
Cassettes & CDs (3 Week Loan)	1.50	1.50	
Adults ( <i>who are not exempt</i> ) each	No charge	No charge	
Children each			
<b>Language Courses</b> (per element)			
Subscription for whole course to be paid in advance	1.35	1.35	
<b>Local History Research</b>			
Standard charge	5.00	5.00	
Specialist Research – per hour	30.00	30.00	
<b>Photocopies</b>			
A4 B&W	0.15	0.15	
A3 B&W	0.55	0.30	
<b>Printing</b>			
Text Printouts			
A4 B&W	0.15	0.15	
A3 B&W	0.55	0.30	
Image Printouts			
A4 B&W	0.80	0.80	
A4 colour	1.60	1.60	



Description	Existing Charge £	New Charge £	Financial Effect £
<b>Reproduction of Images from Stock</b>			
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	
<b>Scan and e-mail Service</b>			
First sheet	1.00	1.00	
Each subsequent sheet	0.50	0.50	
<b>Hire of Locker</b>	0.50	0.50	
<b>Internet Use</b>			
First half hour free within one day – per hour	2.00	2.00	
<b>Lost &amp; Damaged Items</b>	Full current Replacement Cost (non- refundable)	Full current Replacement Cost (non- refundable)	
<b>Fax</b>			
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 £
<b>Fax by Satellite</b> Atlantic Ocean/Indian Ocean/Pacific Ocean – per sheet	12.50	12.50	
<b>Room Hire</b> Not for profit organisations per hour Commercial organisations per hour	10.00 15.00	10.00 15.00	
			<b>Minimal</b>
<b>PLANNING FEES</b> 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			
<b>PLANNING – PRE APPLICATION ADVICE</b> All charges include VAT at 20% Large Scale Major Development for a written response, including up to 2 meetings	480.00	504.00	
Small Scale Major Developments for a written response, including up to 2 meetings	480.00	504.00	
Minor Developments for a written response to include a meeting if necessary	240.00	252.00	
<b>Other Developments</b>			
Minerals Processing	Based on areas above	Based on areas above	
Change of use for a written response to include a meeting if necessary	120.00	126.00	
Householder developments	24.00 to 36.00	24.00 to 36.00	
Advertisements	60.00	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	120.00	126.00	
<b>Other Charges</b> Pre-Application meeting involving Planning Committee Members	600.00	630.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>PLANNING – SUPPLEMENTARY ITEMS</b>			
<b>Items inclusive of VAT at 20%</b>			
Letter confirming exemption	25.00	26.00	
Letter confirming completion	25.00	26.00	
Letter confirming enforcement action will not be taken	25.00	26.00	
Site inspection to determine info.	25.00	26.00	
A4 Photocopy (ex plans) – first page	0.10	1.10	
Subsequent pages	1.10	0.10	
A3 Photocopy (ex plans) – first page	0.20	1.20	
Subsequent pages	0.20	0.20	
A2 Photocopy (ex plans) – first page	1.50	1.50	
A1 Photocopy (ex plans)	2.00	2.00	
A0 Photocopy (ex plans)	3.00	3.00	
O.S. Sheets – up to 6 copies	15.00	16.00	
<b>Items outside the scope of VAT</b>			
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	
			<b>1,000</b>
<b>LICENSING</b> <i>The following fees do not incur VAT</i>			
<b>General Licensing</b>			
Pavement Café Licence	190.00	190.00	
Pavement Display Licence	155.00	155.00	
Pet Shops	120.00	120.00	
Animal Boarding	120.00	120.00	
Dog Breeding	120.00	120.00	
Riding Establishments	230.00	230.00	
Sex Shop Grant	3,700.00	3,700.00	
Sex Shop Renewal	1,200.00	1,200.00	
Sex Shop Transfer	1,200.00	1,200.00	
Sexual Entertainment Venue (SEV) Grant	3,700.00	3,700.00	
SEV Variation	3,700.00	3,700.00	
SEV Renewal	1,200.00	1,200.00	
SEV Grant / Variation / Renewal – Club Premises			
Certificates	750.00	750.00	
Skin Piercing (Premises) Grant	280.00	280.00	
Skin Piercing (Personal) Grant	65.00	65.00	

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

Description	Existing Charge £	New Charge £	Financial Effect £
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	950.00	950.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	950.00	950.00	
Betting (tracks) – Annual Fee	550.00	550.00	
New Application	1,300.00	1,300.00	
Variation	1,300.00	1,300.00	
Transfer	950.00	950.00	
Provisional Statement	1,300.00	1,300.00	
Licence Reinstatement	950.00	950.00	
<b>Mobile Homes Act</b>			
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	
<b>Zoo Licensing Act</b>			
New Application or renewal for a Zoo Licence (excluding the cost of inspection charged by the Secretary of States appointed inspector)	450.00	450.00	

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

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

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



Description	Existing Charge £	New Charge £	Financial Effect £
<b>ENVIRONMENTAL HEALTH</b>			
Pest Treatment Charges – All charges shown exclusive of VAT. Charges will be made plus the appropriate VAT rate			
Insects – per Treatment	58.50	58.50	
Rodents in Industrial Premises – per Treatment	68.00	68.00	
Rodents in Private Premises**	10.00	10.00	
**Awaiting software upgrade which will see this service become chargeable			
<b>Prosecution Costs</b>			
Hourly Rate for Preparation of Case Reports	39.50	39.50	
			<b>NIL</b>
<b>TRADING STANDARDS</b>			
<b>Measures</b>			
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	
<b>Measuring Instruments for Intoxicating Liquor</b>			
Not exceeding 5fl oz or 150ml	22.00	22.00	
Other	25.00	25.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Measuring Instruments for Liquid Fuels and Lubricants</b>			
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	
<b>Special Weighing and Measuring Equipment</b>			
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	
<b>Licensing – VAT not applicable</b>			
<b>Poisons Act</b>			
Initial Registration	41.50	41.50	
Re-registration	22.00	22.00	
Change in Details of Registration	12.00	12.00	



Description		Existing Charge £	New Charge £	Financial Effect £
<b>Car Parks – Premium Rate</b>				
Abbotts Yard up to one hour		1.00	1.00	
Abbotts Yard each additional hour		1.50	1.50	
<b>Car Parks (Short Stay) – Per Hour</b>				
Barnard Street / Winston Street		1.00	1.00	
Beaumont Street		1.00	1.00	
Commercial Street		1.00	1.00	
Town Hall		1.00	1.00	
Covered Market (30 minutes only)		0.50	0.50	
East Street		1.00	0.50	
<b>Car Parks- Mixed Charges</b>				
Archer Street	per hour	1.00	0.50	
	per day	4.00	4.00	
	per week	16.00	16.00	
Garden Street	per hour	1.00	0.50	
	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	
<b>Car Parks – Long Stay</b>				
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 £
	per week	16.00	16.00	
Park Lane	per day	5.00	5.00	
Central House (Saturday and Bank Holidays)	per day	4.00	4.00	
<b>Car Parking – On Street</b>				
Per half hour		0.50	0.50	
<b>Car Parks – Contract Car Parking</b>				
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	
				<b>(265,000)</b>
<b>BUILDING CONTROL</b>				
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	
<b>Decision/Approval Notice (Building Control)</b>				
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 £
<b>Copy Documents - Monochrome</b>			
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	
<b>Copy Documents - Colour</b>			
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	
<b>The Building (Local Authority Charges) Regulations 2010</b> Plus VAT at 20%			
Officer hourly rate	55.00	55.00	
			<b>NIL</b>
<b>DOLPHIN CENTRE</b>			
<b>Swimming</b>			
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 £
<b>Fitness Areas</b>			
The Gym	4.10	4.10	
Concession	3.10	3.10	
Junior Gym	3.25	3.25	
Concession	2.50	2.50	
<b>Health &amp; Fitness Classes</b>			
Health & Fitness Classes	3.75	3.75	
Concession	2.80	2.80	
<b>Multi Activity Sessions</b>			
Badminton Daytime Session	3.55	3.55	
Concession	2.65	2.65	
<b>Half Main Hall</b>			
Adult	42.00	42.00	
Junior (1 hour courts only)	28.50	28.50	
Weekday lunchtime	35.10	35.10	
<b>Badminton/ Short - Tennis Court</b>			
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	
<b>Squash Courts</b>			
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 £
<b>Equipment Hire</b>			
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	
<b>Children's Activities</b>			
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	
<b>Other Activities</b>			
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	
<b>Fit 4 Life Packages</b>			
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 £
<b>Swimming Pools</b>			
Main Pool - per hour	80.00	80.00	
Diving Pool - per hour	45.00	45.00	
Teaching Pool - per hour	45.00	45.00	
<b>Gala - per hour</b>			
Swimming Galas - whole complex			
Normal opening hours - per hour	255.00	255.00	
Outside normal opening hours - per hour	135.00	135.00	
<b>Swimming Galas - Schools, Junior Clubs and Organisations</b>			
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	
<b>Dry Sports Hall</b>			
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	
<b>Central Hall</b>			
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	
			<b>NIL</b>

Description	Existing Charge £	New Charge £	Financial Effect £
<b>PARKS</b>			
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	
			<b>NIL</b>
<b>EASTBOURNE SPORTS COMPLEX</b>			
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	
			<b>NIL</b>

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

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

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Family History Research</b>			
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	
<b>Historical Research</b>			
Current Affairs and Documentaries - per hour	60.00	60.00	
TV Dramas and Films - per hour	122.55	122.55	
<b>Photocopying</b>			
A4	0.20	0.20	
A3	0.45	0.45	
<b>Personal photographic reproduction</b>			
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	
<b>Commercial photographic reproduction</b>			
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 £
<b>Photographic reproduction in Books</b>			
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	
<b>Filming Fees</b>			
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	
<b>Conference Facilities</b> (use of room and access to facilities but excludes Catering)			
During Opening Hours – per hour	25.00	25.00	
Outside Opening Hours – per hour	32.50	32.50	
Use by Museum Friends, DRPS, NELPG, NERA, A1 Trust, DMRC and GLAD – During Opening Hours (with an understanding that paying users have priority booking)	No charge	No charge	
Use by Museum Friends – Outside Opening Hours (providing nominated persons are responsible for securing premises when vacated)	No charge	No charge	
<b>Use of Museum Field</b>			
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			

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Paranormal Investigation Groups</b>			
Non-commercial organisations	200.00	200.00	
Commercial organisations	510.65	510.65	
			<b>NIL</b>
<b>REFUSE COLLECTION AND DISPOSAL</b>			
Refuse sacks (per 25) (Exclusive of VAT)	83.20	83.20	
Garden waste sacks (Non-Vatable)	7.95	7.95	
			<b>NIL</b>
<b>CEMETERIES</b>			
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	195.00	250.00	
Person over 18 years	605.00	625.00	
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	195.00	250.00	
Person over 18 years	605.00	625.00	
Cremated remains	120.00	130.00	
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)	620.00	650.00	
Exclusive burial rights for a bricked grave	1,240.00	1,350.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Other charges</b>			
Scattering of cremated remains	45.00	45.00	
Indemnity form (to produce duplicate grant	45.00	45.00	
Use of Cemetery Chapel	85.00	100.00	
After post mortem remains	120.00	130.00	
Evergreens (including grass mats)	65.00	65.00	
Exhumation of a body (excl. re-interment)	1,000.00	1,200.00	
<b>Exhumation of cremated remains (excl. re-interment)</b>	220.00	300.00	
<b>Grave Maintenance (inclusive of 20% VAT)</b>			
Initial payment	45.00	45.00	
Annual Maintenance	35.00	35.00	
<b>Memorials (fees will be doubled where the deceased to whom the memorial/inscription refers was non-resident of Darlington at time of death)</b>			
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	75.00	80.00	
Additional inscription	75.00	80.00	
<b>Total financial effect for Cemeteries</b>			<b>5,000</b>



Description	Existing Charge £	New Charge £	Financial Effect £
<b>CREMATORIUM</b>			
Crematorium fees (inclusive of certificate of cremation, medical referee fees, use of organ and scattering of remains in Gardens of Remembrance at an unreserved time)			
Individual foetal remains	No charge	No charge	
Hospital arrangement – foetal remains	105.00	120.00	
Stillborn or child not exceeding 12 months	No charge	No charge	
Person over 12 months up to 18 years	195.00	250.00	
Person over 18 years	605.00	625.00	
After post mortem remains	120.00	120.00	
<b>Other charges</b>			
Environmental Surcharge	50.00	52.00	
Postal Carton	12.50	15.00	
Metal Urn	35.00	40.00	
Wooden Casket	45.00	50.00	
Baby Urn	10.00	10.00	
Crematorium Chapel	85.00	100.00	
Scattering of remains at reserved time	45.00	45.00	
Medical Referee Fee	20.00	20.00	
<b>Book of Remembrance (inclusive of 20% VAT)</b>			
Single Entry (2 lines)	64.00	70.00	
Double Entry (3 or 4 lines)	114.00	110.00	
Additional lines	24.00	25.00	
Crest or floral emblem	114.00	115.00	
<b>Memorial Cards (inclusive of 20% VAT)</b>			
Single entry card (2 lines)	19.00	20.00	
Double entry card (3 or 4 lines)	26.00	27.00	
Additional lines	5.00	5.00	
Crest of floral emblem	50.00	60.00	
Personal photographs – set up	25.00	40.00	
Additional photographs – after set up	12.00	10.00	
<b>Memorial Books (inclusive of 20% VAT)</b>			
Single entry book (2 lines)	50.00	70.00	
Double entry card (3 or 4 lines)	60.00	77.00	
Additional lines	5.00	5.00	
Crest of floral emblem	50.00	60.00	
Personal photographs – set up	25.00	40.00	
Additional photographs – after set up	12.00	10.00	

Description	Existing Charge £	New Charge £	Financial Effect £
<b>Triptych (inclusive of 20% VAT)</b>			
Single entry card (2 lines)	45.00	65.00	
Double entry (3 or 4 lines)	55.00	72.00	
Additional lines	5.00	5.00	
Crest or floral emblem	50.00	60.00	
Personal Photographs – set up	25.00	40.00	
Additional Photographs – after set up	12.00	10.00	
<b>Other Memorial Schemes</b>			
Replacement kerb vase plaque	235.00	270.00	
Replacement flower holder	5.00	5.00	
Wall plaques	235.00	245.00	
Planter plaques	350.00	365.00	
Lease of space for memorial plaques (per annum)	24.00	25.00	
<b>Total financial effect for Crematorium</b>			<b>32,000</b>
<b>ALLOTMENTS</b>			
Rent per year	52.00	54.00	
Rent per year for Leisuresavers	26.00	27.00	
			<b>Minimal</b>
<b>SOUTH PARK RESOURCE CENTRE</b>			
Educational Events (£/child for a full day)	4.00	4.00	
Educational Events (£/child for half day)	2.50	2.50	
			<b>NIL</b>
<b>HIGHWAYS</b>			
Private apparatus in the Highway (new installations)	300.00	300.00	
Private Road Openings (repair existing)	77.50	77.50	
Vehicle Crossings (plus actual construction costs)	77.50	77.50	
Vehicle Crossings if planning permission required on a classified road (plus actual construction costs)	150.00	150.00	
Temporary Road Closure Notices	100.00	100.00	
Temporary Road Closure Orders (plus advertising)	200.00	200.00	
Emergency Road Closures	100.00	100.00	
Street Naming Royal Mail Income (per address, Nationally agreed price LGIH)	1.00	1.00	
Street Naming & Numbering of Properties:			
• Developments with new roads			
- Per road name +	150.00	150.00	
- Per plot	10.00	10.00	

Description	Existing 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	
NRSWA Defect Charges	Nationally set scale of charges	Nationally set scale of charges	
NRSWA Road Opening Inspection Charges (sample)	Nationally set scale of charges	Nationally set scale of charges	
Section 74 – charges for overstay	Nationally set scale of charges	Nationally set scale of charges	
	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 38 Road Adoption agreement	6% of works + legal if delivered by developer	6% of works + legal if delivered by developer	
Section 278 Highway works agreement	No charge	No charge	
Access protection markings	£75.00 + VAT	£75.00 + VAT	
Tourist Sign (plus actual cost of sign)	£75.00 + VAT	£75.00 + VAT	
Accident Data Requests			
Traffic Count Data	75.00	75.00	
	Individually priced based on charge out rate	Individually priced based on charge out rate	
Street Lighting Design Service	No charge	No charge	
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	
			<b>NIL</b>
<b>TRANSPORT SERVICES</b>			
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	45.00	
			<b>NIL</b>

<b>COST OF REVENUE COLLECTION</b>			
<b>Council Tax – All Charges do not incur VAT</b>			
<b>Description</b>	<b>Existing Charge £</b>	<b>New Charge £</b>	<b>Financial Effect £</b>
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	
			<b>NIL</b>
<b>Business Rates (NNDR) – All Charges do not incur VAT</b>			
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	
			<b>NIL</b>

**RISK RESERVE**

	<b>Risk</b>	<b>Consequence</b>	<b>Scale</b>	<b>Financial Loss £m</b>	<b>Likelihood %</b>	<b>Annual Risk £M</b>	<b>Period (Years)</b>	<b>Reserve Required £M</b>
<b>ECONOMIC</b>	Economic Downturn	Reduced Revenue Income – Leisure, Parking, Planning, Property	£0.075M per 1% - assess risk of further 5%	0.4	15	0.060	2	0.120
		Failure of significant service provider contractors	£20M pa corporately – assess risk of 10% cost increase	2.0	10	0.200	2	0.400
	Energy Costs Significant Increases	Higher Annual Revenue Costs		0.4	10	0.040	2	0.080
	General Price Inflation	Higher Annual Revenue Costs	£30M – assess risk of 2%	0.6	25	0.150	2	0.300
<b>EMPLOYMENT</b>	Single Status Potential Claims	One-off costs	£10M	10	10	1.000	1	1.000
	Pandemic or Similar Event	Increased employee absence requiring cover at extra cost	£0.5M per 1% of employee costs	0.5	10	0.050	1	0.050
<b>SERVICES</b>	New Children's Care Packages	Higher Costs NB see "Key Assumptions" – Appendix 4	Average £0.1M per Case – 5 cases Average £0.02M per case – 10 cases	0.5 0.2	15 15	0.075 0.030	2 2	0.150 0.060
	Social Care Increasing Demand	Higher annual Revenue Costs		0.5	20	0.100	2	0.200
	Capital Overspends	Fund from Revenue (no Capital Resources available)	One-off £5M funded over 10 years	0.6	10	0.060	2	0.120
<b>GENERAL</b>	Planned Savings Not Achieved	Higher annual Revenue Costs	£14M – assess risk of 25% shortfall	3.5	25	0.875	2	1.750
	Corporate Manslaughter	Unlimited Fine	Assess risk of £10M fine	10.0	1	0.100	1	0.100
	<b>TOTAL GENERAL FUND RESERVE REQUIREMENT</b>							<b>4.330</b>

## REVENUE BUDGET MANAGEMENT 2014/15

### Projected General Fund Reserve at 31st March 2015

	2014-20 MTFP (Feb 2014)
<b>Medium Term Financial Plan (MTFP) :-</b>	£000
MTFP Planned Opening Balance 01/04/2014	17,473
Approved net contribution from balances	(994)
<b>Planned Closing Balance 31/03/2015</b>	<b>16,479</b>
 Increase in opening balance from 2013-14 results	 1,392
 Projected corporate underspends / (overspends) :-	
Council Wide (Pressures)/Savings	678
Economic Growth savings from Collection Fund	(200)
Financing Costs	478
Council Wide based savings	80
Economic Growth based savings	225
Neighbourhood Services & Resources based savings	659
VAT rebate for Trade Waste	49
Employers pension past service deficit contingency	(20)
Living Wage contingency release	38
	<b>19,858</b>
 <b>Projected General Fund Reserve (excluding Departmental) at 31st March 2015</b>	
 <b>Planned Balance at 31st March 2015</b>	 <b>16,479</b>
<b>Improvement</b>	<b>3,379</b>

### Departmental projected year-end balances

	Improvement / (decline) compared with 2014-20 MTFP £000
People	(76)
Children's Services	(391)
Economic Growth	(344)
Neighbourhood Services & Resources	768
 TOTAL	 <b>(43)</b>

### Summary Comparison with :-

	2014-20 MTFP £000
Corporate Resources - increase in opening balance from 13/14 results	1,392
Quarter 1 budget claw back	964
Corporate Resources - additional in year Improvement / (Decline)	1,023
Departmental - Improvement / (Decline)	(43)
 Improvement / (Decline) compared with MTFP	 <b>3,336</b>
 <b>Projected General Fund Reserve at 31st March 2015</b>	 <b>19,815</b>

## APPENDIX 6

	2014/15			2015/16			2016/17			2017/18			2018/19			2019/20		
	2014/15 £m	Expected £m	Variance £m	2015/16 £m	Expected £m	Variance £m	2016/17 £m	Expected £m	Variance £m	2016/17 £m	Expected £m	Variance £m	2016/17 £m	Expected £m	Variance £m	2016/17 £m	Expected £m	Variance £m
Transfer of responsibility of services to Others	0.000	0.000	0.000	0.000	0.000	0.000	0.300	0.035	0.265	0.300	0.035	0.265	0.300	0.035	0.265	0.300	0.035	0.265
Public involvement and demand reduction in street cleansing and parks and open spaces	0.050	0.050	0.000	0.250	0.250	0.000	0.600	0.600	0.000	0.600	0.600	0.000	0.600	0.600	0.000	0.600	0.600	0.000
Voluntary Sector	0.000	0.000	0.000	0.100	0.050	0.050	0.200	0.095	0.105	0.200	0.095	0.105	0.200	0.095	0.105	0.200	0.095	0.105
Economic Growth	0.200	0.200	0.000	0.500	0.536	(0.036)	1.500	1.027	0.473	1.500	1.611	(0.111)	1.500	2.004	(0.504)	1.500	2.512	(1.012)
Public Sector Collaboration & Joint Commissioning	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.550	0.750	1.300	0.800	0.500	1.300	1.050	0.250	1.300	1.300	0.000
Internal Efficiency Impacts & Restructures	0.000	0.469	(0.469)	0.300	0.389	(0.089)	0.800	0.800	0.000	0.800	0.800	0.000	0.800	0.800	0.000	0.800	0.800	0.000
Service Redesigns																		
- Refuse Collection	0.100	0.100	0.000	0.400	0.400	0.000	0.400	0.400	0.000	0.400	0.400	0.000	0.400	0.400	0.000	0.400	0.400	0.000
- Dolphin Centre & Eastbourne Leisure Facilities	0.200	0.200	0.000	0.340	0.324	0.016	0.440	0.339	0.101	0.440	0.338	0.102	0.440	0.338	0.102	0.440	0.337	0.103
- Homelessness Services	0.120	0.120	0.000	0.300	0.205	0.095	0.300	0.205	0.095	0.300	0.205	0.095	0.300	0.205	0.095	0.300	0.205	0.095
- Lifeline	0.126	0.126	0.000	0.204	0.204	0.000	0.337	0.337	0.000	0.337	0.337	0.000	0.337	0.337	0.000	0.337	0.337	0.000
- CCTV	0.080	0.038	0.042	0.080	0.038	0.042	0.080	0.038	0.042	0.080	0.038	0.042	0.080	0.038	0.042	0.080	0.038	0.042
- Crown Street Library	0.022	0.022	0.000	0.045	0.045	0.000	0.045	0.045	0.000	0.045	0.045	0.000	0.045	0.045	0.000	0.045	0.045	0.000
sub-total	0.648	0.606	0.042	1.369	1.216	0.153	1.602	1.364	0.238	1.602	1.363	0.239	1.602	1.363	0.239	1.602	1.362	0.240
Adult Social Care	1.000	1.000	0.000	2.000	2.000	0.000	3.000	3.000	0.000	3.000	3.000	0.000	3.000	3.000	0.000	3.000	3.000	0.000
Children's Social Care	0.750	0.500	0.250	1.500	0.500	1.000	1.750	0.500	1.250	1.750	0.500	1.250	1.750	0.500	1.250	1.750	0.500	1.250
Public Health Recommissioning of Services	0.800	0.800	0.000	1.200	1.200	0.000	2.700	2.700	0.000	2.700	2.700	0.000	2.700	2.700	0.000	2.700	2.700	0.000
Total	3.448	3.625	(0.177)	7.219	6.141	1.078	13.752	10.671	3.081	13.752	11.504	2.248	13.752	12.147	1.605	13.752	12.904	0.848

N.B. the Economic Growth Pressures / (Savings) are now included in Total Resources and are reflected in 'Business Rates retained locally'.



**MEDIUM TERM FINANCIAL TERM 2015 TO 2020**

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
People	31.885	31.745	32.530	33.034	33.540
Children's Services	16.716	16.752	16.935	17.244	17.535
Economic Growth	12.351	12.399	12.866	13.275	13.640
Neighbourhood Services & Resources	22.406	22.526	23.037	23.543	24.075
Financing costs	3.230	3.453	3.398	3.243	3.142
Council Wide Pressures/(savings)	(0.753)	(3.290)	(3.527)	(3.765)	(4.003)
Contingencies	0.835	1.885	1.925	1.975	2.025
Contribution to/(from) revenue balances - previously agreed	(4.635)	(3.755)	0.000	0.000	0.000
Contribution to/(from) revenue balances	(0.916)	(2.838)	0.000	0.000	0.000
<b>Total Expenditure</b>	<b>81.119</b>	<b>78.877</b>	<b>87.164</b>	<b>88.549</b>	<b>89.954</b>
Future Efficiency and savings programme	0.000	0.000	(9.727)	(12.371)	(12.067)
<b>Total Net Expenditure</b>	<b>81.119</b>	<b>78.877</b>	<b>77.437</b>	<b>76.178</b>	<b>77.887</b>
<b><u>Resources - Projected and assumed</u></b>					
Council Tax	39.291	40.530	41.772	43.047	44.410
Business rates retained locally	22.010	22.507	23.343	24.126	24.959
RSG	17.938	13.392	9.613	6.097	5.290
NHB	1.880	2.448	2.709	2.908	3.228
<b>Total Resources</b>	<b>81.119</b>	<b>78.877</b>	<b>77.437</b>	<b>76.178</b>	<b>77.887</b>
<b><u>Balances</u></b>					
Opening balance	21.307	9.156	2.563	2.563	2.563
Less Redundancy and Decommissioning Reserve	(2.000)				
Collection Fund surplus	0.730				
Risk reserve	(4.330)				
Achieving Real change in Communiities (ARCC)	(1.000)				
Contribution to/(from) balances - previously agreed	(4.635)	(3.755)			
Contribution to/(from) balances	(0.916)	(2.838)	0.000	0.000	0.000
<b>Closing balance</b>	<b>9.156</b>	<b>2.563</b>	<b>2.563</b>	<b>2.563</b>	<b>2.563</b>

# REVENUE ESTIMATES 2015/16 - Summary

## Appendix 8

	2014/15 Net Budget £000	2015/16			
		Gross Budget £000	Income £000	Grants £000	Net Budget £000
People	32,921	51,369	(11,084)	(8,400)	31,885
Children's Services	15,873	55,494	(4,793)	(33,985)	16,716
Economic Growth	11,250	25,198	(12,776)	(71)	12,351
Neighbourhood Services & Resources	22,619	88,310	(24,135)	(41,769)	22,406
<b>Group Totals</b>	<b>82,663</b>	<b>220,371</b>	<b>(52,788)</b>	<b>(84,225)</b>	<b>83,358</b>
Financing Costs	2,936	3,230	0	0	3,230
Council Wide Pressures / Savings	(804)	(753)	0	0	(753)
Contingencies	705	835	0	0	835
<b>Grand Total</b>	<b>85,500</b>	<b>223,683</b>	<b>(52,788)</b>	<b>(84,225)</b>	<b>86,670</b>

**Revenue Estimates 2015/16**  
**People**

	2014/15 Net Budget £000	2015/16			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b>Director of Commissioning</b>	163	165	0	0	165
<b><u>Public Health</u></b>					
Public Health	99	8,566	(67)	(8,400)	99
Community Safety	126	227	(120)	0	107
<b><u>Development and Commissioning</u></b>					
Assistant Director Development & Commissioning	113	113	0	0	113
Communities & Welfare Rights	233	219	0	0	219
Commissioning	3,680	3,150	0	0	3,150
Workforce Development	425	292	(58)	0	234
<b><u>Adults</u></b>					
External Purchase of Care	23,430	32,850	(9,209)	0	23,641
Intake and Reablement	967	2,072	(1,277)	0	795
Older People Long Term Condition	939	1,046	0	0	1,046
Physical Disability Long Term Condition	7	57	(47)	0	10
Learning Disability Long Term Condition	1,676	1,853	(143)	0	1,710
Mental Health Long Term Condition	736	1,132	(149)	0	983
Disabled Children	522	570	(14)	0	556
Service Development and Integration	(195)	(943)	0	0	(943)
<b>Total People</b>	<b>32,921</b>	<b>51,369</b>	<b>(11,084)</b>	<b>(8,400)</b>	<b>31,885</b>

**Revenue Estimates 2015/16**  
**Children's Services**

	2014/15 Net Budget £000	2015/16			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b><u>Children, Families &amp; Learning</u></b>					
Children & Family Social Care - Management & Social Work	2,196	2,327	0	(146)	2,181
Children & Family Social Care - LAC	8,200	9,148	(92)	0	9,056
Children & Family Social Care - YOS	259	710	(171)	(274)	265
Children & Family Social Care - Other C&F	270	224	0	0	224
Educational Services	960	16,256	(2,111)	(12,967)	1,178
Family Support	3,594	6,620	(111)	(3,105)	3,404
Review Development & Safeguarding	394	513	(105)	0	408
Schools	0	17,493	0	(17,493)	0
Transport Unit	0	2,203	(2,203)	0	0
<b>Total Children's Services</b>	<b>15,873</b>	<b>55,494</b>	<b>(4,793)</b>	<b>(33,985)</b>	<b>16,716</b>

**Revenue Estimates 2015/16**  
**Economic Growth**

	2014/15 Net Budget £000	2015/16			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b>Director of Economic Growth</b>	181	201	0	0	201
<b><u>Economic Initiative</u></b>					
AD - Economic Initiative	101	102	0	0	102
Christmas Lights	32	32	0	0	32
Consolidated Budgets	206	209	0	0	209
Economic Regeneration	341	448	0	0	448
External Funding	176	177	0	0	177
Planning Strategy	422	462	(26)	(8)	428
<b><u>Regeneration Projects</u></b>					
AD - Regeneration Projects	99	103	0	0	103
Property Management & Estates	2,280	3,135	(886)	0	2,249
Regeneration Projects	255	302	0	0	302
<b><u>Regulatory Services</u></b>					
AD - Regulatory Services	83	92	0	0	92
Admin Support	82	83	0	0	83
Building Control	176	349	(170)	0	179
CCTV	45	487	(353)	0	134
Commercial & Licensing	(24)	122	(148)	0	(26)
Development Management	(65)	504	(533)	0	(29)
Emergency Planning	86	88	0	0	88
Environmental Health	531	562	(18)	0	544
Flood & Water Act	74	97	0	0	97
Parking	(1,051)	1,463	(2,595)	0	(1,132)
Private Sector Housing	177	213	(5)	0	208
Taxi Licensing	0	140	(140)	0	0
Trading Standards	269	276	(2)	0	274
<b><u>Transport &amp; Capital Projects</u></b>					
AD - Transport & Capital Projects	100	101	0	0	101
Building Design Services	11	539	(531)	0	8
Capital Projects	107	105	0	0	105
Concessionary Fares	3,184	3,342	0	0	3,342
Highways	2,765	4,060	(532)	0	3,528
Highways - DLO	(391)	5,904	(6,309)	0	(405)
Sustainable Transport	244	742	(507)	(63)	172
<b><u>Creative Darlington</u></b>					
Strategic Development Of Arts	127	136	(21)	0	115
<b><u>Joint Levies &amp; Boards</u></b>					
Joint Levies & Boards - Coroners	175	183	0	0	183
Joint Levies & Boards - EA Levy	97	98	0	0	98
Joint Levies & Boards - O/s Contributions	355	341	0	0	341
					0
<b>Total Economic Growth Services</b>	11,250	25,198	(12,776)	(71)	12,351

**Revenue Estimates 2015/16**  
**Neighbourhood Services & Resources**

	2014/15 Net Budget £000	2015/16			
		Gross Budget	Income	Grants	Net Budget
		£000	£000	£000	£000
<b>Chief Executive Officer</b>	230	229	0	0	229
<b>Director of Neighbourhood Services &amp; Resources</b>	201	201	0	0	201
<b><u>Assistant Chief Executive</u></b>	104	118	(7)	0	111
Organisational Planning	2,700	2,583	(119)	(91)	2,373
Darlington Partnership	12	91	(77)	0	14
Customer Services	460	818	(243)	0	575
Legal & Procurement	980	1,184	(119)	0	1,065
Democratic Services	1,358	1,471	(19)	0	1,452
Registrars	(80)	213	(274)	0	(61)
Administration & Town Hall	1,890	2,134	(143)	0	1,991
<b><u>AD Finance &amp; Human Resources</u></b>					
Financial Services & Governance	1,385	1,757	(346)	0	1,411
Financial Protection & Assessments	212	231	(20)	0	211
Xentrall Services (D&S Partnership)	1,682	2,300	(803)	0	1,497
Complaints & Freedom of Information	147	150	(4)	0	146
Parish Grants	13	13	0	0	13
Human Resources	469	967	(462)	0	505
Health & Safety	97	169	(49)	0	120
Equal Pay	200	100	0	0	100
<b><u>AD ICT</u></b>	1,041	673	(7)	0	666
<b><u>Community Services</u></b>					
AD - Community Services	113	115	0	0	115
Building Cleaning - DLO	45	952	(906)	0	46
Cemeteries & Crematorium	(770)	535	(1,294)	0	(759)
Civic Theatre	(148)	2,962	(3,077)	0	(115)
Countryside	190	235	(39)	0	196
Dolphin Centre	712	3,567	(2,851)	0	716
Eastbourne Complex	36	92	(88)	0	4
Head of Steam	196	246	(47)	0	199
Indoor Bowling Centre	12	25	(12)	0	13
Libraries	903	875	(51)	0	824
Markets	(272)	345	(605)	0	(260)
Outdoor Events	124	174	0	0	174
School Meals - DLO	53	906	(862)	0	44
Healthy Darlington	66	45	0	(45)	0
Stray Dogs	46	51	(3)	0	48
Street Scene	4,667	6,465	(1,685)	0	4,780
Waste Management	3,343	2,783	0	0	2,783
Winter Maintenance	451	474	0	0	474
<b><u>Building Services</u></b>					
Construction - DLO	(351)	5,583	(5,825)	0	(242)
Maintenance - DLO	(366)	3,038	(3,418)	0	(380)
Other - DLO	0	0	0	0	
<b><u>General Support Services</u></b>					
Works Property & Other	113	115	0	0	115
<b><u>Housing</u></b>					
Housing benefits / Council Tax	(87)	40,655	0	(40,742)	(87)
Improvement Grants	22	42	(26)	0	16
Housing benefit administration	116	878	(52)	(742)	84
Community Housing services	221	225	0	0	225
Housing Options	204	309	(102)	0	207
Northumbrian Water Comm	(152)	0	(154)	0	(154)
Service, Strategy & Regulation	39	41	0	0	41
Key Point of Access	1	64	(63)	0	1
Council Tax and NNDR collection	(9)	645	(284)	(149)	212
Social Fund Admin	0	59	0	0	59
Social Fund Programme	0	407	0	0	407
<b>Total Neighbourhood Services &amp; Resources</b>	<b>22,619</b>	<b>88,310</b>	<b>(24,135)</b>	<b>(41,769)</b>	<b>22,406</b>

**ITEM NO. 3  
PARAGRAPH 84**

**ITEM NO.**

**EFFICIENCY AND RESOURCES SCRUTINY COMMITTEE**

29<sup>th</sup> January, 2015

**PRESENT** - Councillor I Haszeldine (in the Chair); Councillors Carson, Coultas, Crichlow, Johnson, H Scott, C Taylor and J Vasey. (8)

**APOLOGIES** – Councillor Crumbie, Curry and Landers. (3)

**ALSO IN ATTENDANCE** – Councillors Harker, Lister, Long and Newall. (4)

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

**ER29. DECLARATIONS OF INTEREST** – There were no declarations of interest reported at the meeting.

**ER30. MEDIUM TERM FINANCIAL PLAN 2015/16 TO 2019/20 – 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 2015/16 to 2019/20 which were within their individual remits.

Each of the 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 the Efficiency and Resources Scrutiny Committee, a minority view that the proposals contained within the Medium-Term Financial Plan 2015/16, including the proposal to increase Council Tax by 1.99 per cent, could not be supported, was put forward.

In relation to the Children and Young People Scrutiny Committee, the Chair reported that that Scrutiny Committee had particularly looked at the cost of placements for looked after children and assured Members that, following the work undertaken, it was satisfied that the Officers were taking all available action to ensure that value for money was being obtained and that they would continue to monitor this area of the budget.

In relation to the Place Scrutiny Committee, the Chair made reference to the work undertaken in relation to Economic Growth, particularly in relation to the increase in the number of houses being built and the subsequent improvement in Council Tax and New Homes Bonus targets; the receipt of £3 million of European funding; and the current

position in relation to Cockerton Library and the Head of Steam. Particular reference was made to recommendation of that Scrutiny Committee in relation to the Head of Steam and the possibility of Officers exploring free entry initiatives to increase 'secondary spend' on an 'invest to save' basis and the reasons for that recommendation; the progress being made with a number of organisations and groups to provide a community library; and the view of that Scrutiny Committee that support to the Creative Darlington Manager was required in relation to the management of the Bridge and Crown Street Gallery.

In relation to the Health and Partnerships Scrutiny Committee, the Chair made reference to the review of strategic grants; Cabinet's proposal, which was supported by that Scrutiny Committee, to allocate additional resources within the budget to cover the withdrawal of the Local Welfare Provision Grant and the reasons for that support; and the work being undertaken in relation to Public Health.

It was reported that a minority view had been put to the meeting of the Health and Partnerships Scrutiny Committee on the 16<sup>th</sup> January, 2015, that the proposal to increase the Council Tax by 1.99 per cent, could not be supported.

**RESOLVED** – That, in relation to the Medium-Term Financial Plan 2015/15 to 2019/20, Cabinet be advised of the following views/comments of each of the Council's Scrutiny Committees :-

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

- (i) having considered the information provided at meetings held on 5<sup>th</sup> and 19<sup>th</sup> December, 2013, and 30<sup>th</sup> January, 2014, the majority view is that Cabinet's proposals as contained in its report dated 2<sup>nd</sup> December, 2014, be supported and the minority view is that the proposals, including the proposal to increase Council Tax by 1.99 per cent, be not supported

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

- (i) having considered the information provided at meetings held on 10<sup>th</sup> December, 2014 and 5<sup>th</sup> January, 2015, the position in relation to the cost of placements for Looked After Children be noted and that Commissioners continue to work across authorities to ensure value for money.

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

- (i) having considered the information provided at a meeting held on 18<sup>th</sup> December, 2014 :-
  - (A) it notes the report submitted to Cabinet on 2 December 2014 in relation the Medium-Term Financial Plan;
  - (B) it welcomes the reinstatement of the £256k budget for the Head of Steam;
  - (C) in relation to the Head of Steam, the results of recent consultation

include the exploration of the possibility of free entry with initiatives to increase 'secondary spend' on an 'invest to save' basis;

(D) it welcomes the progress on Cockerton Library and the intervention of eVolution and voluntary groups be noted;

(E) is pleased to note that the opening hours of Cockerton Library are to remain unaltered, expects there to be professional supervision, continued digital inclusion and assurances that the Libraries budget takes account of this;

(F) supports the Council Tax increase for the reasons outlined in the submitted report;

(G) welcomes the European Grant funding of £3 million; and

(H) in relation the Creative Darlington, solutions be found to the need for support for the Creative Darlington Manager with regard to the management of the Bridge and the Crown Street Gallery.

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

- (i) having considered the information provided at the meeting held on 16<sup>th</sup> January, 2015, is satisfied with the progress of those items included within the Medium-Term Financial Plan 2015/16 to 2019/20, within its remit and specifically supports Cabinet's proposal to allocate additional resources of £486,000 for the continuation of the services currently covered by the Local Welfare Provision Grant.

(NOTE – There was a minority view put to the meeting of the Health and Partnerships Scrutiny Committee on the 16<sup>th</sup> January, 2015, that the proposal to increase the Council Tax by 1.99 per cent, could not be supported).

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

- (i) having considered the information provided at the meetings held on 16<sup>th</sup> December, 2014 and 15<sup>th</sup> January, 2015, is satisfied with the overall direction of travel, as contained within the Medium-Term Financial Plan 2015/16 to 2019/20, and will continue to monitor the progress of delivery in relation to those areas within its remit.

**ER31. CAPITAL PROGRAMME - 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 Capital Programme which were within their individual remits.



**RESOLVED** – That, in relation to the Capital Programme, Cabinet be advised that each of the Scrutiny Committee's received the report.

## **Section 1.2**

# **General Fund Revenue and Capital Budget**

### **1.2 Capital Medium Term Financial Plans 2015-16 to 2018-29**

- report of Chief Officers Executive to Council 26 February 2015

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**CAPITAL PROGRAMME**

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

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

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**SUMMARY REPORT**

**Purpose of the Report**

1. To approve the 2015/16 Capital Programme.

**Summary**

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

**Recommendation**

4. Council are asked to;
  - (a) Approve the 2015/16 Capital programme as summarised in **Appendix 1**.
  - (b) Approve a delegation for Cabinet to vary the Capital Budget for 2015/16 by up to £0.500m without further Council approval.

**Reasons**

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

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

**Background Papers**

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

Elizabeth Davison : Extension 2601

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

## **MAIN REPORT**

### **Information and Analysis**

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

### **External Investment**

7. Whilst the main purpose of this report is to propose a capital programme for consultation with regard to council funding, it is worth noting the significant private sector capital investment the Borough continues to attract. HCA and council investment in previous years to pump prime the Central Park site is now realising benefits as the residential development is progressing and has facilitated investment in other areas. In regard to this year over £86m is currently being invested in projects. This includes £30m in a cinema and town centre hotel, £38m investment by CPI in the establishment of the National Biologics Facility, £6m Housing and Communities Agency and European investment in the Business Central Enterprise, £9m to facilitate the DFE office relocation and £3.7m for the inner ring road.
8. Looking forward the private sector investment pipeline is healthy with over £18m investment under consideration in retail, with a further £5m for hotel and Industrial property. We have also been successful in bidding for Heritage Lottery funding for the Civic Theatre restoration and Theatre Hullaballoon from the Arts Council.

## Internal Investment

9. Set out below are details of the levels of Government funding available for investment by the Council in 2015/16.

	2015/16 £000's
<b>Children's Services</b>	
Basic Need	1,517
Capital Maintenance LA Maintained	245
LCVAP for VA Schools	50
DFC LA Maintained	70
DFC for VA Schools	15
<b>Housing</b>	
Disabled Facilities Grants	437
<b>Transport</b>	
Local Transport Plan	2,624
Local Growth Fund	2,500
<b>Other Capital Programmes</b>	
Adults Personal Social Services	279
Better Care Fund	104

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

## Children's Services

### Basic Needs Funding

11. In March 2013 the local authority was allocated £1,519,760 as a two year allocation (13/14 and 14/15) to deliver additional school places (Basic Need Funding). A consultation process was undertaken with schools throughout the autumn term 2013 and a School Organisation Plan (SOP) for the period 2013-2017 was developed. In addition to approving the SOP, Cabinet approved the release of £90,000 for feasibility projects to be undertaken to finalise the next wave of addition school place projects. The following schools were identified as having the potential to meet the demand for primary places on the East side of Darlington:

- (a) Red Hall Primary - PAN 30 to PAN 45 a total increase of 105 places
  - (b) Heathfield Primary - PAN 60 to PAN 90 a total increase of 210 places
  - (c) The Rydal Academy - PAN 75 to PAN 90 a total increase of 105 places
12. 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.
  13. During the summer (2014) a decision was reached not to continue the feasibility option for The Rydal Academy, as the proposed housing developments are unlikely to require an increased number of places in this area. The feasibility work for the other two projects is on-going. A further round of consultation is due to take place with Schools again during the autumn term 2014 with a view to submitting final proposals to Cabinet in early 2015.
  14. In 2015 the School Organisation Plan will be reviewed to consider the longer term pupil projections beyond 2018 and the potential impact of housing developments across the Borough. The LA would be looking to future DfE allocations to fund developments required at primary school and potentially at secondary phase to provide for the large primary cohorts moving through. Future year's funding allocations for Basic Need are projected at £1,516,959 2015/2016 and £1,592,807 for 2016/2017 but these figures are not confirmed.

### **School Condition Allocation**

15. The Local Authority receives Capital Maintenance funding (now called School Condition allocation) for Community Maintained Schools. Maintenance funding for Academies is available through other routes. This capital maintenance 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. There are no strict spend deadlines for these small scale condition related projects which are prioritised and completed as funding becomes available. Devolved formula capital (DFC) is a formula based grant provided to all maintained schools to help support the capital 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.

### **LCVAP**

16. Locally Co-Ordinated Voluntary Aided Programme (LCVAP) is coordinated by the Council in consultation with the Diocese of Hexham and Newcastle and the Dioceses of Durham and Newcastle. In Darlington any priorities generated from the Local Asset Management Plan agreement process are shared with the Dioceses. The outline lists of projects are submitted for approval to the Department for Education and if approved the funding goes direct to the Diocese. 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

17. The priorities identified through the Housing Business Plan to be funded from the estimated capital resources for 2015/16 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 - £1,300,000 to fund new condensing boiler and central heating upgrades. This work will predominantly be completed in the following wards: Central, Eastbourne, Lingfield, Lascelles, Park East and North Road. 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 – £400,000 for the replacement of roofs, fascia's, soffits and rainwater goods alongside the top-up of loft insulation where appropriate. The programme will be to complete ongoing works from 2014-15 in Lingfield and address a number of older roofs in Harrogate Hill.
- (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 the Red Hall estate as part of the wider regeneration of Red Hall.
- (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 - £1,100,000 is required for the replacement PVCu windows and the installation of composite doors to Council properties across the Red Hall estate as part of the wider regeneration of Red Hall.
- (l) Replacement Door Programme - £250,000 will be used to develop a planned programme to replace existing timber doors with new PVC doors. The programme has yet to be identified but will be based on an analysis of the geographical trends for door repairs and unplanned door replacements.
- (m) Door Entry Systems - £80,000 will be used to replace failing door entry systems and communal doors in Rise Carr.
- (n) 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: Park East, Lascelles and Cockerton West. 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.
- (o) Communal Works - £100,000 will be spent on the upgrade and improvement of flooring within communal areas across the borough and provide secure post boxes for flats with communal entrances.
- (p) Lifts - £23,000 to complete any unplanned major works to passenger lifts within sheltered and extra care schemes.
- (q) Red Hall - £2,265,000 is required to deliver a range of improvements as part of the wider regeneration of Red Hall. Measures will include the provision of external wall insulation to all council properties where appropriate and to a small number of owner occupier properties within the courts. The budget will also be used for the reconfiguration of Aintree and Anfield Court and alterations to improve traffic flows within each of the courts.
- (r) New Build - £4,020,000 will be spent developing 66 new build council housing units. The budget will also be used to complete site investigations to explore the opportunities for the development of a further 75 new build council housing units.

## **Transport and Highways**

18. The following works are proposed for delivery in 2015/16 and include the Third Local Transport Plan and the Local Growth Fund.

### **Local Transport Plan**

19. The Local Transport plan is funded by the Department of Transport and is split into two areas; the Integrated Block and Highways Capital Maintenance. During 2015/16 £886,000 has been allocated for the Integrated Block and will fund schemes including speed management initiatives, road safety schemes, safer routes to schools and bus stop improvements. The Department for Transport has announced that the funding allocations for the Highways Capital Maintenance block

for 2015/16 will be £1.738M. It will be used to fund highway maintenance programmes including the reconstruction of roads, as well as resurfacing and general structural maintenance. Priorities for this work will be based on the annual condition survey data. Bridge maintenance schemes are also identified from condition survey and a priority list has been compiled.

## **Local Growth Fund**

20. In July 2014 the Government announced funding agreements for the Local Growth Fund. Funding has been agreed to provide projects at Central Park including a road junction on Yarm Road to provide southern access into Central Park and a spine road linking this junction to the existing development at the north end of the site which includes Teesside University, Darlington College and the initial housing phase. The design includes bus passenger facilities, walking and cycling routes and links between Central Park and Bank Top railway station. Funding will also be used to commission a study at Bank Top. The objective of the study is to remodel the railway station in order to improve connectivity and transport interchange; improve journey times and develop a business model for the commercial development of the railway station. A further element of funding is for sustainable transport across the Tees Valley including improving cycling and walking routes and improving passenger facilities for those using local bus services. The schemes will aim to improve sustainable transport to employment and housing sites, as well as transport hubs. This will support people into employment as well as support the local economy.

## **Council Funded Schemes**

21. The Council can and has supplemented Government Capital funding from its own resources such as capital receipts and borrowing; however in the current economic climate the ability to fund from the council's resources is severely limited. There are a number of competing pressures and uncertainty around future funding which should become clearer next year once the new government's capital spending intentions are known.
22. The risk assessed capital receipts anticipated over the next four years along with receipts already received could be in the region of £16.2m. Of this £7.5m has already been earmarked against the Multi Storey Car Park and £2m allocated to the Dolphin Centre as per the 2014/15 programme. There are also provisions required which Council have previously agreed in regard to the Civic Theatre fund raising of £1.6m and the Theatre Hullabaloon £0.660m.
23. There is also the ability to use capital receipts to repay debt and due to the significant revenue pressures the Council is facing it would be prudent to earmark some capital receipts for this purpose to increase flexibility.
24. There will be many competing priorities against the available resources for both regeneration and refurbishment and these schemes will emerge over the coming year. However as capital receipts are not guaranteed and potentially receipts may be needed to assist with the revenue MTFP, availability for capital investment will be limited therefore at this stage members are requested to make capital provision

for 3 schemes which will be subject to full reports to Cabinet in due course, these are:-

- (a) Dolphin Centre - £0.750m – £2m has already been allocated to this scheme and work is ongoing to finalise the extent of works required to ensure the Centre can continue to operate in the future. Existing Plant and Equipment if not replaced would lead to the Centre having to close at a future date. The extent and cost of the works required are likely to be greater than first estimated and a full scheme is in development and like all capital schemes will be subject to a detailed report to Cabinet but given what officers are already aware of from work done to date it would be prudent at this time to set aside a further £0.750m to ensure there are sufficient funds to undertake the required works.
- (b) Indoor Market - £0.500m. The Market hall requires a significant level of repairs and given the market is integral to the Town Centre and an income earning asset for the Council, investment is recommended in the short term rather than deferring the investment to a later period. The scheme is not yet fully worked up but is likely to cover repairs to Electrics, roofing, fire alarm system, extraction system and redecoration.
- (c) Advanced Design Fees - £0.150m. - Darlington has a significant amount of land with evidenced potential for commercial or housing development. Much of the land is in Council ownership and benefits from appropriate designation in the Local Plan; however the current level of detailed understanding in relation to key development issues and infrastructure requirements is very limited. The majority of employment sites are in close proximity to either the A66 and or A1, which make them attractive however the ability to develop the sites quickly is constrained by site and wider infrastructure. Until 2009, any feasibility or advanced design works for capital projects could be funded from the Single Regeneration Programme operated by One North East. There are currently no sources of funding for speculative feasibility work; which means that in order to enable Darlington to access current funding programmes, projects need to be developed to a point whereby the issues, costs and outline scope and designs of works need to be in place i.e. feasibility has been undertaken. There are four key benefits to Council investment:
  - (i) It will demonstrate the Council's commitment to schemes and projects for which it is seeking support from funders.
  - (ii) The Council will improve its competitiveness in securing external funding for either on or off-site infrastructure (particularly from Tees Valley Unlimited but also Homes and Communities Agency) as well as other funders. The majority of funding "calls" in recent times have been for "shovel-ready" projects.
  - (iii) The Council will be in a better, more informed position to promptly respond to inward investment enquiries.
  - (iv) The sites will become more attractive to the market and the investment will pave the way for future capital receipts.

## **Loans to Registered Social Landlords**

25. In addition to the Capital Programme proposed above, officers are exploring the possibility of offering Loans to Registered Social Landlords (RSLs) either to build new properties or as rescheduling for existing loans. RSLs are unable to access borrowing from the Public Works Loans Board (PWLB) at lower rates as the PWLB will only lend to particular types of Public Bodies. However, under the Local Government Act 2003 Local Authorities can prudentially borrow and offer loans to the RSL's.
26. Loans would be linked to the appropriate PWLB interest rate and offered to RSL's with an additional percentage dependant on understood risk and State Aid considerations. All loans would be secured on the property of the RSL and would be subject to due diligence tests. It is envisaged that a maximum of £50m could be lent during 2015/16.

# Capital Medium Term Financial Plan 2015/16 - 2018/19

Appendix 1

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	Total £'000
<b>Resources</b>					
Capital Grants	7,841	5,168	3,527	3,380	19,916
HRA Revenue Contributions	6,681	6,299	6,301	6,243	25,524
HRA Investment Fund	6,285	8,262	6,256	139	20,942
Capital Resources	51,438	-	-	-	51,438
HRA Capital Receipts	192	194	196	198	780
<b>Total Resources</b>	<b>72,437</b>	<b>19,923</b>	<b>16,280</b>	<b>9,960</b>	<b>118,600</b>
<b>Commitments - see below</b>	<b>72,399</b>	<b>19,923</b>	<b>16,280</b>	<b>9,960</b>	<b>118,562</b>
<b>Resources Available for Investment</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
<b>Children, Families &amp; Learning</b>					
Basic Needs funding	1,517	1,593	0	0	3,110
School Condition Allocation	245	245	245	245	980
LCVAP funding for VA schools	50	50	50	50	200
DFC for LA maintained schools (provisional allocation)	70	70	70	70	280
DFC funding for VA schools (provisional allocation)	15	15	15	15	60
	1,897	1,973	380	380	4,630
<b>Housing</b>					
Adaptations	300	300	300	300	1,200
Heating replacement programme	1,020	1,170	1,174	1,168	4,532
Heating - Additions	280	280	280	280	1,120
Structural works	140	140	140	140	560
Lifeline Services	80	80	80	80	320
Repairs before painting	100	100	100	100	400
Roofing	400	420	420	420	1,660
Garages	75	75	75	75	300
External Works (footpaths, fencing, etc.)	500	500	500	500	2,000
Smoke detection	50	50	50	50	200
Pavement Crossing	25	25	25	25	100
Energy efficiency	1,100	600	600	600	2,900
Replacement Door Programme	250	250	250	250	1,000
Door entry	80	80	80	30	270
IPM works	2,100	2,100	2,100	2,100	8,400
Communal Works	100	50	50	50	250
Lifts	23	23	23	23	92
Red Hall Regeneration	2,265	-	-	-	2,265
New build	4,020	8,262	6,256	139	18,677
Fees	250	250	250	250	1,000
	13,158	14,755	12,753	6,580	47,246
<b>Transport</b>					
Highway Maintenance	1,738	1,593	1,545	1,398	6,274
Integrated Transport	886	886	886	886	3,544
Local Growth Fund	2,500	-	-	-	2,500
	5,124	2,479	2,431	2,284	12,318
<b>Other Capital Programmes</b>					
Adults' Personal Social Services	279	279	279	279	1,116
Better Care Implementation Funding	104	-	-	-	104
Disabled Facility Grants	437	437	437	437	1,748
Potential Loans to RSL's	50,000				50,000
	50,820	716	716	716	52,968
<b>Council funded Schemes</b>					
Dolphin Centre - Essential M&E works	750				750
Covered Market	500				500
Advanced Design Fees	150				150
	1,400	-	-	-	1,400
<b>Total Spending Plans</b>	<b>72,399</b>	<b>19,923</b>	<b>16,280</b>	<b>9,960</b>	<b>118,562</b>

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

## **Section 1.3**

# **General Fund Revenue and Capital Budget**

- 1.3     Setting the Council Tax for 2015-16
  - report to Council 26 February 2015

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**SETTING THE COUNCIL TAX FOR 2015/16**

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

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

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**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 2015/16 before 11 March 2015.

**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 17 February 2015 will result in Band D council tax of £1,263.34, if approved by Council. Durham Police Authority has set its Band D council tax for 2015/16 at £162.73. County Durham and Darlington Fire and Rescue Service has set its Band D council tax for 2015/16 at £93.96. Therefore the recommended council tax for a Band D property will be £1,520.03. 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 £39,416,064 which includes Parish Precepts of £125,064. The Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish Precepts) is therefore £39,291,000.

**Recommendation**

5. It is recommended that
  - (a) the following amounts be calculated by the Council for 2015/16 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	£223,798,064
(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	£184,382,000
(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	£39,416,064
(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)	£1,267.36
(v)	the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached <b>Appendix 1</b>	£125,065
(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	£1,263.34
(vii)	That the basic council tax for 2015/16 calculated for dwellings in those areas that have parish precepts be as set out in <b>Appendix 1</b> , column 5.	
(viii)	That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in <b>Appendix 2</b> as the amount of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings	



- (b) It be noted that for the year 2015/16 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown : -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	108.49	126.57	144.65	162.73	198.89	235.05	271.22	325.46

- (c) It be noted that for the year 2015/16 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	62.64	73.08	83.52	93.96	114.84	135.72	156.60	187.92

- (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 2015/16 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 2015/16
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notifications.

Elizabeth Davison : Extension 2601

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

## MAIN REPORT

### Information and Analysis

7. The Act, as amended by the Localism Act 2011, requires authorities to calculate their Council Tax requirement for the year. The Council tax requirement is equal to the Council's net budget requirement less Settlement Funding Assessment (Revenue Support Grant, Business Rates Scheme Grant and Top Up Grant) less any contribution to the Collection Fund in respect of any prior year's deficit 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 £1,520.03. 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 2 December 2014 and approved it for consultation. After public consultation and review by the relevant Scrutiny Committees, Cabinet considered the MTFP again on 17 February 2015.
10. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2015. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2014/15 demands/precepts. It is estimated that there will be a surplus on the Collection Fund at 31st March 2015 of £880,000, of which the

Council's proportion amounting to £730,000 will be released to general reserves. The remainder of the surplus will be paid to the Police and Fire Authorities during 2015/16.

11. The Council has determined that its basic amount of Council Tax for 2015/16, 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 2015/16, as calculated in accordance with Section 31A(4) of the Act, is £39,416,064.

## **The Council Tax Calculations**

### **Basic Council Tax**

13. The Council set its tax base at 31,101.0 at the meeting on 29 January 2015 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:-

$$\frac{£39,416,064}{31,101.0} = £1,267.36$$

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

$$\frac{£125,064}{31,101.0} = £4.02$$

16. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,263.34 (£1,267.36 - £4.02). This also excludes the Police Authority and Fire Service precepts. It represents a 1.99% increase compared with the council tax in 2014/15.

### **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 29 January 2015. The Parish Council Precepts for 2015/16 are detailed in Appendix 1 and total £137,501.
18. As part of the 2015/16 settlement, the Government identified part of the Council Tax Support funding as being for Parishes. The Council has decided to passport the relevant amount of £12,437 (Appendix 1 column 2) on to the Parishes to reduce the amount levied on the Parish Council Taxpayer.

19. The council tax in relation to the parish precepts is shown in **Appendix 1** (column 5). When added to the basic council tax, as calculated in paragraph 14, this provides the Billing Authority's basic council tax for each parish area (**Appendix 1**, column 7).
20. The decrease in the average Band D Council Tax for Parish Councils is 0.75% and results in an average Band D Council Tax figure of £4.02 for 2015/16 (£4.05 for 2014/15).

### Billing Authority Council Tax

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

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

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

### Police and Fire Authority Council Taxes

24. The Durham Police Authority is a separate body responsible for its own financial affairs. The Authority met on 3 February 2015 and set their precept at £5,061,066. This results in a Band D Council Tax of £162.73, a 1.98% increase from 2014/15 as shown below:-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	108.49	126.57	144.65	162.73	198.89	235.05	271.22	325.46

25. County Durham and Darlington Fire and Rescue Service met on 12 February 2015 and set their precept at £2,922,250. This results in a Band D Council Tax of £93.96, a 1.95% increase from 2014/15.

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	62.64	73.08	83.52	93.96	114.84	135.72	156.60	187.92

## Overall Council Tax

26. The total council tax for each of the parish areas and the remaining area of the Borough is calculated by adding the charges for the Billing Authority to those of the Police Authority and the Fire and Rescue Service. The overall council tax for each category of dwelling in each parish area and the remaining areas of the Borough where there are no parish precepts is set out in **Appendix 3**. There is a 1.99% increase in the Billing Authority Council Tax next year, with changes in the amounts of some parish precepts. The Police Authority has increased its Council tax by 1.98% and the Fire and Rescue Service has increased its Council Tax by 1.95%.

## Consultation

27. 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 2015/16

	Precept payable to Parish Council (1) £	Council Tax Support Grant (2) £	Precept levied upon Council Taxpayers (3) £	Parish Tax Base (4)	Parish Council Tax (5) £ p	Basic Council Tax (6) £ p	Billing Authority's Council Tax (7) £ p
Archdeacon Newton	1,500	(515)	985	351.97	2.80	1,263.34	1,266.14
Bishopton	6,400	(459)	5,941	165.55	35.89	1,263.34	1,299.23
Heighington	17,101	(1,487)	15,614	885.79	17.63	1,263.34	1,280.97
High Coniscliffe	1,000	(327)	673	105.37	6.39	1,263.34	1,269.73
Hurworth	41,805	(3,562)	38,243	1,281.57	29.84	1,263.34	1,293.18
Low Coniscliffe / Merrybent	5,300	(223)	5,077	281.74	18.02	1,263.34	1,281.36
Low Dinsdale	6,200	(864)	5,336	280.20	19.04	1,263.34	1,282.38
Middleton St. George	45,182	(2,381)	42,801	1,403.19	30.50	1,263.34	1,293.84
Neasham	1,573	(464)	1,109	165.88	6.69	1,263.34	1,270.03
Piercebridge	1,440	(201)	1,239	59.70	20.75	1,263.34	1,284.09
Sadberge	5,600	(912)	4,688	283.80	16.52	1,263.34	1,279.86
Whessoe	4,400	(1,042)	3,358	541.17	6.21	1,263.34	1,269.55
	<b>137,501</b>	<b>(12,437)</b>	<b>125,064</b>				

## APPENDIX 2

### BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2015/16

	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Archdeacon Newton	844.10	984.78	1,125.46	1,266.14	1,547.50	1,828.86	2,110.24	2,532.28
Bishopton	866.16	1,010.51	1,154.87	1,299.23	1,587.95	1,876.66	2,165.39	2,598.46
Heighington	853.98	996.31	1,138.64	1,280.97	1,565.63	1,850.29	2,134.95	2,561.94
High Coniscliffe	846.49	987.57	1,128.65	1,269.73	1,551.89	1,834.05	2,116.22	2,539.46
Hurworth	862.12	1,005.81	1,149.49	1,293.18	1,580.55	1,867.92	2,155.30	2,586.36
Low Coniscliffe /								
Merrybent	854.24	996.62	1,138.99	1,281.36	1,566.10	1,850.85	2,135.60	2,562.72
Low Dinsdale	854.92	997.41	1,139.89	1,282.38	1,567.35	1,852.32	2,137.30	2,564.76
Middleton St. George	862.56	1,006.32	1,150.08	1,293.84	1,581.36	1,868.88	2,156.40	2,587.68
Neasham	846.69	987.80	1,128.92	1,270.03	1,552.26	1,834.48	2,116.72	2,540.06
Piercebridge	856.06	998.74	1,141.41	1,284.09	1,569.44	1,854.79	2,140.15	2,568.18
Sadberge	853.24	995.45	1,137.65	1,279.86	1,564.27	1,848.68	2,133.10	2,559.72
Whessoe	846.37	987.43	1,128.49	1,269.55	1,551.67	1,833.79	2,115.92	2,539.10
All other parts of the Council's area	842.23	982.60	1,122.97	1,263.34	1,544.08	1,824.82	2,105.57	2,526.68

## APPENDIX 3

### OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2015/16

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	1,015.23	1,184.43	1,353.63	1,522.83	1,861.23	2,199.63	2,538.06	3,045.66
Bishopton	1,037.29	1,210.16	1,383.04	1,555.92	1,901.68	2,247.43	2,593.21	3,111.84
Heighington	1,025.11	1,195.96	1,366.81	1,537.66	1,879.36	2,221.06	2,562.77	3,075.32
High Coniscliffe	1,017.62	1,187.22	1,356.82	1,526.42	1,865.62	2,204.82	2,544.04	3,052.84
Hurworth	1,033.25	1,205.46	1,377.66	1,549.87	1,894.28	2,238.69	2,583.12	3,099.74
Low Coniscliffe /								
Merrybent	1,025.37	1,196.27	1,367.16	1,538.05	1,879.83	2,221.62	2,563.42	3,076.10
Low Dinsdale	1,026.05	1,197.06	1,368.06	1,539.07	1,881.08	2,223.09	2,565.12	3,078.14
Middleton St. George	1,033.69	1,205.97	1,378.25	1,550.53	1,895.09	2,239.65	2,584.22	3,101.06
Neasham	1,017.82	1,187.45	1,357.09	1,526.72	1,865.99	2,205.25	2,544.54	3,053.44
Piercebridge	1,027.19	1,198.39	1,369.58	1,540.78	1,883.17	2,225.56	2,567.97	3,081.56
Sadberge	1,024.37	1,195.10	1,365.82	1,536.55	1,878.00	2,219.45	2,560.92	3,073.10
Whessoe	1,017.50	1,187.08	1,356.66	1,526.24	1,865.40	2,204.56	2,543.74	3,052.48
All other parts of the Council's area	1,013.36	1,182.25	1,351.14	1,520.03	1,857.81	2,195.59	2,533.39	3,040.06



## **Section 2**

### **Housing Revenue Account**

- 2      Housing Revenue Account – Revenue Budget 2015-16  
         - report to Cabinet 17 February and Council 26 February 2015

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**HOUSING REVENUE ACCOUNT – MTFP 2015/16 TO 2019/20**

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

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

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**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 2015/16 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 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 report recommends the continuation of past practice to increase rents in line with the maximum allowed by government for the purpose of calculating housing benefit payments, this is to ensure sufficient funds for investment in the housing stock. There is no longer a requirement to do this however and members can choose a smaller rent increase with a corresponding reduction in capital investment. The proposed rent increase is an average 3.43% and 71% of tenants will have the increase covered by benefit payments. An Equality Impact Assessment has been undertaken to enable Members to understand the full impact of the proposed increases in rent and service charges and this is attached at **Appendix 5**.
3. The Business Plan for investment included in the report proposes the building of up to 90 new dwellings in addition to the 78 dwellings previously approved in addition to ongoing improvements to existing stock.

## **Recommendation**

4. It is recommended that :-

- (a) An average weekly rent increase for 2015/16 of 3.43% be implemented giving an average rent of £72.94.
- (b) Garage rents and service charges are increased as shown in Table 1.
- (c) The budget at **Appendix 1** is approved.
- (d) The Housing Business Plan **Appendix 2** is agreed.
- (e) The Equalities Impact Assessment at Appendix 5 is given full consideration before making any decisions.

## **Reasons**

- 5. To enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

## **Background Papers**

CLG Rent Restructuring Guidance

Pauline Mitchell: 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 on 26 February 2015.
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	This is not an urgent decision for Cabinet, as the approval of Council on 26 February 2015 will be required.
One Darlington: Perfectly Placed	The report has no particular implications for the Sustainable Community Strategy.
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service.

## MAIN REPORT

### Setting the MTFP from the HRA

6. Councils now have the flexibility to decide the balance between the levels of service provided to tenants and the levels of rent charged; however if the increase is higher than the maximum level determined by the DWP; it would not be eligible for Housing Benefit. In Darlington for 2015/16 the maximum average increase allowed will be 3.43%. The maximum increase is in line with prior year increases and this has enabled tenants to continue to receive a good level of service and provide funding for investment in existing and new properties. The MTFP as described in the following sections assumes that the Council will continue to increase rent levels to the maximum level to ensure the standard of service offered remains high in the context of the HRA having relatively low rents and that 71% of tenants are in receipt of housing benefits which will cover the increased rents. There is however no requirement to increase rents although the investment identified in the 30 Year Business Plan would need to be reduced to reflect any loss in income.

### 7. Analysis of Expenditure within the HRA

#### (a) Management £5.577m

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 2015/16 cost of £576 per property compare very favourably with our Comparator Group average of £735 per property.

#### (b) Maintenance - Revenue Repairs - £3.792m

This covers the on-going general repairs to the Councils 5,284 properties at a rate of approximately £715 per property per year (2015/16). This level represents an average spend and reflects the overall good condition of the stock due to sustained capital investment. Benchmarks indicate we provide good value for money when compared to the overall average of £826 per property. The continued investment in a good repairs service is essential to maintaining our stock at a good level for current and future tenants.

#### (c) Capital Financing Costs

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

#### (d) Bad Debts Provision

A provision to cover rents that are deemed unrecoverable.

### 8. Revenue Contributions to Capital Programme - £12.966m

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 option of applying to CLG to increase our borrowing capacity, particularly as it is unlikely we could meet all of the criteria. 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.

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

### **Housing Business Plan**

10. 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.
11. The following proposals will outline these strategic priorities, the resources available to deliver on these priorities (subject to final decisions on rent levels) and how resources will be aligned against the priorities.

### **Regeneration of Red Hall**

12. The regeneration of the Red Hall estate has become an increasingly strategic issue for the Council and local area as it is situated in close proximity to three major development opportunities at 'Lingfield Point', the 'Eastern Urban Fringe' and a 4.3 hectare greenfield site, in Council ownership at North Red Hall, known previously as Red Hall stables. The regeneration of Red Hall will support the wider master plan for the area and potentially increase the capital receipt the Council will receive for future land sales within the area.
13. A programme of regeneration works was approved by Cabinet in September 2014 at a cost of £5.551m. These investments are identified as phase one of the wider master planning work at Red Hall which is likely to take place over a much longer period. They include:
  - (a) Planned demolition of 56 properties and preparation of land for a green space play area and land for redevelopment
  - (b) Reconfiguration of remaining properties on Aintree and Anfield Court
  - (c) Provision of external wall insulation to 239 properties including 13 owner occupied properties within the Courts
  - (d) Provision of double glazing and new doors to 384 Council properties
  - (e) Improved street lighting and traffic flow within each of the Courts
  - (f) Electric to gas heating replacements to properties at Ascot View
  - (g) Fencing and footpath improvements where appropriate to all council properties

### **New Build**

14. The Strategic Housing Market Assessment completed for the Tees Valley in 2012 identified that there is a shortfall of over 300 affordable dwellings across the Borough

of Darlington each year. When 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.

15. 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.
16. 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, of which £10.8m is remaining for up to an additional 90 new homes in addition to the 78 new homes already in the pipeline.
17. Feasibility is underway to develop a number of proposals with a view to submitting a bid for grant funding from the Homes and Communities Agency (HCA).
18. The property mix for each of these sites is yet to be finalised but will focus on smaller units of accommodation to reflect current demand and support existing tenants needing to downsize as a result of the Welfare Reforms. Members will be fully consulted on the proposed schemes in their wards and play a key role in future resident engagement.

### **Housing for Vulnerable People**

19. A strategic review of Homelessness Services has recently taken place resulting in significant budget savings and a retendering exercise has successfully delivered the range of services and accommodation required. Cabinet agreed in October 2014 to revise the Local Lettings Policy which enabled a range of properties previously reserved for older people to be made available to younger people over 18 years of age and this will help address the needs of Care Leavers. The review of housing related support for specific Adult Social Care client groups is still ongoing but at this stage the need for new build accommodation has not been identified.
20. 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 2013/14 over 258 properties received adaptations works through this route and works ranged from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts and ground floor extensions. The adaptations budget is fundamental in supporting households to remain in independent living and preventing a premature movement into a more supported form of accommodation. Adaptations play a key role in reducing demands on Adult Social Care budgets and to reflect this, the Business Plan is committed to investing £300k per year on adaptations.

### **Existing Stock Investment and Responsive Repairs**

21. The housing stock has been assessed as being in good condition with significant annual investment as part of a structured programme for both ongoing capital improvements and maintenance resulting in:
- (a) All stock meeting the Decent Homes Standard by 2006.
  - (b) A proactive approach to capital improvement work ensuring all stock is maintained to a standard above the Decent Homes Standard, locally known as the Darlington Standard.
  - (c) An average SAP rating of 69 across the Council housing stock indicating an above average level of thermal comfort. This can be largely attributed to a central heating programme which has installed over 2,500 A-rated combi-boilers and a planned maintenance programme which ensures all properties suitable benefit from cavity wall insulation and 300mm of loft insulation.
22. The Business Plan identifies a capital works budget of £55m over the next five years and £289m budget for capital works over the next 30 years. This budget will ensure all works identified within the stock condition survey can be completed alongside additional works to maintain properties to the Darlington Standard and complete regeneration works where appropriate.
23. 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.
24. A wide range of actions within the Business Plan are anticipated to reduce the level of expenditure on responsive repairs. These include:
- (a) The Energy Efficiency programme is providing new composite doors which do not fluctuate in shape following changes in temperature or heavy rainfall and will reduce responsive repair requests.
  - (b) Roofing and Energy Efficiency budget will replace items that require painting on a cyclical basis, for example, cast iron and lead gutters and downpipes or timber doors with PVC equivalents that do not require regular painting.
  - (c) The externalisation of Stores including the use by operatives of Procurement Cards is continuing to deliver efficiencies, saving operative time and increasing the number of repairs completed at first visit.
25. The Business Plan anticipates responsive repairs will remain at historical levels and so allocates a budget of £19.9m for responsive and cyclical repairs within the five year investment plan and £118.7m within the 30 year investment plan.

## **Energy Efficiency**

26. 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.



27. The five year investment plan directs £7.174m towards investment in A rated combination boilers and £51.193m over 30 Year Business Plan period. A further £3.53m 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 £30.8m of investment in Energy Efficiency measures.
28. To supplement the investment identified within the Business Plan, Housing Services are currently working with Warm Up North and other funding providers to leverage additional grant funding to complete a wider range of energy efficiency improvements. Potential projects include:
- (a) Provision of external cladding, double glazing and composite doors to 39 System Built properties with an average SAP rating of 64.
  - (b) Provision of external cladding to 239 properties and double glazing and composite doors to 384 Wimpey No Fines and System Built properties with an average SAP rating of 54.
29. Attached at Appendix 2 is the 30 Year Investment Plan and at **Appendix 3** the detailed 5 Year investment plan.
30. Members will appreciate that the Investment Plan is underpinned by annual rent rises at the maximum levels which are estimated to be the Consumer Price Index (CPI) plus 1%.

## **Rent Level Options**

31. 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.
32. From 2015/16 there is no longer a requirement to continue with rent restructuring and Members can opt for the level of rent increases to be lower with a consequential reduction in funding available for capital investment. However if full implementation does not take place there will be inequality within the system with some tenants paying a lower comparative rent than others therefore this report recommends full implementation. For 2015/16 the average amount actual rents are below formula rents is £0.89 with the average formula rent being £72.97 and the average actual rent being £72.08. (Rents can increase above that amount but would not qualify for Housing Benefit so would be unaffordable for the majority of our tenants). The rent loss due to a stoppage of rent convergence would be approximately £245K per annum if fully implemented in 2015/16 or £237K if we continue to phase in rent convergence and apply a limit of CPI + 1% + £2 increase per property. By continuing with the phasing we will protect properties, particular larger family homes and those in

rural locations, from having significant increases in one year. Without this a small number of properties will have increases totalling £2-4 per week and in one instance the increase would total £6.10, despite generating only £8K additional income in 2015/16. Whilst it is fair and equitable for rents to be charged on a common basis it is considered reasonable to continue to phase in the remaining increases over time in line with previous practice.

33. Example rents for 2015/16 are attached at **Appendix 4**. It should also be noted that the latest benchmarking information for 2012/13 shows Darlington as the twelfth lowest rent out of 166 local authorities with a housing stock. Typically the highest rents are in London Boroughs with Wansworth charging the most at an average of £120.85 and more locally North Tyneside was averaging at £65.98 and York averaging at £72.07. Rent convergence will have maintained these rent differentials up to the present time.
34. The additional costs will be covered by Housing Benefits for the 71% of tenants who are eligible. In addition to CAB and the Credit Union 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 recently established Housing Plus Team.
35. Since the introduction of the Bedroom Tax, there has also been an emphasis on encouraging people to downsize or, where appropriate, apply for discretionary housing payments. This has resulted in some significant improvements in rent arrears performance, despite the challenges faced by the Welfare Reforms and the economic climate. The rent arrears at the end of September 2014 were £464,377 which represents a reduction from the previous year of £50,000 and 600 less arrears cases. The arrears as a percentage of the debit is 1.86 per cent, the lowest figure in some years and in the top quartile of best performing housing organisations.

## **Garage Rents and Service Charges**

36. 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. Details are shown at Table 1.

**Table 1: Garage Rents and Service Charges**

Description	Current Weekly Charge (14/15)	Proposed Weekly Charge (15/16)
	£	£
Garage Rents	6.65	6.73
Building Cleaning – Flats	1.57	1.59
Building Cleaning – Sheltered Schemes	3.15	3.21
Building Cleaning – Extra Care	9.89	10.09
Grounds Maintenance – General Housing	1.46	1.49
Grounds Maintenance – Blocks of Flats	1.46	1.49
Heating – Comprehensive schemes	11.46	11.46
Heating - Blocks of flats	1.16	1.22
Administration – Leaseholders	80.74	82.35
Furnishings and Fittings – Comprehensive Schemes	1.66	1.68
Furnishings and Fittings – Good Neighbour Schemes	0.75	0.76
Lifeline Response	5.21	5.22
Lifeline - Sheltered and Extra Care Housing	14.98	15.00
Pavement Crossings and Hard standings	3.56	3.60
Mid-day Meal – Extra Care (Residents only)	31.64	32.27
Mid-day Meal – Extra Care (Non-Residents only)	37.97	38.78
Furnished Tenancies - 1 bed flat	28.51	28.51
Furnished Tenancies - 2 bed flat	29.65	29.65
Furnished Tenancies - 2 Bed House	45.97	45.97
Furnished Tenancies - 3 Bed House	48.10	48.10
Furnished Tenancies - White Goods	6.10	6.10
Guest Rooms in Sheltered Schemes	77.00	78.40
Door Entry Systems	0.58	0.59
TV Aerials	0.16	0.17
Housing Plus Service	17.02	17.36

37. Room hire in sheltered housing and extra care schemes is currently available for hire free of charge for activities available to residents. For private usage various charges have been introduced through time which reflects the benefits to the wider community in being able to access below market rate facilities. A diverse range of organisations use the facilities and it is recommended that these charges are now standardised starting with £7.50 per hour and £6 per hour thereafter.

## **Consultation**

38. The Annual Review of the HRA Business Plan is developed in consultation with Council tenants through the Tenants Board and associated sub-groups supplemented with surveys, focus groups, bespoke meetings and marketing tools such as mystery shopping.
39. This report was considered by the Tenant's Board in December 2014 and they were fully supportive of the proposals.

## **Financial Implications**

40. 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.
41. The level of revenue balances projected in this report represent an adequate level given the level of risk.

## **Equality Impact Assessment**

42. 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 510 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. In most of these cases Discretionary Housing Payments are available that will mitigate these affects.
43. 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.

## HOUSING REVENUE ACCOUNT

	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
<b><u>Income</u></b>				
Rents Of Dwellings (Gross)	(19,696)	(20,293)	(20,903)	(21,395)
Sundry Rents (Including Garages & Shops)	(359)	(365)	(372)	(379)
Charges For Services & Facilities	(2,533)	(2,543)	(2,553)	(2,563)
Contribution towards expenditure	(286)	(296)	(300)	(305)
Interest Receivable	(55)	(37)	(48)	(78)
<b>Total Income</b>	<b>(22,929)</b>	<b>(23,533)</b>	<b>(24,176)</b>	<b>(24,720)</b>
<b><u>Expenditure</u></b>				
Management	5,577	5,649	5,751	5,851
Capital Financing Costs	3,581	3,536	3,514	3,766
Increase in Bad Debt Provision	250	250	250	250
HRA Revenue Repairs	3,792	3,906	4,023	4,143
Revenue Contribution to Capital (R.C.C.O.)	12,966	14,561	12,557	6,382
Contribution to/(from) balance	(3,237)	(4,369)	(1,919)	4,327
<b>Total Expenditure</b>	<b>22,929</b>	<b>23,533</b>	<b>24,176</b>	<b>24,720</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Opening balance</b>	<b>12,903</b>	<b>9,666</b>	<b>5,297</b>	<b>3,378</b>
<b>Contribution to/(from) balance</b>	<b>(3,237)</b>	<b>(4,369)</b>	<b>(1,919)</b>	<b>4,327</b>
<b>Closing balance</b>	<b>9,666</b>	<b>5,297</b>	<b>3,378</b>	<b>7,705</b>
<i>of which: Capital Investment Fund</i>	<i>6,166</i>	<i>1,297</i>	<i>(622)</i>	<i>3,705</i>
<i>HRA Working Balance</i>	<i>3,500</i>	<i>4,000</i>	<i>4,000</i>	<i>4,000</i>
<b>Estimated closing dwelling numbers</b>	<b>5,284</b>	<b>5,320</b>	<b>5,310</b>	<b>5,280</b>
<b>Closing balance per dwelling</b>	<b>£1,829.23</b>	<b>£995.68</b>	<b>£636.15</b>	<b>£1,459.35</b>

## THIRTY YEAR INVESTMENT FORECAST

	Years 1 to 10 (£000)	Years 11-20 (£000)	Years 21 - 30 (£000)	Total Spend (£000)
Adaptations	3,090	3,150	3,150	9,390
Communal Works	568	530	530	1,628
Decoration following IPM	256	496	473	1,225
External works (footpaths, fencing, etc.)	5,150	5,250	5,250	15,650
Garage Improvements	774	790	790	2,354
Heating Replacements	16,317	17,786	17,090	51,193
Internal Planned Maintenance	24,981	27,911	26,750	79,642
Repairs before painting	1,030	1,050	1,050	3,130
Roof work	4,360	4,500	4,500	13,360
Structural Repairs	1,442	1,470	1,470	4,382
Warden Link & Sheltered Housing	824	840	840	2,504
Walls/Canopies	2,154	3,590	3,590	9,334
Lifts	236	240	240	716
Energy Efficiency	9,990	10,400	10,400	30,790
Professional Fees	2,578	2,630	2,630	7,838
Smoke / Fire Alarms	518	530	530	1,578
Door entry	462	320	320	1,102
New build and regeneration capital investment	26,942	13,000	13,000	52,942
<b>Total expenditure</b>	<b>101,672</b>	<b>94,483</b>	<b>92,603</b>	<b>288,758</b>

HRA Business Plan – Draft 5 Year Investment Plan					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£000's	£000's	£000's	£000's	£000's
<b><u>Scheme / Project</u></b>					
Adaptations	300	300	300	300	315
Heating replacement programme	1,300	1,450	1,454	1,448	1,522
Structural works	140	140	140	140	147
Lifeline Services	80	80	80	80	84
Repairs before painting	100	100	100	100	105
Roofing	400	420	420	420	450
Garages	75	75	75	75	79
External Works (footpaths, fencing, etc.)	500	500	500	500	525
Smoke detection	50	50	50	50	53
Pavement Crossing	25	25	25	25	26
Energy efficiency	1,100	600	600	600	630
Replacement Door Programme	250	250	250	250	260
Door entry	80	80	80	30	32
IPM works	2,100	2,100	2,100	2,100	2,210
Communal Works	100	50	50	50	53
Lifts	23	23	23	23	24
Red Hall Regeneration	2,265	0	0	0	0
New build	4,020	8,262	6,256	139	1,000
Fees	250	250	250	250	263
<b>Total spend</b>	<b>13,158</b>	<b>14,755</b>	<b>12,753</b>	<b>6,580</b>	<b>7,778</b>
<b><u>Resourced by:</u></b>					
Capital Receipts	192	194	196	198	200
RCCO	6,681	6,299	6,301	6,243	6,578
Investment Fund	6,285	8,262	6,256	139	1,000

## EXAMPLES OF WEEKLY RENT INCREASES FOR 2015/16

Area	Property Type	Approved Rent 2014/15	Proposed Rent 2015/16	Increase between 14/15 & 15/16	Increase between 14/15 & 15/16
				£	%
<b>Middleton St George</b>					
	1 Bedroom Bungalow	69.16	71.25	2.09	3.02%
	2 Bedroom House	75.32	77.73	2.41	3.20%
	3 Bedroom House	85.43	88.66	3.23	3.78%
<b>Cockerton</b>					
	1 Bedroom Flat	62.36	64.19	1.83	2.93%
	2 Bedroom House	72.89	75.17	2.28	3.13%
	3 Bedroom House	78.18	80.99	2.81	3.59%
<b>Haughton</b>					
	1 Bedroom Flat	62.84	64.73	1.89	3.01%
	2 Bedroom Flat	71.06	73.32	2.26	3.18%
	1 Bedroom Bungalow	69.21	71.29	2.08	3.01%
	2 Bedroom House	74.87	77.14	2.27	3.03%
	3 Bedroom House	83.06	86.24	3.18	3.83%
<b>Branksome</b>					
	1 Bedroom Flat	62.44	64.29	1.85	2.96%
	1 Bedroom Bungalow	69.04	71.11	2.07	3.00%
	2 Bedroom House	71.64	73.74	2.1	2.93%
	3 Bedroom House	81.04	83.83	2.79	3.44%
<b>Lascelles</b>					
	1 Bedroom Flat	61.47	63.54	2.07	3.37%
	2 Bedroom Flat	68.3	70.86	2.56	3.75%
	2 Bedroom House	70.25	72.76	2.51	3.57%
	3 Bedroom House	77.36	80.51	3.15	4.07%
<b>Bank Top</b>					
	1 Bedroom Flat	62.82	64.7	1.88	2.99%
	3 Bedroom House	80.26	82.9	2.64	3.29%
<b>Redhall</b>					
	1 Bedroom Flat	60.06	62.07	2.01	3.35%
	2 Bedroom Flat	65.96	68.26	2.3	3.49%
	1 Bedroom Bungalow	63.67	65.81	2.14	3.36%
	2 Bedroom House	67.66	69.77	2.11	3.12%
	3 Bedroom House	73.86	76.4	2.54	3.44%
<b>Eastbourne</b>					
	1 Bedroom Flat	58.88	60.97	2.09	3.55%
	2 Bedroom Flat	65.63	67.91	2.28	3.47%
	2 Bedroom House	68.33	70.72	2.39	3.50%
	3 Bedroom House	73.59	76.54	2.95	4.01%
<b>Skerne Park</b>					
	2 Bed House	68.88	71.51	2.63	3.82%
	3 Bed House	74.23	77.27	3.04	4.10%
<b>Parkside</b>					
	1 Bedroom Flat	62.49	64.78	2.29	3.66%
	2 Bedroom House	71.78	74.29	2.51	3.50%
	3 Bedroom House	79.16	82.13	2.97	3.75%





## Equality Impact Assessment Record Form 2012-16

### Section 1 – Service Details and Summary of EIA Activity

<b>Title of activity:</b>	Housing Revenue Account- MTFP 2015/16 - 2019/20
<b>Lead Officer responsible for this EIA:</b>	Ken Davies
<b>Telephone:</b>	01325 388435
<b>Service Group:</b>	Neighbourhood Services and Resources
<b>Service or Team:</b>	Housing and Building Services
<b>Assistant Director accountable for this EIA</b>	Pauline Mitchell
<b>Who else will be involved in carrying out the EIA:</b>	Money Advice Team Income Management Team Housing Management Team Customer Liaison-Asset Management Team Tenant Empowerment Team Lifeline Team Housing Options Team

Stage	Summary of position
<b>Stage 1: Initial Officer Assessment. Whole Population likely to be affected identified</b>	A desk top analysis was conducted in December 2014 of the available evidence The report is due to be presented to Cabinet in February 2015 The change will apply to all Council tenancies and it may have an impact on decisions made by those who consider applying for Council Housing
<b>Stage 2: Further Assessment. Target Population likely to be affected identified</b>	Council Tenants

<p><b>Stage 3: Further Assessment. Individuals likely to be affected identified</b></p>	<ol style="list-style-type: none"> <li>1. The proposed rent increase provides additional income to support expenditure on Council Housing. All Council tenancies will benefit from the repairs and maintenance programme. Some people who need rehousing will benefit from new Council Housing. There are wider benefits to the local economy, the 30 year Business Plan commits to £101.7 million investment in the stock over the first 10 years, and as such they have the potential to have positive impacts on tenants with protected characteristics.</li> <li>2. Those likely to experience a negative impact are Council tenants who are not in receipt of Housing Benefit and therefore will have to meet the cost of the increase from their income-29% of Council tenancies: <ul style="list-style-type: none"> <li>• These are mostly working age tenants who are in employment</li> <li>• Less than 1% are from a BME group</li> <li>• A small number have a disabled person in the family</li> </ul> </li> <li>3. Council tenants who are affected by the Bedroom Tax (510) will be negatively affected. They will have to pay a proportion of the rent increase from their income: <ul style="list-style-type: none"> <li>• 440 tenants have children under the age of 16</li> <li>• 136 are in receipt of disability benefit</li> <li>• Less than 1% fall into a BME group</li> </ul> </li> </ol> <p>8 tenants are affected by the Benefit Cap and will also have to pay part or all from their income. All of these are families have children and most are in receipt of disability payments</p>
<p><b>Stage 4: Analysis of Findings</b></p>	<ul style="list-style-type: none"> <li>• There are about 5,400 Council tenancies that will be affected by the proposals contained in the report.</li> <li>• In total 71% of tenancies receive full or partial housing benefit. About 3300 of these tenancies will not be affected by the rent increase.</li> <li>• There are 510 tenancies that receive Housing Benefit and are affected by the Bedroom Tax. They will lose the equivalent of either 14% of their rent because they under occupy by one bedroom (410 tenancies) or 25% if they under occupy by two beds (100 tenancies).</li> <li>• Approximately 1560 do not receive Housing Benefit and will meet the full cost.</li> </ul> <p>Tenants affected by the Bedroom Tax maybe eligible for Discretionary Housing Payments which will make up for the loss of Housing Benefit. These include people who are disabled and live in adapted properties and people who need an overnight carer. During 2013/14, 788 tenancies received Discretionary Housing Payments (DHP) as a result of the Bedroom Tax. This covered most of those affected and also indicates that there is a significant turnover of tenants affected by the Bedroom Tax.</p> <p>The Council is aware of all the tenants who are affected by the Bedroom Tax and have contacted all of them. Detailed discussions have taken place with tenants concerning their financial position and the options that they have for addressing the loss of income. During this process protected characteristics were identified and specific impacts were discussed. For example, people with a physical disability living in adapted properties were identified. Moving to another property may not be a viable option so alternative solutions were also explored. Those with health and</p>

	<p>support problems were also identified to understand their needs and the consequences of the loss of income. They have access to their local Housing Officer and the Money Advice service. Where there are difficulties with rent payment the Income Management team will become involved. There is therefore very detailed knowledge of the issues faced by this group of tenants.</p> <p>Through the Housing Management, Income Management services and other specialist services there is also detailed knowledge of the issues facing tenants as individuals and as communities. It is clear that tenants who have to pay the cost of the rent increase themselves will experience a loss of disposable income. Most that fall into this category are of working age. For a smaller number who are already experiencing financial problems the impact will be more serious.</p> <p>There are positive effects. 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 fuel bills making Council housing more affordable. The improvements in the stock have a general accumulative impact:</p> <ul style="list-style-type: none"> <li>• There are more properties that have been adapted to meet the needs of people who are disabled</li> <li>• Some new properties will specifically address the needs of older people and people with disabilities</li> <li>• Energy efficiency measures reduce the overall cost of running a home and there are implied benefits for people with protected characteristics</li> </ul>
<b>Stage 5: Sign-Off</b>	<p>Ken Davies</p> <p>Pauline Mitchell</p>
<b>Stage 6: Reporting and Action Planning</b>	<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 2015/16 in the context of the HRA Medium Term Financial Plan to 2019/20 and the 30 year business plan. The report therefore considers the level of rent increase 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"> <li>(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 report recommends the continuation of past practice to increase rents in line with the maximum allowed by government for the purpose of calculating housing benefit payments, this is to ensure sufficient funds for investment in the housing stock. There is no longer a requirement to do this however and members can chose a smaller rent increase with a corresponding reduction in capital investment. The proposed rent increase is an average 3.43% giving an average rent of £72.94. 3300 tenancies will have the increase covered by Housing Benefit and a further 510 will have the increase partially covered due to the effect of the Bedroom Tax.</li> <li>(b) The rents are used to fund the management, 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 for 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 need a home of their own or need a larger home</li> <li>(c) The rent loss due to a stoppage of rent convergence would be approximately £245K per annum if fully implemented in 2015/16 or £237K if the phasing continues. By continuing with the phasing we will protect properties, particularly larger family homes and those in rural locations, from having significant increases in one year. Without this a small number of properties will have increases totalling £2-4 per week and in one instance the increase would total £6.10. Whilst it is fair and equitable for rents to be charged on a common basis it is considered reasonable to continue to phase in the remaining increases over time in line with previous practice.</li> </ul>
Who will be affected by the activity? (groups and numbers)
Whole population
There are approximately 1600 people on the waiting list for Council Housing plus 5400 Council Tenants
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>

1.9% are White other

0.6% Asian or Asian British

0.5% Black or Black British

57% of tenants have a long term health problem

In 8.8% of tenants households someone is a wheel chair user

2208 Tenants are in receipt full Housing Benefit and 1616 are in receipt of partial Housing benefit. This is about 71% of all tenants. Of these 510 are affected by the Bedroom Tax:

410 are under occupying by 1 bedroom and see their housing benefit reduced by 14%

100 are under occupying by 2 or more bedrooms and see their rent reduced by 25%

### **Individuals**

3300 tenancies will be protected from the rent increase because they are in receipt of Housing Benefit.

510 Tenancies are currently affect by the Bedroom Tax and they will therefore have to meet part of the rent increase from their own income

1560 tenancies will have to meet the full cost of the rent increase

Although the rent increase will have a negative impact on those who will pay the charge there is no specifically disproportionate impact on any group of protected characteristics

### **What data, research and other evidence or information is available which is relevant to the EIA?**

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:

- The Bedroom Tax data base- contains detailed information producing a number of standard reports. This provides quantitative and qualitative data
- 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 Bedroom Tax
- Research to support the regeneration of Redhall
- The Housing Strategy 2012-17
- Supported Housing Strategy 2012-17

### 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	P				M			<p>There are no specific disproportionate negative impacts based on age</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 the 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 users of energy</p> <p>There are no specific impacts related to age</p> <p>34% (1860) of all tenants are 65 or over. None of these tenants will be affected by the Bedroom Tax.</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 proportion of disabled people who live in adapted properties may face a specific

detail on next page)								negative impact as described in Stage 4 above but these are targeted to apply for Discretionary Housing Payments.  Funding of Aids and Adaptation will positively help those with mobility and other needs. The new build programme may also include specially adapted properties
Religion or belief			NA			L	nil	There are no specific disproportionate negative impacts based on Religion or belief
Sexual Orientation			NA			L	nil	There are no specific disproportionate negative impacts based on sexual orientation
Pregnancy or maternity	P					L		There are no specific disproportionate negative impacts based on pregnancy or maternity.  There may be positive affects as a result of the increase in supply of housing
Marriage/ Civil Partnership			NA			L	nil	There are no specific disproportionate negative impacts based on marriage/ civil partnership

### Section 3: Officer Assessment - continued

<p><b>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.</b></p>								
Mobility Impairment		N				L		<p>A proportion of disabled people who live in adapted properties may face a specific negative impact as described in Stage 4 above but these are targeted to apply for Discretionary Housing Payments</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>

<b>Visual impairment</b>	<b>P</b>					<b>L</b>	<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 following an assessment within Adult Social Care</p>
<b>Hearing impairment</b>	<b>P</b>					<b>L</b>	<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>
<b>Learning Disability</b>	<b>P</b>					<b>L</b>	<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 find suitable housing</p>
<b>Mental Health</b>	<b>P</b>					<b>L</b>	<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>
<b>Long Term Limiting Illness</b>		<b>N</b>				<b>L</b>	<p>A proportion of disabled people who live in adapted properties may face a specific negative impact as described in Stage 4 above</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>
<b>Multiple Impairments</b>		<b>N</b>				<b>L</b>	<p>A proportion of disabled people who live in adapted properties may face a specific negative impact as described in Stage 4</p>



								<p>above</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 with mobility issues</p>
Other - Specify	None							

Cumulative Impacts	
Change activities	Potential cumulative impacts
	<p><b>Impact on tenants and applicants</b></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 by 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 and 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.</p> <p>For tenants who receive no help with paying the rent there will be a small loss of disposable income. However, there is no evidence that any protected characteristic is disproportionately affected</p> <p>There are positive impacts particularly for older people and disabled as a result of the accumulative impact of maintaining and modernising the council's housing stock:</p> <p>More homes will be energy efficient and this will help those who need to use more energy for health and disability reasons to reduce costs</p>

	<p>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> <p><b>Conclusion</b></p> <p>A very larger proportion of Council tenants will not be affected by the rent increase. Those that are most likely to be worst affected are those who are affected by the Bedroom Tax. Some of those have protected characteristics and may experience negative accumulative impacts as described above. Other tenants who will not be eligible for housing benefit may also be affected negatively but there is no evidence people with protected characteristics are disproportionately negatively impacted. There is some evidence of an accumulative positive impact as a result of expenditure on the stock</p>
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#### Section 4: Engagement Decision

<b>Is engagement with affected people with Protected Characteristics required, now or during the further development of the activity?</b>	<b>No</b>
<b>If YES, proceed to the next section.</b>	
<b>If NO, briefly summarise below the reasons why you have reached this conclusion.</b>	
<p>The proposed changes have been discussed with the Tenants Board at a special meeting on 9 December 2014 and they have decided to support the changes</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 a rent increase. Engagement will not provide additional insight into the impacts on protected characteristics. Some groups of protected characteristics who could be affected are likely to be protected by DHP. These groups are more likely to experience positively affected as a result of the housing improvement programmes</p>	

## Section 5 - Sign-off when assessment is completed

Officer Completing the Form:		
Signed	<b>Name:</b>	Ken Davies
	<b>Date:</b>	22-12-14
	<b>Job Title:</b>	Housing Strategy Officer
Assistant Director:		
Signed	<b>Name:</b>	Pauline Mitchell
	<b>Date:</b>	22-12-14
	<b>Service:</b>	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

<b>What is the negative impact?</b>	<b>Actions required to reduce/eliminate the negative impact (if applicable)</b>	<b>Who will lead on action</b>	<b>Target completion date</b>
Negative impacts have been specifically identified for people affected by the Bedroom Tax	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 Bedroom Tax will be specifically contacted by the Income Management Team	Hazel Neasham Head of Housing	March 2015
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 partnership with Income Management Officers, target 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 for the purchase of white goods and furniture at reasonable rates.	Hazel Neasham Head of Housing	On going

Performance Management	
<b>Date of the next review of the EIA</b>	December 2015
<b>How often will the EIA action plan be reviewed?</b>	Annually with the setting of the HRA budget
<b>Who will carry out this review?</b>	Housing and Building Services