



Revenue and Capital Budgets

2009/2010

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Introduction and Key Features

- 1 This is the first budget for the new Unitary Durham County Council. It builds on the budgets of the existing eight authorities in County Durham and the proposals in the Bid accepted by Government for the provision of Unitary Local Government in Durham.
- 2 Significant work has been undertaken to prepare for the new Council with Districts and County working together. This work has informed the Budget proposals presented to the Council.
- 3 The document sets out:
 - The priorities the County Council has used to focus investment and savings
 - The resources the County Council has allocated to Service spending on both Revenue and Capital expenditure
 - Housing issues
 - Plans for investment and savings in 2009/10
 - A Reserves Policy
 - A Prudential Code and a Treasury Management Policy
 - Plans for a council tax increase of 2.9%

Priorities

- 4 The Council has built its priorities as described in Section B of this report. With a particular focus on working in partnership. Investment proposals are in line with the priorities identified.

Grant Settlement

- 5 Formula Grant 2009/10 £224.165m - This is a cash increase of £7.938m over 2008/09 or 3.7%. When 2008/09 has been adjusted to reflect changes in specific grants this shows an increase of £8.099m or 3.75%.
- 6 The average increase in formula grant for Shire Unitaries without Fire responsibilities is 3.3%.
- 7 The County Council's contribution towards the floor to support other Shire Unitaries is £14.074m.
- 8 The Dedicated Schools Grant will be finalised after the budget has been agreed by the County Council and depends on pupil numbers. It has been assumed, for planning purposes, that the Dedicated Schools Grant is likely to be of the order of £280m.

Revenue Budget

Planning Assumptions

- 9 The following final assumptions have been built into this Budget proposal for 2009/10:

	2009/10
	%
Price inflation	2.0
Salary and other cost inflation	2.0
Average Council tax increase	2.9
Grant Settlement	3.9

- 10 Each 1% increase in tax generates around £2m.

2009/10 Proposals

- 11 Investment of £7.6m of which £4.0m is in Adult Well-being and Health
- 12 Savings of £12.5m.
- 13 Detailed in Section G, Annex G1 and G2 are lists of investment and savings.
- 14 Council tax – recommended to County Council on 27th February by Cabinet – an average increase of 2.9%.
- 15 A Band D council tax would then be £1,258.92, an increase of £35.96 per annum or 69 per week.
- 16 A Band A council tax would increase by £23.99 per annum or 46p per week.

Consultation

- 17 The budget consultation process has involved meetings with the Trade Unions, National Non-Domestic Ratepayers, Overview and Scrutiny, the Citizens Panel and the Schools Forum.

If You Have Any Comments

- 18 We hope that this document proves to be both informative and of interest to readers. It is important to try to improve the quality and suitability of information provided and feedback is welcomed.

- 19 If you have suggestions or comments on either the format of the document or its content, or you would like any further information, please contact the Corporate Director - Resources:

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Section A – Context and Background

- 1 April sees the beginning of a new era for local government in County Durham with the creation of a new unitary or ‘all-purpose’ council.
- 2 ‘All purpose’ because the new council will provide all of the main local services you currently have provided by the county and district councils.
- 3 All of this means that services will be provided more cost effectively because the tax you pay will go towards the running costs of just one council, instead of eight different councils across the county.
- 4 It also means that the Council Tax charges for main council services will be equalised across the county. From 1st April 2009 a Band D council tax rate will be £1,258.92 wherever you live in County Durham, before the addition of Police, Fire, Town or Parish Councils’ council tax. The table below shows the amount that you will pay before the addition of any other organisations’ taxes:

Council tax band	£
A	839.28
B	979.16
C	1,119.04
D	1,258.92
E	1,538.68
F	1,818.44
G	2,098.20
H	2,517.84

- 5 The new Area Action Partnerships being set up across the County will enable you to have a greater say in how your Council Tax is spent and how services are delivered in your area.
- 6 All in all, there will be a lot of change to local government in the County this year laying the foundation for an altogether better County in years to come.
- 7 This is the first Budget for the new Unitary Durham County Council incorporating services from the former County Council and the seven “District” authorities following the review of Local Government in County Durham.

- 8 The County Council has determined a range of priorities to improve outcomes for local people. The budget proposals are built around those priorities.
- 9 A Budget Strategy was agreed by Cabinet in August 2008 and work has been ongoing since then, including consultation and discussion to bring forward proposals to this meeting. However, work started much earlier in 2008 bringing district and County Budgets and plans together. Initial work was based on the Bid document but as a result decisions on structures, following extensive consultation, related to Service groupings further work has been necessary. A range of Workstreams have been considering Service provision and proposals for the new authority related to the amalgamation and reorganisation of services. Proposals are made to invest a total of £7.654m in services in 2009/10.
- 10 Significant savings are anticipated as a result of the review - £13.763m in 2009/10 and a further £6.771m in 2010/11. However, other savings are necessary to balance the budget. Service Savings of £12.522m are proposed.
- 11 The County Council will determine Council Tax levels across the County this year for County and District Services and will need to undertake functions in Council Tax determination that previously would have been undertaken by Districts. Other issues also need to be addressed.
- 12 The original strategy was based on a council tax increase for planning purposes of 5%. Equalising council taxes across the County at District/County level reduces that increase to an average 3.19%. As more up to date financial information is available final recommendations to the County Council are for an average council tax increase of 2.9%.
- 13 The Housing Revenue Account is taken into account and decisions made in respect of rent levels.
- 14 The budget consultation process has involved meetings with the Trade Unions, National Non-Domestic Ratepayers, Overview and Scrutiny, the Citizens Panel and the Schools Forum.
- 15 The Final Local Government Finance Settlement was announced by the Government on 21st January 2009 which was the second of a three year spending review series. Grant increases for Durham are as anticipated.
- 16 Risks have been identified and considered.

Section B - Priorities

- 1 The Council will work closely with key partners to improve outcomes for local people and make County Durham a better place to be now and in the future.
- 2 There are two major influences on the medium term priorities for the new council from 2009/10. The first is the new Local Area Agreement (LAA) for 2008 – 2011, which has been agreed with partners and was signed off in June 2008. The second is the transformational agenda for the new council from April 2009, the framework for which is set out in a high level blueprint agreed by the Council.

Working in Partnership

- 3 The Council will develop its approach to strategic and community leadership with reference to the wider partnership framework. We will take a strong and leading role in working with partners to achieve the targets set out in the LAA and the long term goals and priorities set out in the Sustainable Community Strategy for the following seven key themes:
 - **Economic wellbeing** – a modern, dynamic and diverse economy; an enterprising and entrepreneurial society; improved employability and skills in the workforce; improved economic competitiveness of our major towns; and a reduction in poverty.
 - **Achieve** – improved attainment in education and work for people of all ages; more young people involved in employment, education or training; and increased levels of adult education and skills.
 - **Physical place** – a high quality clean, green, attractive environment; provision of sustainable residential accommodation across all tenures; enhanced choice and access to sustainable and integrated transport networks; and a reduced impact on climate change.
 - **Health and wellbeing** - all residents leading long and healthy lives.
 - **Safe** - everyone is safe and feels safe.
 - **Enjoy** - culture, leisure and sporting opportunities to meet the needs and aspirations of the community.
 - **Positive contribution** - strong cohesive communities and a vibrant and sustainable voluntary and community sector.
- 4 Agreement of the new LAA (2008 – 2011) involved engagement with a broad range of stakeholders with consideration of information and evidence from a number of sources. The LAA is the short term delivery mechanism for the most pressing priorities for improving outcomes in the County. It has received support from a wide range of partners and

has 3 year targets for 35 National Indicators, 8 local indicators and 16 statutory education and early years indicators in line with the above seven themes.

- 5 Since the LAA was agreed additional evidence has been taken into account, including the following:
- The Joint Strategic Needs Assessment - a significant new joint assessment for health and social care which was subject to wide public and stakeholder consultation
 - A review of the Children and Young People's Plan which has taken account of the results of our second survey of children and young people across the County
 - A new Economic Development Strategy for the County which is being finalised following a major consultation exercise and updated to take account of the latest economic position.

Our Priorities

- 6 The LAA does not cover all of the priority areas of work that the Council is engaged in, either as an organisation or in key partnerships, where work is ongoing to deliver longer term strategies, but our priorities are aligned to the longer term goals in the SCS and more closely aligned to the LAA. We will take action and set targets to achieve:
- Healthier communities
 - Safer communities
 - People enjoying, achieving and making a positive contribution
 - Economic well being
 - An improved environment
- 7 Our transformation agenda will include the improvements in service design and delivery that will be necessary for the new council to achieve the required efficiencies for reinvestment, improve outcomes and meet the Government's expectations of becoming a flagship authority within the next two years. The following key themes will steer the way that the new council operates in the future:
- Customer focus
 - Community engagement and empowerment
 - Modern and flexible services
 - Efficient and effective use of resources
 - Improved outcomes

- 8 In the planning and delivery of our priorities we will continue to consider the impact of our decisions in relation to fair and equal access to services for all sections of the community, services for rural communities, sustainable development and climate change.

Section C – Consultation Responses

1 This section details responses from Consultees.

Citizens' Panel focus group – 15th January 2009

2 A focus group of representatives from the Council's Citizens' Panel were given an outline of the Council's priorities and the key elements of the current budget position, including information about the range of proposals for investments and savings. They were also given details of possible Council Tax options, starting with 5%, which was the basis for the budget proposals.

3 Given the complexities of the budget position the focus group were not asked to give views on the detail of the budget but were asked for their general views and reaction to the overall position and in particular on the balance between investments and savings and on the Council Tax options.

4 The main points raised by the focus group were:

- There is a public perception that the creation of the new unitary council would save money and would result in lower council tax bills for most of the County because bills were being equalised down to the level of the lowest district's council tax. The focus group asked for more information on this. In their view any announcement of council tax increases will need to be well explained and communicated.
- In setting the council tax level the Council should keep any increases as low as possible and take into account the other financial pressures that people are facing, such as higher food bills and fuel costs.
- Given the difficult economic position could reserves be used to ease some of the investment pressures with a view to building reserves back up at a later date?
- Rather than have council tax increases the Council should:
 - Look at the balance between statutory and discretionary services and only do the things that are really necessary.
 - Think about reducing standards or levels of service, such as grass cutting and flower beds or refuse collection arrangements.
 - Cut down on street lighting costs by switching lights off after a certain time or in certain locations, and reduce lighting of public buildings at night.

Report of the Overview and Scrutiny Management Committee and Corporate Issues Overview and Scrutiny Committee:



Overview and Scrutiny Response to the Budget Process 2009/2010

Report of Feisal Jassat, Head of Overview and Scrutiny

Purpose

1. To outline for Cabinet the response by Overview and Scrutiny to the Budget process for 2009/2010.

Introduction

2. At a Cabinet meeting on the 28 August 2008 a strategy and work Programme was agreed for the preparation of the budget and Medium Term Financial Plan (MTFP). The County and District Councils have been working extensively on bringing budgets together, dealing with Local Government Review (LGR) financial proposals and the savings and investment issues that all eight authorities would have needed to consider in a normal budget cycle.

Background and Context

LGR Savings & Investments

3. The LGR bid suggested that £20.53m could be saved and delivered over a two year period. This figure was based upon a range of assumptions in relation to levels and patterns of spending, particularly in District Councils and about prospects for savings by bringing the 8 authorities together.
4. Whilst it is anticipated that the Bid savings will be delivered in full over the two years, 2009/10 and 2010/11 they may not be delivered as precisely anticipated. Currently £13.67m is being sought in savings during the financial year 2009/10 with an additional £6.77m in 2010/11.
5. With reference to the report considered in August, the expectation was that, of the proposals contained in the Bid, £9.55m would be needed for investment in relation to Area Action Partnerships (AAP's) and Budgets for Members.
6. A figure of £250,000 has been included in planning assumptions for each of the 14 AAP's which will cost £3.50m. In addition, current plans also assume that each member would have a revenue budget of £50,000 for local spending, which in total would cost £6.30m.

7. Current plans assume that each Member would have a revenue budget of £50,000 for local spending. This will cost £6.30m with the additional cost over and above the current Members' Initiative Fund of £2,000 per Member is £6.05m.
8. No assumptions have been made about varying the resources currently allocated to Members for highway related schemes, currently £6,000 per member. In total this costs £756,000 per annum. If Members were so minded this figure could be subsumed within the overall proposed £50,000 per member.
9. The cost associated with the proposal to equalise the former County and District Council's tax levels would amount to £3.23m.

Base Budget and Inflation

10. Assumptions have been made about bringing together and rolling forward the existing budgets from County and District (the base budget and sums needed for inflation).
11. It is proposed to add £29.14m to the existing budget for inflation and base budget adjustments.
12. The general increase factored into planning assumptions is 2.5% for both pay and prices with inflation pressures above 2.5% and additional base budget pressures identified.
13. The additional inflation in the main relates to the cost of fuel and energy, however it is forecast that these costs will reduce next year although costs are currently significantly higher than 12 months ago.
14. Decisions will need to be taken about whether to allow for these additional costs. If we do not, then services will need to absorb the costs by finding other savings or reducing service provision.
15. However, if it is agreed that the costs can be added to the base budget then in order to prepare a balanced budget, other savings will need to be found.
16. Work to date is based on the planning assumption of a 5% increase in Council tax. This would result in an average increase in Council tax across the County of 3.19% as a result of equalisation.
17. In relation to Government grant, it was anticipated that announcements confirming the position for 2009/10 would be made towards the end of November, 2008.

Service Investments and Savings

18. As in previous years, it is necessary to consider as part of the budget process a range of proposals for investment and savings to ensure that the Council responds to the needs of customers and service users

whilst acknowledging the need to reduce costs to enable Council tax increases to be contained within Government expectations.

19. Corporate Directors have identified investment proposals totalling £8.37m and have been asked to identify savings to enable a balanced budget to be determined.

Housing Revenue Account (HRA)

20. This is a ring fenced account primarily financed through tenants' rents. Within the County four of the existing Districts operate a HRA.
21. A provisional forecast for the combined HRA for the County has been prepared for 2009/10. Forecasts for 2009/10 have been based upon a set of assumptions around housing subsidy, rent increases, changes to management fees and direct costs, such as repairs and maintenance expenditure requirements. The figures suggest a stable financial position on the combined HRA, however a separate report is being prepared on the forecast combined HRA position plus the impact of the draft subsidy determinations.
22. The new Authority will be required to determine rents for 2009/10.

Capital Programme

23. Bringing together eight authorities provides challenges and as part of the Council's budgets for 2008/09 a number of authorities approved capital spending into 2009/10. The total of the current programme across the County is £112m which is supported by a range of funding including capital receipts however the estimates for capital receipts were determined around 12 months ago and since then land values have fallen significantly. Although it is suggested that the existing combined programme is maintained as far as possible in the short-term a review of the existing programme is underway to test the extent to which it can be delivered in the current economic climate. A strategy and scoring system for proposed capital investment has been developed which will provide a structured and rational framework.

Area Based Grants

24. In 2009/10 Area Based Grants totalling £61.12m are expected to be paid to the County Council, however this may be amended in the provisional grant announcement.

Fees and Charges

25. It is proposed to equalise Statutory and Regulatory fees and charges, rationalise concessions across all services and review certain charges (not necessarily equalised) in relation to car parking, crematoria, warden visiting services and disabled parking charges.

Local Average Rates of Mortgages

26. The County Council will inherit a range of mortgages and will need to set a 'Local Average rate'. The Authority must on an annual basis review and set the interest rate it charges to any mortgagees. The rate is set at the same time as the budget to allow for notifications to be issued, however given the different starting points and the County Council's low CRI (average rate of interest paid on external borrowing of the Council) position, this will mean some significant percentage changes to individual mortgages.

Transition Costs

27. Transition costs were estimated in the bid document at £12.45m just over half of which was likely to be redundancy costs associated with early retirement.
28. Transitions costs are being monitored and it is anticipated that the costs will initially be met from reserves and will not have an impact on the Revenue budget of the New Council.

Risk

29. There are a number of risks which may have a financial impact during 2009/10. These are related to the existing risks of the County Council and Districts and risks arising from the Local Government Review programme.
30. These various risks are being managed but they do add a significant degree of uncertainty to the budget.

OVERVIEW AND SCRUTINY PROCESS IN RESPONSE TO THE BUDGET PROPOSALS

31. As mentioned previously, this budget has been a far more complex process as a result of the Local Government Review bringing together County and District Budgets, focusing on financial proposals, savings and the investment issues that all eight authorities would have needed to consider in a normal budget cycle. There was therefore a need for more flexibility in the setting of budgets for 'Service Groupings' as a result of the complexities of Local Government Review (LGR.)
32. In addition the complexity of the process has resulted in the schedule for the budget process running much later than in previous years resulting in Overview and Scrutiny having a much shorter 'time frame' in which to consider and make recommendations in relation to the various service departmental budgets and the Budget of the Authority.
33. The six new Directorates of the Authority as follows:
 - Children and Young People's Services
 - Adult, Wellbeing and Health Services
 - Regeneration and Economic Development

- Neighbourhood Services
- Corporate Resources
- Assistant Chief Executive's Office

all attended specially convened 'Budget Working Group' meetings where they presented information in relation to Overview of the Departmental Budget Service income, Service expenditure, Service pressures, potential budget savings options, giving a detailed explanation/rationale for each.

34. The respective Budget Working Groups considered each of the presentations; however they raised the following general issues in relation to each of the Directorates:

GENERAL RECOMMENDATIONS

35. General recommendations from Overview and Scrutiny for consideration by Cabinet as follows:

- That there was limited information available to Overview and Scrutiny members as a result of 'pulling together' the respective budgets from the Seven District Authorities and the County Council. Members note the complexity and difficulty with such a process. However the kind of information that would have helped Overview and Scrutiny members in their deliberations should have included :-

A) detailed information for each Directorate in relation to statutory and non statutory services as well as those services which the Authority provides above the minimum level e.g. the provision of post 16 school transport.

B) a detailed understanding of the Medium Term Financial Plan and Corporate Budget of the Authority before making any proposals in relation to the 5% cut proposed across all Directorates. There is recognition that an investment in one area would require savings in another. This needs to be understood.

- That the early engagement of Non-Executive Members in the budget process is essential if Overview and Scrutiny is to contribute meaningfully to the budget process.
- That due to the complex nature of this particular budget, Cabinet should consider a standstill budget for 2009/10 thereby avoiding any significant cuts in front line services but maintaining a level of service that continues to meet local need.
- That the County Council continues to make efficiency savings wherever possible and continues to work on the principle of invest to save strategies.

36. In addition, Overview and Scrutiny made the following specific responses in relation to the various Directorates following discussions at the respective Budget Working Group meetings.

SPECIFIC CONSIDERATIONS

Children and Young People's Service Summarised Spending, Investment and Potential Savings Options

37. The total revenue budget in 2008/09 is £102.7 m of which £83m is managed by the Corporate Director of Children and Young People's Service with the remainder managed by other Chief Officers in relation to central costs. Dedicated Schools Grant (DSG) and other devolved grants come to £318.3m. (Final DSG for 2008/09 £274,436,000).
38. There is also additional grant for Surestart totalling £16.9 m.
39. In relation to service improvements/investments, subject to availability of funds, the following two areas were identified;
- Subsidised Transport - £1.23 m – to allow young people subsidised travel 'off peak' and weekends plus cost of initial travel card.
 - Empowering Young People - £1 m – over 1,500 young people are participating in a government funded pilot that gives £30 per month credits in support of the 'Places to Go and Things to Do' priority. The grant ends on 31st March 2009.
40. With reference to savings, 10 areas were identified which were deliverable with minimum impact on service provision for example BSF with reduced development costs spending ;with an additional 2 more difficult savings options identified for example reduction to grant aid for Community organisations.
41. Members have identified the following recommendations in relation to the Children and Young People's Service Budget proposals for consideration by Cabinet.
- The Working Group would suggest that there is a need to determine Partners' contributions to the delivery of the Children and Young People's plan. Examples of Partners contributing to the Children and Young People's plan are given below:
 - In 2008 a successful Family Pathfinder bid was made to DCSF that will attract £780,000 grant over three years. Over the period, £600,000 of contribution has been agreed by the PCT and CYPS and Adults will channel about £1.5m into the project. In kind contributions from a range of agencies such as Job Centre Plus, and Substance Misuse Services will also be included. This will allow 3 pilot projects to take place in Easington, Sedgefield and Derwentside focusing on those families with the most complex demands who were likely to

have required intensive specialised support from all agencies. This should bring added value and demonstrate the benefits of partnership working. In the medium term, we will be looking to demonstrate a consequential demand on some of the most costly and highly pressurised support services.

- By the end of February 2009, a bid will be submitted to DCSF that is aimed at increasing the take up of schools meals. Matched funding is required and it is expected that this will include contributions from schools, the PCT, the main catering contractor and the County Council, that will allow kitchens and dining areas to be improved. It is hopeful that this joint bid will attract as much as £1m of DCSF grant.
- That as a result of LGR a range of activities funded by the District Councils will transfer to the Children and Young People's Service. Some of these relate to 'youth' activities with an estimated budget requirement of £0.6m. It is essential to ensure that the budget provision for these activities in District Councils transfers to the Children and Young People's Service budget.
- That no reduction of grant aid be made in relation to Community Associations, presented as a proposed saving namely £194,000.

Adult, Wellbeing and Health Service Summarised Spending, Investment and Potential Savings Options

42. The revenue budget for 2009/10 is £161,354,000 with a capital budget for 2008/9 of £12.6 million.
43. A number of budget pressures were identified for the Directorate in relation to demographic change, inflationary pressure, emerging new priorities and preventative services (Government wants local authorities to invest more heavily in preventative services.)
44. With reference to investments for 2009/10, the service identified the following areas:
 - Additional demographic demand – (Learning Disabilities; Mental Health and Older People)
 - Day Service Improvement, New Centre at Sedgefield
 - Deprivation of Liberty Team (one-off investment)
 - Home Care Re-enablement – double running (one-off investment)
 - Travellers sites – (Capital Investment) 2009/10
 - Sky Bowl (Capital Investment) 2009/10
 - Libraries (Capital Investment) 2009/10

45. In relation to Budget Savings, 25 were identified (“Category 1” for example running costs and general office expenses) which could be achieved with minimum effect on services and no/little political impact. Two areas of savings were identified which are more difficult to achieve and would have an impact on service provision (“Category 2” for example reduce marketing and information supplies budget.)
46. The Directorate also identified 9 areas of savings (“Category 3” for example closure of Clayport Library on Sundays) which would be difficult to achieve and would have a political or service provision impact.
47. Members have identified the following recommendations in relation to the Adult, Wellbeing and Health Budget proposals for consideration by Cabinet:
- The Working Group would recommend the approval of the savings outlined in Category 1. Examples of the savings in this category included contributions to care packages from the Health Service, review of care packages (Learning Disabilities), continuing care review (review of longstanding learning disability and mental health packages), reduced communities fund (Community Development Officers have a small budget), home care savings linked to block contracting and support staff reductions.
 - That in relation to the proposed savings to be achieved via libraries which included the reduction in the range of service provision, closure of libraries and no Sunday opening at Clayport, it was highlighted that an Overview and Scrutiny review is currently being undertaken in relation to library provision. There was consensus that the proposed library savings should be removed from the savings options. In addition it was suggested that the Overview and Scrutiny Library Working Group look at the impact of a reduction in library opening hours and library usage by the public as part of its evidence gathering.
 - The Working Group recommended that the proposed saving option where funding for the Community Development Team is taken from the AAP budget, should be rejected. It was felt that other services would make similar calls upon the AAP budget and this was not appropriate. The Budget Working Group accepts that there is a need to review the arrangements of the Community Development Support unit including further consideration of the proposals for staffing reductions e.g. the deletion of three Community Development posts.
 - In relation to the proposed residential homes closure savings, the Budget Working Group made reference to the previous Overview and Scrutiny investigation report and recommendations for the retention and improvement of existing care homes which had been accepted by Cabinet and were now Council Policy. However, it was accepted that future arrangements for provision were ultimately a matter for Cabinet to determine.

- The Working Group was opposed to reductions in care funding linked to changing the eligibility criteria. The Group required further information about the difference between 'critical' and 'significant' designations and the likely numbers of people that would be impacted upon by any resulting change.

Regeneration and Economic Development Service Summarised spending, Investment and Potential Savings Options

48. The total net base budget for Regeneration and Economic Development in 2008/09 is £33,110,000.
49. A number of budget pressures were identified for the Directorate in relation to the Housing Revenue Account, reduction in Planning Application Fees, loss of rental income from industrial sites, use of Budget Support Funds and miscellaneous.
50. In addition a number of areas were identified for investment as follows:-
 - County Economic Assessment – Additional Staff and Consultancy Services
 - Integrated Regional Strategy – Consultancy Service
 - City Regional Partnership Working
 - Loss of Single Programme Funding
 - Loss of Planning Delivery Grant
 - Social Regeneration – Local Housing Allowance
51. With reference to savings achievable through efficiencies 8 areas were identified for example reduction in supplies and services, with a further 6 areas identified for proposed savings which were achievable with difficulty for example planning service reduction in staffing.
52. A further 2 areas of savings which were identified, if taken, would result in undermining of the service and/or be politically sensitive for example further reduction in staffing for the planning service .
53. Members of the Working Group identified the following recommendations in relation to the Regeneration and Economic Development Budget proposals for Cabinet's consideration:
 - That any reference to the Modern Apprenticeship scheme be removed from the proposed savings list. The Budget Working Group felt that the Authority should be extending not diminishing the Scheme.

- That the proposal (savings which undermine the service) to reduce the contribution by the Authority to the Dales Centre be opposed.

Neighbourhood Service

54. The net base budget for Neighbourhood Services in 2008/09 is £92.424m.
55. A number of budget pressures were identified for the Directorate in relation to Energy inflation, Highways Maintenance Term Contract, subsidised bus services, Landfill Tax, Concessionary Fares, Housing Revenue Account, reduced income streams and staffing pressures not budgeted.
56. In addition a number of areas were identified for service investment as follows:
 - Waste project - resources to deliver solution
 - Public transport - subsidised services
 - Electricity at Work Regulations - testing of underground cables
 - Bus Strategy - demand responsive transport
57. In relation to LGR savings for the first year totalling £1,022,000 were identified (recreation and Sport Management, Open Spaces Management, Environmental Health/Consumer Protection, Street Cleansing, waste collection and waste disposal).
58. With reference to savings achievable through efficiencies 20 areas were identified for example waste recycling initiatives; with a further 10 areas identified for proposed savings which were achievable with difficulty for example not painting street lighting columns.
59. A further 11 areas of possible savings were identified which if taken would result in the undermining of the service and/or be politically sensitive for example Trading Standards reduction in staffing.
60. In relation to Neighbourhood Services, the Budget Working Group made the following recommendations in relation to the Budget proposals for consideration by Cabinet:
 - The removal from the proposed savings of any reference to Highways related savings, as it was considered by members that Highways are a priority and therefore investment should take place to ensure that the same level of service is maintained e.g. winter maintenance.
 - That in relation to some identified savings proposals i.e. disabled access ramps it was suggested by the Working Group that Member budgets could be utilised to contribute to the provision of such a service. It was noted that this is a statutory requirement.

Corporate Resources

61. The revised based budget for Corporate Resources for 2009/10 is £25,188,000 with transition costs (met from reserves) totalling £6,211,000.
62. In addition the Service had identified a number of LGR Bid savings (various staff reductions together with Member allowances) totalling £10,060,000.
63. The Service had identified 2 areas of investment as follows:
 - LGR Bid
Members Revenue Budgets
 - Other
Replacement of lost DWP Grant
64. With reference to proposed savings options for Corporate Resources, they fell into the following categories:
 - Rationalisation of staffing
 - Indirect employee costs
 - Premises
 - Supplies and services
 - Other support services
 - Increased fees and charges

The total of these proposed savings amounted to £1,663,000.

65. Members have identified the following recommendations in relation to Corporate Resources Budget proposals for consideration by Cabinet.
 - At a Joint Meeting of the Overview and Scrutiny Management Committee and the Corporate Issues Scrutiny Committee, on the 16 January 2009 it was agreed by a majority of members that Members' Revenue Budgets be allocated on the basis of £50,000 per electoral division with a view to increasing this figure in the 2010/2011 budget process
 - Members of the Working Group remain cautious of the potential "perceived" implications by local communities of resources being allocated specifically to Members set against "perceived" service reductions.
 - That the existing allocation of £6,000 per member for Highways related schemes (total cost £756,000 per annum) should continue.
 - That the proposal for a sum of £2,000 within each AAP budget for small grant schemes be supported.

Assistant Chief Executive's Office

66. The revised base budget for the Assistant Chief Executive's Office for 2009/10 is £11,827,000 with transitional costs (met from reserves) totalling £1,524,000.
67. In addition the service had identified a number of LGR bid savings (various staff reductions) totalling £1,579,000.
68. With reference to investments, the service had identified one area, Area Action Partnership Budgets.
69. In relation to proposed savings options for the service they fell into the following categories:
 - Corporate Policy & Communications
 - Rationalisation of staffing
70. Members of the Working Group identified the following issues in relation to the Assistant Chief Executive's Office Budget proposals:
 - The Working Group accept the need to adequately resource the Area Action Partnerships however the establishment costs of £3.5m may well be used in a phased approach over the next twelve month period (the Working Group identified the possibility of slippage in this budget which could be redirected).

Recommendations

- (a) That in future budget cycles it is essential to ensure the early engagement of Non-Executive Members to allow for a full and detailed response to be prepared by Overview and Scrutiny.
- (b) That Cabinet agree the specific budget recommendations contained in the report in relation to each of the Service Directorates.
- (c) That as a result of the complex nature of this particular budget Overview and Scrutiny would recommend that Cabinet consider a standstill budget for 2009/10 thereby avoiding any significant cuts in services but maintaining a level of service that continues to meet local need.
- (d) That Members Revenue Budgets be allocated on the basis of £50,000 per electoral division with a view to increasing this figure in the 2010/2011 budget process.

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- 5 No formal responses have been received by me from other consultees.

Section D – Local Government Finance Settlement

- 1 The Provisional 2009/10 Local Government Finance Settlement was originally announced on 6th December 2007 as part of the first three-year settlement along with the Provisional 2008/09 and 2010/11 allocations.
- 2 For Durham County Council, the effect of Local Government Review on the Settlement is that existing Formula Grant allocations for the County Council and the District Councils are added together.
- 3 The Minister expects to see average council tax increases in England in 2009/10 substantially below 5%.
- 4 The headline changes between the Provisional 2009/10 Settlement as detailed in February 2008 and November 2008 are:
 - No change for any authority in Formula Grant allocations, between the 2009/10 settlement announced in February and November (except for those authorities reorganising);
 - No increase in the total amount of Formula Grant allocated;
 - No change to the relative block sizes
 - No change to the damping mechanism
 - No further transfers in/out of the 2008/09 baseline; and
 - No Amending Report issues.
- 5 The change between the Provisional 2009/10 and the Final 2008/09 is an average increase in Formula Grant of 2.8% across England
- 6 The key elements of the provisional settlement are:
 - **Formula Grant 2009/10 £224.165m** - This is a cash increase of £7.938m over 2008/09 or 3.7%. When 2008/09 has been adjusted to reflect changes in specific grants this shows an increase of £8.099m or 3.75%.
 - The average increase in formula grant for Shire Unitaries without Fire responsibilities is 3.3%.
 - The County Council's contribution towards the floor to support other Shire Unitaries is £14.074m.
 - **Formula Grant 2010/11 £231.341m** - This is a cash increase of £7.176m over 2009/10 or 3.2%. When 2009/10 has been adjusted to reflect changes in specific grants this shows an increase of £7.238m or 3.2%.
 - The average increase in formula grant for Shire Unitaries without Fire responsibilities is 3.0%.
 - The County Council's contribution towards the floor to support other Shire Unitaries has not been calculated by Government.
- 7 The Final Local Government Finance Settlement was announced on 21st January 2009, and no changes to the figures contained in the Provisional Settlement were made.

Section E - Risk

- 1 It is important to recognise and manage the risks facing the County Council, particularly during the coming year because of the significant changes that lie ahead.
- 2 There are a number of risks which may have a financial impact. These are related to the existing risks of the County Council, and also to risks arising from the Local Government Re-organisation (LGR) Programme.
- 3 **Current key risks to Durham County Council are around:**
 - Legal challenges on equal pay.
 - Delivery of the Building Schools for the Future programme.
 - Effectively implement the proposed Waste Management Contract.
 - Failure to improve the economic well-being of the County.
 - The deterioration of the Highway network.
 - Currently, the cost of fuel and energy is reducing. Nevertheless, the volatility in the cost of fuel and energy in the market remains, and therefore this remains a high risk for the foreseeable future.
- 4 The current global financial crisis has implications for all local authorities and Durham is not immune. Significant additional costs are a likely consequence.

Local Government Re-organisation

- 5 As well as risks specific to the delivery of essential objectives by 1st April, there are a number of strategic risks which are focused around maintaining acceptable performance levels, providing adequate support to Members, staffing issues, and the management of the programme itself. The LGR Programme Manager is the owner of these risks, and provides assurance that they are being managed. The key strategic LGR risks which may impact include:
 - Lack of adequate officer capacity within the Council during the transition period. In particular, the loss of key staff may impact upon the ability of the County Council to identify savings and develop transformation plans to deliver these savings.
 - Adverse impacts on performance of service delivery during transition.
 - The Boundary Commission review may lead to further elections in 2010, and this short timeframe could lead to uncertainty and clear direction for the transformation programme.
 - Failure to effectively demonstrate the savings delivered by LGR.
- 6 A key component of the bid to reorganise local government is the successful delivery of financial savings. Common risks that may arise from the implementation the savings are:
 - the perception by the community and partners that savings will lead to cuts in service delivery,

- the potential damaged reputation with central government and the community if we fail to deliver the savings
- damaged employee relations where savings lead to reduced numbers of staff,
- reduced quality of service delivery.
- the costs required to implement the savings may be higher than anticipated,
- the impact of external influences.

Section F – Area Based Grants

- 1 For 2008/09 Government increased local authorities' flexibility over the use of their resources by transferring a number of previously ringfenced grants into a new Area Based Grant (ABG) and transferring some into Revenue Support Grant, both of which are non-ringfenced. This move minimised barriers to local authorities focussing the mainstream resources to support Local Area Agreement priorities where they wished to do so.
- 2 Whilst local authorities were free to use these non-ringfenced grants to support the delivery of local, regional and national targets Government Departments issued circulars for many of the funding streams indicating the purpose of the funding and setting out expectations.
- 3 ABG will for 2009/10 be paid to the County Council. Cabinet acknowledged in November 2008 that it would be sensible to expect District Councils, through their Local Strategic Partnerships, to continue to commit a proportion of ABG spend in 2009/10 in advance of the start of the year so that projects could continue.
- 4 Out of a total of £15.3m ABG in 2009/10 originally allocated to Districts for Working Neighbourhoods Funding in 2009/10 £13.8m is expected to be committed by existing Districts. This leaves a balance of £1.5m available to the County Council to allocate to projects. In the budget, it is assumed that expenditure will match the grant income.
- 5 Local Enterprise Growth Initiative (LEGI) grant and the Safer Stronger Communities Grant (SSC) were passported to partners during 2008/09 and Cabinet have agreed that this continues to be the case in 2009/10. A proportion of ABG will be used to support the Voluntary and Community Sector infrastructure across the County in line with decisions taken by Cabinet on 4th December 2008.
- 6 For 2008/09 County Services were allowed to retain ABG with the exception of the "top slice" for the Community and Voluntary Sector and "passport" grant for Service spend. Whilst for 2009/10 a number of grants have been increased, others have been reduced. County Services are limited to utilise ABG increases only where they are required by Government to deliver increased outcomes.
- 7 This approach provides a more flexible use of resources as envisaged by the ABG programme.

Section G – Housing Revenue Account (HRA) and other associated issues

Mortgage Interest Rate

- 1 Historically district councils were required to provide mortgages to purchasers of Council Houses. It is no longer a requirement to provide this facility and gradually the portfolio has reduced to such an extent that the six district councils have only 48 mortgagees and the balance outstanding is around £160,000.
- 2 It is a requirement under the Housing Act 1985 Section 438 and schedule 16 to re-determine six monthly the local average rate of interest to be applied to sums left outstanding on mortgages in respect of Council owned dwellings.
- 3 The local average rate means that rate declared under paragraphs 3(a) and (b) of schedule 16 to the Housing Act 1985, and the “average annual rate of interest calculated in accordance with proper practices, payable on the date of the declaration on the amount outstanding, by way of money borrowed by the Authority other than short term borrowing”, the Consolidated Rate of Interest (CRI) plus 0.25% for administration costs.
- 4 In addition the Secretary of State periodically declares a Standard National Rate (SNR) taking into account interest rates charged by building societies in the United Kingdom and any movement in those rates, the current rate in force from 2nd February 2009 is 3.93%.
- 5 Authorities must charge whichever is the higher of the SNR or the local average rate.
- 6 It is necessary for the County Council to agree the rate to be charged from the 1st April 2009.
- 7 Three of the district councils are still operating a Housing Revenue Account and as the Housing Subsidy regime is still in place for those Authorities for 2009/10, it is proposed that the calculation for those districts is as in previous years to be consistent with Housing Subsidy Regime.
- 8 The calculation for the remaining three districts (Sedgefield, Derwentside and Teesdale) will be based on the debt of those authorities together with the debt of the County Council.

9 The calculations for each Authority are shown in the table below.

District Council	Local Average Rate (including administration)	Standard National Rate	Rate Chargeable
Durham City	8.21%	3.93%	8.21%
Easington	7.14%	3.93%	7.14%
Wear Valley	5.48%	3.93%	5.48%
Combined rate for other former district areas	5.02%	3.93%	5.02%

10 The new rates will be communicated to mortgages, and will be reviewed at six monthly intervals.

Housing Revenue Account (HRA)

- 11 At 1st April 2009 three of the former District areas (Durham City; Easington and Wear Valley DC) have housing stock. Therefore the County Council will have to prepare a Housing Revenue Account (HRA). It is assumed that the transfer of the former Sedgefield BC housing stock to a newly established Registered Social Landlord – Sedgefield Borough Homes takes place as planned prior to 31 March 2009.
- 12 Arms Length Management Organisations (ALMO) exist within the former Easington (East Durham Homes) and Wear Valley District areas (Dale and Valley Homes), whereas there is direct service provision in the Durham City area. Separate management agreements and service level agreements are in place with East Durham Homes and Dale and Valley Homes. However, statutorily, the new authority must maintain, for reporting purposes, a single consolidated HRA.
- 13 As at 1st April 2009 the County Council is responsible for approximately 19,000 Council dwellings and is required to determine its rents using the national rent-restructuring model and approve the HRA in line with the usual budget setting process.
- 14 The HRA is “ring-fenced” i.e. it must be funded only from Rent, housing related charges and Government grant – (housing subsidy) and must not be cross-subsidised by the General Fund or visa versa.
- 15 Government support for social housing is called housing subsidy. Annual determinations are made for allowances per dwelling, for guideline rent, management and maintenance costs and major repairs allowances, plus indicative sums for debt management costs and allowances for capital charges (notional interest and premiums / discounts on previous rescheduling exercises).

- 16 These determinations are based on a national notional HRA, which aims to redistribute resources between authorities throughout the Country. However, increases in allowances for expenditure in 2009/10 are below inflation and are particularly disappointing. Guideline rents have been increased above the rate of inflation. Changes have also been introduced to the nationally prescribed rent-restructuring scheme, with rent convergence extended to 2023/24. Average rent increases have been capped at 7% in 2009/10. The average rent increase across the County arising from these proposals is 6.03%.
- 17 Significantly, the Government have published, as a transitional measure, three separate subsidy determinations, one for each of the former District areas. This protects the County Council from an unintended consequence of LGR arising from the treatment of external loan debt charges that will be chargeable to the HRA in a single subsidy regime. However, this single subsidy regime will be implemented in 2010/11 and additional costs of £1.264m will need to be accommodated. Members should note that in addition to the costs to the General Fund in 2010/11, the Housing Revenue Account will lose £0.319m in subsidy payments with the Government gaining by the aggregate of these two sums in 2010/11.
- 18 The retention of the three separate subsidy determinations in line with the former three District areas has meant that the 2009/10 HRA budget has been prepared in line with how it would otherwise have been had the three Districts continued in 2009/10. The impact of the subsidy determinations for 2009/10 is that net payments into the national notional HRA pool will increase from £0.292m in the current year to £2.008m in 2009/10, a loss of £1.716m resources out of the HRA budgets next year. The prescribed rent restructuring model results in an average rent increase of 6.03% in 2009/10 across the three HRA stock areas.
- 19 The HRA budget includes provisions for inflationary pressures within the HRA but no further growth. ALMO Management Fees have been inflated in accordance with existing contracts. Garage rents and other charges have been increased by 5%.
- 20 At its meeting on 12 December 2008 the Board of East Durham Homes (EDH) resolved to recommend the introduction of service charges for the cleaning lighting and maintenance of the communal areas in the flat blocks the Company manages and maintains on behalf of District of Easington Council. The recommendation from the EDH Board is made following a review of best practice, the requirements of the Landlord and Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002, and feedback received from the Audit Commission Housing Inspectorate during previous inspections of EDH and as a result of the most recent support work undertaken by the Audit Commission in May 2008. The Board also resolved to recommend that a further review of service charging be undertaken during 2009/10 across the three housing delivery units (East Durham Homes, Dale and Valley and

Durham City) with a view to developing a standard approach to service charges from 1 April 2010.

- 21 Direct Revenue Financing of £1.508m has been included in the budgets for 2009/10, to bring about the required “balanced position” on the HRA, pending further discussion on capital resource requirements to fund housing capital expenditure. Members should note however, that HRA capital resources can only be used to finance HRA related capital expenditure.
- 22 Central support charges to the HRA have been left at 2008/09 levels. However, an estimated £1m of costs have been identified as requiring review with a possibility that some or all may need to be charged to the General Fund. The draft HRA budget builds in the year one costs of a four-year strategy proposed to unwind these recharges.
- 23 There is no planned use of HRA reserves in 2009/10. Forecast HRA reserves (including sums held by the two ALMO's) are £5.005m at 1st April 2009, excluding any balance held by Sedgefield BC on its HRA. Sedgefield BC forecast that its HRA would hold a balance of £1.4m at 1st April 2009.
- 24 Presentations are being made to the Tenants Panels in each of the three Districts on the draft HRA and proposed rent increases. No issues have yet been raised.

Sedgefield Borough Homes

- 25 It is anticipated that Sedgefield BC's housing stock will be transferred to a newly established Registered Social Landlord (Sedgefield Borough Homes) under a large scale voluntary transfer. The transfer date anticipated is 30th March 2009. However, there is a requirement for the County Council to set the 2009/10 rents for Sedgefield Borough Homes and this is the subject of a separate report. The County Council will need to oversee these arrangements during and after the setting up period.

Housing Land Sales

- 26 The rules governing the use of capital receipts were changed significantly from 1st April 2004. Prior to that date a proportion of the various types of receipt could be used locally and the remainder had to be “set aside” to reduce loan debt: -

Type of Receipt	Use Locally	Reduce Loan Debt
General Fund	100%	-
Housing (HRA) Land	50%	50%
Right to Buy (Council Housing)	25%	75%

- 27 From 1st April 2004, whilst the percentage splits remain the same, instead of the above proportions being set aside to reduce loan debt, these elements were to be paid over to the Government, with one exception:-

Receipts derived from the Tenanted Market Value (TMV) under Large Scale Voluntary Transfer (LSVT) will, after meeting transfer and levy costs, continue to be split 25% to be used locally and 75% to be set aside to reduce loan debt.

- 28 The rules regarding the making of payments direct to the Government applies rigidly to Right to Buy (RTB) receipts but, in the case of housing land, Councils have the opportunity to retain the full amount if they resolve to spend these receipts either on the provision of ‘affordable housing’: –

“the provision of dwellings to meet the housing needs, as identified by the local authority, of persons on low incomes, whether provided by the local authority or a registered local landlord ...”

or ‘regeneration’: –

“any project for the carrying out of works or activities on any land where –

- *the land, or a building on the land, is vacant, unused, under-used, ineffectively used, contaminated or derelict; and*
- *the works or activities are carried out in order to secure that the land or the building will be brought into effective use.”*

- 29 All the former District Councils subsequently passed the appropriate resolution to allow them to retain 100% of housing land sale receipts.

- 30 To enable the County Council to maximise the resources available it has approved a resolution allowing the use of receipts from the sale of housing land to fund both regeneration projects and affordable housing schemes, as follows:

All capital receipts from housing land sales can be applied to projects falling within the following definitions of affordable housing and/or regeneration where:

- i) affordable housing is outlined as 'the provision of dwellings to meet the housing needs as identified by the local authority, of persons on low incomes, whether provided by the local authority or a registered local landlord'

and

- ii) where 'regeneration' is defined as 'any project for the carrying out of works of activities on any land where:
 - ◆ the land, or a building on the land is vacant, unused, under-used, ineffectively used, contaminated or derelict, and
 - ◆ the works or activities are carried out in order to secure that the land or building will be brought into effective use.

Annex G1

DRAFT HRA BUDGETS 2009/10

	Easington 2009/10 Projection	Wear Valley 2009/10 Projection	Durham City 2009/10 Projection	Sedgefield 2009/10 Projection	Total 2009/10 Projection
Income					
Dwelling Rents					
- Gross Rents	(24,211,000)	(12,480,000)	(18,227,367)	0	(54,918,367)
- Voids	484,000	250,000	273,411	0	1,007,411
	(23,727,000)	(12,230,000)	(17,953,956)	0	(53,910,956)
Non Dwelling Rents					
- Garages [net of voids]	(368,000)	(215,000)	(203,102)	0	(786,102)
- Shops	(70,000)	0	0	0	(70,000)
- Other	0	0	0	0	0
Charges for Services & Facilities	(1,249,000)	(749,000)	(54,000)	(10,000)	(2,062,000)
HRA Subsidy Receivable	(1,012,000)	0	0	0	(1,012,000)
UK GAAP - Sums directed by the Secretary of State that are income	0	0	0	0	0
Total Income	(26,426,000)	(13,194,000)	(18,211,058)	(10,000)	(57,841,058)
Expenditure					
ALMO Management Fee + Outsourced Contract (Repairs & Maint and Sup'n & M	12,260,400	6,372,000	0	0	18,632,400
Repairs & Maintenance	0	0	3,948,441	0	3,948,441
Supervision & Management	3,908,000	987,000	3,768,032	0	8,663,032
Rents, rates, taxes & other Charges	70,000	0	31,500	0	101,500
Negative HRA Subsidy	0	151,037	2,869,429	0	3,020,466
Depreciation & Impairment of fixed assets [Net MRA Adj]	5,212,000	2,759,519	3,791,109	0	11,762,628
Debt Management Costs	69,000	55,000	49,672	0	173,672
Increase / reduction in bad debt provision	120,000	30,000	100,000	0	250,000
UK GAAP - Sums directed by the Secretary of State that are expenditure	0	0	0	0	0
Total Expenditure	21,639,400	10,354,556	14,558,183	0	46,552,139
Net cost of HRA services per Authority I&E Account	(4,786,600)	(2,839,444)	(3,652,875)	(10,000)	(11,288,919)
HRA services share of Corporate & Democratic Core	225,000	225,000	1,109,116	0	1,559,116
HRA share of other amounts included in the whole authority					
Net Cost of services but not allocated to specific services	0	99,000	616,965	0	715,965
Net cost of HRA Services	(4,561,600)	(2,515,444)	(1,926,794)	(10,000)	(9,013,838)
[Gains] / loss on sale of HRA fixed assets	0	0	0	0	0
Interest payable & Similar Charges [Item 8 Debit]	3,980,000	2,311,000	1,525,563	0	7,816,563
Amortisation of Premiums & discounts	(23,000)	(30,000)	161,463	0	108,463
Direct Revenue Financing [Balancing Item on HRA]	838,600	299,444	302,106	67,500	1,507,650
Interest & Investment Income [item 8 credit]	(34,000)	(55,000)	(22,338)	(57,500)	(168,838)
Pensions interest cost & expected return on pension assets	0	0	0	0	0
Unwinding of Recharges from General Fund	(200,000)	(10,000)	(40,000)	0	(250,000)
[Surplus] / Deficit for the year on HRA services	0	0	0	0	0
Contribution [from] / to HRA Reserves	0	0	0	0	0
	0	0	0	0	0
Capital Programme - Planned Spend HRA					
Finance Secured -	7,500,000	9,189,000	5,604,500	0	22,293,500
Major Repairs Allowance	(5,200,000)	(2,889,000)	(3,791,109)	0	(11,880,109)
Supported Borrowing	(1,000,000)	(6,300,000)	(248,000)	0	(7,548,000)
Use of HRA Reserves	0	0	0	0	0
Direct Revenue Financing	(838,600)	(299,444)	(302,106)	(67,500)	(1,507,650)
Reallocation of SBC DRF	(39,305)	(14,035)	(14,160)	67,500	0
Passporting of RTB Receipts for Housing Purposes	0	(150,000)	(255,000)	0	(405,000)
Funding Gap - To be Financed through DRF / Capital Receipts	422,095	(463,479)	994,125	0	952,741
HRA Reserves					
Est. Balance @ 01/04/2009	(1,406,000)	(2,478,000)	(874,000)	(1,400,000)	(6,158,000)
Est. Balance @ 31/03/2010	(1,406,000)	(2,478,000)	(874,000)	(1,400,000)	(6,158,000)
ALMO Reserves					
Est. Balance @ 01/04/2009 D&V Homes	0	0	0	0	(547,000)
Est. Balance @ 01/04/2009 ED Homes	0	0	0	0	(177,000)
					(724,000)
Est. Balance @ 31/03/2010 D&V Homes	0	0	0	0	(680,000)
Est. Balance @ 31/03/2010 ED Homes	0	0	0	0	(278,000)
					(958,000)

Section H – Revenue Budget

Revised Revenue Budget 2008/09

- 1 Projected outturn figures for the County Council based on information as at 31st December 2008 indicate a potential overspend of £1.92m. In addition, transition costs relating to LGR are anticipated to be £3.598m by 31st March 2009.
- 2 The overspend is principally in Environment, Corporate Services, Children and Young People's Service but there are compensating underspends in Adult and Community Services and Chief Executives.
- 3 It is therefore assumed that County Council's General Reserves will reduce by that amount at the end of the year, taking the total to £15.614m.
- 4 District Reserves at 31st March 2009, are forecast by their Treasurers, to be £9.2m.
- 5 Taking these together with the County Council forecast General Reserve at 31st March 2009 would result in an opening General Reserve balance of £24.814m.

Revenue Budget for 2009/10

Introduction

- 6 The most challenging part of preparing the budget has been bringing Districts and County budget together, reallocating it in accordance with the structural design and determining where investments and savings can be made. All investments are in line with the priorities of the County Council and the Bid for a Unitary Council. The current economic climate has made the process more difficult. When the initial strategy was agreed in the summer of last year thoughts were that our inflation allowance was lower than might be needed and pressure on some budgets was significant as a result. However, whilst inflation pressure has reduced, opportunity to make a return on short-term investments has almost disappeared, causing a significant additional challenge.

The Budget Build

- 7 District and County budget requirements were brought together at the start of the process and total £406.276m for 2008/09. In the first instance proposed savings from the Local Government Review process have been deducted savings of £13.763m in 2009/10. Bid investments totalling £9.548m were added as were transition costs. It is assumed that transition costs however are all met from reserves thereby having no impact on the net revenue spend.
- 8 Inflation and other budget adjustments, including an allowance for reduced short term investment income have been added to the base

increasing it by £34.022m. Inflation for both pay and prices, including income from fees and charges, has been included at 2.0%.

- 9 Cabinet considered a report on 4th December which showed a funding gap of £16.035m. Corporate Directors had provided a range of proposals for investments and savings which were to be the subject of debate in Overview and Scrutiny during December and shared with other consultees. These savings were originally grouped into one of three categories. Investments were linked to priorities.
- 10 Further work has been undertaken by Directors and this budget book reflects all the adjustments made. Annex H1 details the results across each of the Directorates.
- 11 LPSA Revenue Performance Reward Grant of £1.25m has been factored into the budget calculations, although the County Council will be able to 'bid' for additional sums.
- 12 Service investments totalling £7.654m have been proposed by Corporate Directors. These are detailed in Annex H2.
- 13 Service Savings totalling £12.521m have been proposed by Corporate Directors. These are detailed in Annex H3.
- 14 The balance of £4.296m will be met from earmarked reserves and trading account surpluses.

Medium Term Financial Plan

- 15 In the strategy paper considered by Cabinet in August it was acknowledged that the main focus of this year would be the 2009/10 budget year. Once decisions are taken for 2009/10 work can begin to develop a 3 year financial plan. However, the budget for 2009/10 is not likely to be as precise as previous budgets either here in the County Council or in the former Districts. As a result, variances in 2009/10 of spend against budget are likely to be larger than usually seen. Medium term planning is likely to prove more challenging than would normally be the case, but work will begin in earnest almost immediately on refining budget proposals and developing a Medium Term Financial Plan.

Financial Reserves

- 16 Reserves are held –
- As a working balance to help cushion the impact of uneven cashflow and avoid unnecessary temporary borrowing – this forms part of the general reserve
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of General Reserves.
 - A means of building up funds, earmarked reserves, to meet known or predicted liabilities.
- 17 The new County Council will need to determine a level of general reserves it considers appropriate.
- 18 The current County Council reserves policy is, in summary,
- To set aside sufficient sums in earmarked reserves as it considers prudent to do so.
 - Aim to maintain, broadly, general reserves of around 4.5% of the budget requirement.
- 19 Each earmarked reserve, with the exception of the schools reserve, is reviewed on an annual basis. The Schools' reserve is the responsibility of individual schools with balances at the year end which make up the total reserve.
- 20 The LGR Bid assumed that general reserves would be utilised for transitional costs and that those reserves would ultimately be replenished by General Reserves transferred from Districts and from savings in future years.
- 21 It is currently assumed in the Bid that £8.851m will be used for transitional costs in 2009/10.

- 22 A LAAP Bulletin published in November 2008 (LAAP77) makes a number of recommendations relating to the determination and the adequacy of Local Authority Reserves. The guidance contained in the Bulletin “represents good financial management and should be followed as a matter of course”.
- 23 This most recent bulletin highlights a range of factors, in addition to cash flow requirements that Council’s should consider; these include the treatment of inflation, the treatment of demand led pressures, efficiency savings, partnerships and the general financial climate, including the impact on investment income. The bulletin also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If members choose to use reserves as part of this budget process appropriate action will need to be factored into the medium term financial plan to ensure that this is addressed over time.
- 24 The Council, in addition to the normal risks associated with running an authority in the current financial climate is developing a new budget based on the budgets of eight very different authorities, the need to bring staff together and to deliver sufficient savings to enable investments to be made and to balance the budget. The risks associated with the preparation of the budget for 2009/10 needs to be recognised and reflected in appropriate levels of reserves. Further detail of risk is to be found in Section E.
- 25 The setting of the level of reserves is an important decision not only in the budget for 2009/10, but also in the formulation of the medium term financial strategy.
- 26 Appropriate provisions will be made as the accounts of the eight authorities are closed. General Reserves and earmarked reserves will need to be determined as part of both the budget process and closing the accounts.

27 The County and Districts have a range of earmarked and unearmarked (general) reserves. At 31st December 2008 the forecast general reserve for the year end is set out in the following table. Planned use of general reserve during 2009/10 is also set out in the table.

	£m
County Council balance as at 1.4.08	21.132
Less LGR transition costs (2008/09)	
Actual 2.300m	
Plus Forecast <u>1.298m</u>	<u>3.598</u>
	17.534
Less County Council's forecast overspend (to be met from General Reserve)	<u>1.920</u>
	15.614
Add back Districts General Reserves – forecast for 31.3.09	9.200
Balance as at 1.4.09	<u>24.814</u>
Less planned use of Reserves for transition costs in 2009/10	<u>8.851</u>
	<u>15.963</u>

28 Bearing in mind the current levels of general reserves and the risks facing the County Council, the Council has adopted a policy for reserves as follows:

‘that the County Council will -

- Set aside sufficient sums in earmarked reserves as it considers prudent to do so. The Corporate Director Resources will be authorised to establish such reserves as are required, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.
- Aim to maintain, broadly, general reserve levels of between 3.5% and 4.5% of the budget requirement or about £16m to £20m.

29 Earmarked reserves will be established to provide resources for specific purposes. Protocols will be established for each new reserve and the Corporate Director of Resources will review the appropriateness of reserves on an annual basis.

30 The County Council's earmarked reserves are shown in Annex H4.

31 During 2009/10 a number of earmarked reserves will transfer to the County Council from the former District Councils. No account of these balances has yet been taken in the construction of this budget.

Annex H1

Position as at 27th February 2009

	Adults, Wellbeing and Health £'000	Children and Young People Services £'000	Regeneration & Economic Development £'000	Neighbourhood Services £'000	Corporate Resources £'000	Assistant Chief Executive £'000	Centrally Administered Costs £'000	Total £'000
Base Budget	157,115	87,399	35,734	95,388	50,888	10,786	(31,034)	406,276
Bid Savings	(129)		(474)	(1,522)	(10,060)	(1,579)		(13,763)
Bid Investments					1,890	2,300		4,190
Transition Costs	97	0	582	436	6,211	1,524		8,851
From Reserves	(97)	0	(582)	(436)	(6,211)	(1,524)		(8,851)
Base revised for LGR	156,986	87,399	35,261	93,866	42,718	11,507	(31,034)	396,703
Inflation and Base Budget Adjustments	5,946	1,543	2,500	5,144	2,538	66	16,128	33,865
Service Investments	4,023	1,384	1,627	620	0	0	0	7,654
Service Savings	(3,024)	(2,130)	(503)	(2,966)	(1,502)	(77)	(2,319)	(12,521)
Revised Base Budget	163,931	88,196	38,885	96,664	43,754	11,496	(17,225)	425,701
Government Grant							(224,165)	(224,165)
Council Tax at average 2.9% increase							(193,590)	(193,590)
Collection Fund Surplus							(2,400)	(2,400)
LPSA Revenue Reward Grant							(1,250)	(1,250)
Use of Reserves							(4,296)	(4,296)
Total Funding Envelope	163,931	88,196	38,885	96,664	43,754	11,496	(442,926)	(0)

Annex H2 – Investments

	2009-10 £	2010-11 £	2011-12 £	One year only?	Invest to Save?	LAA Theme	Specific Priority
Adults, Well-being and Health							
Full year cost of Learning Disability and Mental Health clients who started to receive a service during 2008/09. This cost was not included in the 2008/09 growth.	1,050,000	1,200,000	1,200,000			HW	8 / 9
Older Carers - at the present time there are 133 people with a learning disability who live at home and looked after by a carer over the age of 70. Inevitably carers become ill or die and services are required for the client - often at significant cost.	500,000	500,000	500,000			HW	8 / 9
People with a learning disability are living longer than previously and entering old age. This often leads to complex need and significant increase in cost. This is especially the case where carers feel they can no longer adequately care for the client. This budget is also needed for general increases in complexity e.g. Aspergers and to cover the costs of clients leaving hospital and becoming the responsibility of ACS.	500,000	500,000	500,000			HW	8 / 9
Transition clients - A large number of clients transfer every year at the age of 18 from Children's to Adults. The needs of this group vary from minor to complex although recent years has continued to see an increase in the number of children diagnosed with autism. This budget is required to finance the additional number of clients	450,000	450,000	450,000			HW	9
Older Persons Demographic - the number of older people requiring a service continues to increase on an annual basis in line with demographic trends. This budget enables a 1% increase in expenditure whilst also allowing the service to continue to invest in the promotion of the independence of older people.	1,000,000	1,000,000	1,000,000			HW	8
Continued roll out of DSI - the County Council has supported the Day Service Improvement programme in recent budgets. The most recent investment for Easington enabled plans to begin to close Shinwell Centre and reprovide services in the community. This investment will enable the next phase to begin in the Sedgfield area.	350,000					HW	9
Deprivation of Liberty Team - this investment is for one year only and will enable the Service to effectively implement the Deprivation of Liberty Safeguards. These safeguards were introduced via the Mental Health Act 2007. After the first year the activities/procedures will be mainstreamed.	150,000			Yes		HW	9
Community Safety - LAA safer Communities	23,000						
	4,023,000	3,650,000	3,650,000				

	2009-10	2010-11	2011-12	One year only?	Invest to Save?	LAA Theme	Specific Priority
	£	£	£				
Children and Young People's Service							
Direct Payments - to fund the statutory payments to parents who choose to support children with disabilities at home.	350,000	200,000	150,000			HW	
Transport for Looked After Children - Increased cost of transport associated with court orders specifying contact visits and schools.	40,000	40,000	40,000			HW / E	E 8, 9, 12
Fostering Allowances - increased rates of fostering allowances to bring up to national prescribed levels.	210,000	25,000	25,000			HW	
CRB Checks - extending the scope of 3 year Criminal Record Check Reviews for staff working with children.	20,000	-	-			S	
CAPITA Software - 4 year programme to update operating systems for data software, relating to pupils, admissions, exclusions, SEN.	63,650	-	-			E	
Agency Placements - There are a small number of children and young people whose needs are so great that they require high levels of specialist support in non-Local Authority settings, often with a PCT contribution to the cost because of medical needs. Numbers are rising because of improved medical skills at birth.	250,000	250,000	250,000			HW / E	E 13
Family Pathfinder - Durham has made a successful bid for a cross agency team to support the most at risk families. A revenue contribution is required to deliver the full programme, supported via Government Grant and cover input from Adult Services .	300,000	-	300,000			HW / E / S	HW - Alcohol Harm, S - Domestic Abuse, S 30, E 8,9,13
Legal Fees - The cost and complexity of childcare proceedings is rising and the budget needs to keep pace with demand.	75,000	50,000	50,000			HW / E / S	A 13, 14, 15
14 - 19 planning - Government has decided to move significant responsibility for 14-19 planning, funding and training options to the Local Authority from 2010/11 onwards. Capacity is required to plan and manage this change.	75,000	50,000	30,000			A / E	
	1,383,650	615,000	845,000				
Regeneration and Economic Development							
Minerals and Waste Development Frameworks - Cost of meeting Statutory requirement for Examination in Public of Development Plan Documents	0	200,000	200,000	No	No	PC	22
County Economic Assessment - Additional staff and Consultancy Services	94,000			Yes	No	EW	
Integrated Regional Strategy - Consultancy Services	50,000			Yes	No	EW	
City Regional Partnership Working - Consultancy Services	100,000			Yes	No	EW	
Durham City Vision - Continuing funding for staff costs	0	0	100,000	Yes	No	EW	
Planning Delivery Grant	425,000						

	2009-10 £	2010-11 £	2011-12 £	One year only?	Invest to Save?	LAA Theme	Specific Priority
Single Programme Funding - Economic Development - The increase in Single Programme Funding from One North East has increased significantly since 2002/03. This increase has been used largely to offset or substitute for budget cuts which might otherwise have had to be made. A general reductions to the funding being made available to Regional Development Agencies such as ONE and a change in the funding criteria will result in a consequent reduction to the County Council's current level of support. If not replaced the staff losses will result.	410,000						
Public Transport – Subsidised Services New commitments due to commercial cancellations	100,000	0	0	No	No	PP	31
Bus Strategy – Demand Responsive Transport	400,000	0	0	No	No	PP	31
Social Regeneration - Local Housing allowance	48,000						
	1,627,000	200,000	300,000				
Neighbourhood Services							
Waste Project - Cost of additional resources to deliver the solution	350,000	250,000	250,000	No	No	PP	33
Electricity at Work Regulations - Statutory requirement for testing of underground lighting supply cables	270,000	0	0	No	No	PP	
	620,000	250,000	250,000				
TOTAL INVESTMENTS	7,653,650	4,715,000	5,045,000				
HW - Health and Wellbeing							
S - Safe							
A - Achieve							
EW - Economic Wellbeing							
PC - Positive Contribution							
PP - Physical Place							
E - Statutory Education and Early Years							

Appendix H3 - Savings

	2009-10 £	2010-11 £	2011-12 £
Adults, Wellbeing and Health			
Reduce Communities Fund - Community Development officers have a small budget available to invest in local initiatives. This funding can be replaced by the funding available to AAP's to finance local initiatives.	31,000		
Home care saving linked to block contracting - the service had assumed that home care fees would need to increase by 5% in 09/10 linked to high levels of inflation and increases in the minimum wage. At this stage the service are confident in negotiating a	200,000		
Reduce Nursing beds purchase by 10 beds - the service will continue to apply the Continuing Health Care criteria robustly and are confident of reducing the purchase of Nursing Beds further	154,000		
Transfer of 2,000 home care hours to ind. Sector - the usage of in house home care has reduced resulting in a saving due to the differential unit costs between in house and the private sector	265,000		
Additional contributions to OP packages from Health - the Service has been successful in increasing the contributions for shared packages of care for older people.	400,000		
Review of packages of care - the Service continues to review packages of care in Learning Disability and Mental Health both in terms of unit cost and intensity of package.	100,000		
Continuing Care Review - the Service intends to carry out a review of historic Learning Disability and Mental Health packages of care with a view to increasing Continuing Health Care contributions from Health.	200,000		
Utilise new Campus Provision Grant - the Service has received a new grant from the Department Health linked to Learning Disability clients moving from hospital to social care. The Service is already incurring these costs resulting in windfall income.	185,000		
Continued service dev, reduced unit costs etc - the Commissioning function is tasked with ensuring the Service receives value for money from all purchases. This savings target has been set for Commissioning to achieve as part of the overall review process	100,000		
Savings from increasing SP responsibilities - this saving is linked to the service maximizing the use of Supporting People funding.	200,000		
Staff savings linked to DRIVE implementation - It is expected that the implementation of DRIVE will enable the service to reduce the numbers of staff required.	90,000		
Support Staff Reductions (Finance, P&P and Soc. Inc) - this saving represents cuts in costs in business support functions within the service.	173,500		
Running costs and general office expenses - the Service continues to review it's use of buildings, supplies etc.	43,000		
Reduction in Freedom Of Information costs - the Service is confident that this small reduction in a supplies budget can be realised.	2,000		
Cease audio visual loan service - Libraries, Learning and Culture have reviewed this service provision and concluded that the impact is at such a level where the service should be withdrawn.	24,000		
Emergency Planning Supplies Budget - the Service is confident of achieving this supplies saving.	5,500		
LSC income for basic skills efficiency - the Service would take advantage of additional income to support the core budget	20,000		
Utilising additional Area Based Grant notional allocations in line with Department of Health announcement	170,000		
Transfer of staff from Burn Hall - savings linked to reduced running costs	29,000		
Increased income generated in relation to residential homes	50,000		
Additional contributions to LD packages from Health - the Service has been successful in increasing the contributions for shared packages of care for clients with a Learning Disability.	200,000		
Reduction in the number of home care team leaders by two - this reduction is linked to the reduction in the number of hours provided by the in house provider	40,000		
Deletion of a Day Service Management post - the in house service is able to provide the same level of service	35,000		
Deletion of budget available to purchase EMI sitting service - no demand for this level of budget	10,000		
Additional income available to support core activity	250,000		

		2009-10 £	2010-11 £	2011-12 £
	Reduce marketing and info supplies budget - this cut will reduce the services capability in relation to marketing.	21,000		
	Reduce Book fund - this is the only large non staff budget for Libraries, Learning and Culture and becomes a natural focus for budget cuts. This reduction will reduce the ability to maintain an effective book stock.	26,000		
	Adults, Wellbeing and Health - TOTAL	3,024,000		
Children and Young People's Service				
Transport	Fewer pupils in schools and re-tendering benefits via Integrated Transport Unit	95,000	-	-
Supplies & Services/Inflation	Reduced spend across the service	63,010	-	-
Service Management Structure and Support Functions	More efficient Service Management Structure and support functions.	105,000	30,000	30,000
Adoption	Reduced costs – alternative placement options	200,000	-	-
Investing in Children	Income generation	10,000	-	-
Youth Engagement	Rationalised Support Services staff structure	25,000	-	-
Sure Start	Rationalise support and grant deployment.	90,000	-	-
Building Schools for the Future	Reduced planning and set up costs.	565,000	-	-
Finance Team	Reduced staff – new finance software and different business process.	85,800	-	-
Initiatives and Special Projects	Reduce development funding.	42,000	-	-
Student Awards	Function being phased out and transfers to Student Loan Company	90,000	107,000	60,600
Rural Science	Inspector post deleted.	65,000	-	-
Music Service	Increased income.	15,000	-	-
Workforce Development	Deployment of grant sources.	60,000	-	-
Sports Development	Revised staffing structure.	36,600	-	-
Employee Costs	Staff vacancies and turn over	40,000	-	-
Education Welfare	Income from schools.	10,000	-	-
Outdoor Education	Increased fee costs.	3,000	-	-
Superannuation Costs	Lower numbers of pensionable staff.	30,000	-	-
Area Based Grants	Flexible use of Area Based Grants	500,000	-	-
	Children and Young People's Service - TOTAL	2,130,410	137,000	90,600
Regeneration and Economic Development				
	Support Services			
	Reduction in staff costs	1,000		
	Supplies and Services	4,466		
	From District Councils			
	Homelessness/Waiting List Administration (Cestria back In-House)	20,000		
	Merger of Modern Apprentice Scheme	9,000		
	Industrial Promotion / Incentives to Industry	25,000		
	Industrial promotion expenses	11,000		
	Incentives to Industry	90,000		
	Transport strategy/policy	2,000		
	External management of industrial estate	10,000		
	Service Improvement Fund	1,000		
	Service Improvement Fund	4,000		
	Concessionary Fares Grant	12,000		
	Acting Up Allowances for posts not budgeted for	8,000		
	New Priority (People and Place)	50,000		
	Economic Development and Regeneration			
	Contribution to Coalfields Alliance	7,732		
	Contribution to County Durham Development Company (CDDC)	85,184		
	Reduction in Civic Delegation Budget	5,000		

	2009-10	2010-11	2011-12
	£	£	£
Planning Service			
Reduction in staff costs	22,574		
Traffic			
Income CPE Durham district	60,000		
Design, Landscape and Environment			
General Savings – Supplies and Services	11,851		
Staff salaries	8,986		
Contribution to Groundwork Trust	20,934		
Contribution to FWAG	4,500		
Integrated Transport Unit			
Investors in Children	10,000		
Countryside Group			
Access and Rights of Way	18,620		
Regeneration and Economic Development - TOTAL	502,847		

Neighbourhood Services

Management and Administration			
Reduction in staff costs	34,000		
Strategic Alliance Management	37,400		
Supplies and Services	24,370		
Traffic			
Road safety information and publicity	20,000		
Street Lighting			
Street lighting improvements	64,872		
Highways Group			
Staff Costs	19,000		
Printing Stationery Advertising etc	10,000		
Subsistence and Conference Expenses	2,000		
Civil Engineering & Geotechnical Laboratory			
Reduction in Staff Costs	10,345		
Reduction in Equipment Costs	1,000		
Joint Working with other LA's	17,018		
Environmental Management Services			
Supplies and Services	4,200		
Scientific Services			
Reduction in Staff Costs	29,207		
From District Councils			
Depot Rationalisation proposals	200,000		
Fleet Rationalisation	200,000		
Review of Profit Margin	300,000		
Review of Client/Contractor Split and other adjustments - utilise proportion of DSO Reserve in first year	1,300,000		
CLS Leisure Centre-Computer Consumables	3,000		
Merger of Modern Apprentice Scheme	6,000		
Mechanics service	10,000		
Service Improvement Fund	2,000		
Service Improvement Fund	10,000		
Aborted twin bin implementation	32,000		
HMO Licensing Fees (Use of Earmarked Funds)	50,000		
Durham Crematoria Trading Surplus	25,000		
Licensing Income (Volume)	20,000		
Sports Centre - Climbing Wall (net)	13,000		
Acting Up Allowances for posts not budgeted for	8,000		
New Priority (People and Place)	70,000		
Leisure - Grant initiatives	11,000		
Environment - Waste Recycling initiatives	13,000		
Environment - Energy Savings Initiatives	10,000		
Leisure Development Officer	45,000		
Reduction in Recycling costs	270,000		

	2009-10	2010-11	2011-12
	£	£	£
Highways Maintenance			
Landscaping	40,000		
Countryside Group			
Sites Rangers and Ecology	34,681		
Trading Standards			
Reduction in Staff Costs	20,000		
Neighbourhood Services - TOTAL	2,966,093		
Corporate Resources			
Best Value	30,000		
Insurance Premia on-cost	15,000		
Service Improvement Fund	1,000		
Service Improvement Fund	4,000		
Postage	5,000		
Health & Safety Operational Budgets	10,000		
Merger of Modern Apprentice Scheme	14,000		
Cleaning (Saddler/High St.)	29,000		
Saddler / High Street	155,000		
Treasurers staffing reduction achievable through DRIVE implementation - Savings will be achieved through a reduction in staffing following the implementation of the ORACLE Enterprise Resource Planning (ERP) system	105,000		
IT Durham Net Profits identified in current MTFP - The balance of Durhamnet profits to be used to offset against the IT budget, as agreed in last year's MTFP	144,000		
IT - staffing - A staffing restructure would be necessary to achieve the savings required, but this may have a detrimental effect on future service provision	177,500		
IT - infrastructure - A review of the Council's infrastructure should achieve these savings	60,000		
IT - Training - Reduction in IT training expenditure	20,000		
IT - Hardware maintenance - Reduction in hardware maintenance expenditure	20,000		
HR - reduction in supplies and services - General reductions in the supplies and services budget within HR	45,600		
HR - increased income generation - Increased SLA fee income	22,900		
Occupational Health - increased income generation - Increased SLA fee income, although this may prove difficult within the Unitary Council	11,600		
CEO - Management & Admin staffing reduction - Reorganisation of staffing within the admin team	38,800		
Legal - Staff Reductions (could result in more work outsourced at additional cost) - A reduction of staff in Legal services could potentially result in additional costs to the Authority as more work will need to be outsourced	51,400		
Corporate & Democratic - staffing reductions - Reorganisation of staffing	20,000		
Corporate & Democratic - reduction in car mileage - Reduction in the car mileage budget	2,500		
Corporate & Democratic - Increased income generation - Increased SLA fee income	15,100		
Reduction in property management staff - Reorganisation of property management across the council (savings come from all services as appropriate)	48,300		
Procurement - computer licence - Following implementation of Oracle there is no longer a need for the software	10,000		
Registration Service - Increased income generation - Small increase in fees and charges	7,300		
Repairs & Maintenance - 3% reduction in budget - A 3% reduction in Repairs & Maintenance budget could lead to failure to meet statutory requirements, as only emergency work currently carried out presently	108,500		

	2009-10	2010-11	2011-12
	£	£	£
Housing Benefits recovery	30,000		
Acting Up Allowances for posts not budgeted for	22,000		
New Priority (People and Place)	130,000		
Organisational Support	50,000		
Learning & Employment : franchising project	75,000		
ICT supplies	9,000		
Superannuation (UCO)	15,000		
Corporate Resources - TOTAL	1,502,500	0	0
Assistant Chief Executive			
Corporate Policy & Communications - To achieve savings in policy and comms would be either by reducing the contribution to LSPs, reducing the communications budget or reducing the community planning budget	64,500		
Scrutiny - staffing reduction - Student placement ends and therefore staff savings will be achieved.	7,490		
Scrutiny - reduction in hired and contracted services	4,990		
Assistant Chief Executive - TOTAL	76,980		
Centrally Administered Costs			
LGR Contingency	219,000		
DRF in General Fund	100,000		
Additional Staff Reductions - across all services	2,000,000		
Centrally Administered Costs - TOTAL	2,319,000		
TOTAL SAVINGS	12,521,830	137,000	90,600

Movement on Earmarked Reserves

	Bal 01.04.07	Bal 31.03.08	Budget for Use in 2008-09	Projected Outturn, Transition Costs and District Balances 2008-09	Estimated Balance 31.03.09	Budget for Use in 2009-10	Estimated Balance 31.03.10
BSF	-507,625.62	-242,726.77			-242,726.77		-242,726.77
Adoption Invest to Save	-16,700.39	0.00			0.00		0.00
Rothman's Site	-110,000.00	0.00			0.00		0.00
Corporate Asset Register	-45,990.00	-45,990.00			-45,990.00		-45,990.00
DDA Surveys	-32,350.00	-27,127.00			-27,127.00		-27,127.00
AMP Condition Surveys	-69,762.00	-152,252.00			-152,252.00		-152,252.00
Total Corporate Reserve	-782,428.01	-468,095.77	0.00		-468,095.77	0.00	-468,095.77
Chief Executive's Office	-15,386.00	0.00			0.00		0.00
Computer & IT Reserve	-336,605.09	-37,283.38			-37,283.38		-37,283.38
Education Reserve	-37,378.00	-90,640.00			-90,640.00		-90,640.00
Equal Pay Reserve	-11,103,372.00	-16,892,528.00	14,959,000.00		-1,933,528.00		-1,933,528.00
Early Retirement Pensions	-3,646,794.00	-5,273,892.00			-5,273,892.00		-5,273,892.00
Non ring fenced grants	-602,635.54	-44,000.00			-44,000.00		-44,000.00
Children's Fund Grant	-86,155.35	-213,309.48			-213,309.48		-213,309.48
Aycliffe Centre Earmarked	-105,808.36	-106,854.38			-106,854.38		-106,854.38
Accum Fund - Secure Serv	-489,913.69	-966,364.44			-966,364.44		-966,364.44
Capital Res - Secure Serv	-572,914.18	-411,126.18	-250,000.00		-661,126.18	-250,000.00	-911,126.18
Total Aycliffe Centre	-1,168,636.23	-1,484,345.00	-250,000.00		-1,734,345.00	-250,000.00	-1,984,345.00
Aycliffe Trustees	-116,773.17	-116,773.17			-116,773.17		-116,773.17
ITSS	-465,145.20	-564,788.28			-564,788.28	500,000.00	-64,788.28
CPD	-219,429.69	-288,016.56			-288,016.56		-288,016.56
Careers accumulated fund	-192,799.08	-192,799.08			-192,799.08		-192,799.08
Connexions non-contract	-304,648.86	-303,032.90			-303,032.90		-303,032.90
Killhope book fund	-9,811.79	0.00			0.00		0.00
Bowes archaeology	-59,443.21	-93,567.13			-93,567.13		-93,567.13
Library publications	-99,869.79	-101,419.05			-101,419.05		-101,419.05
Reminiscences project	-45.84	0.00			0.00		0.00
Equipment replacement	-34,321.26	0.00			0.00		0.00
DLI exhibition	-35,271.93	-36,271.93			-36,271.93		-36,271.93
Insurance	-9,723,300.07	-10,856,208.22			-10,856,208.22	1,000,000.00	-9,856,208.22
Centralised IT Renewals	-298,574.48	-205,823.46	88,286.00		-117,537.46	87,762.00	-29,775.46
LATS	-1,306,976.99	0.00			0.00		0.00
Regeneration & Communities	-2,000,000.00	-2,000,000.00			-2,000,000.00		-2,000,000.00
Special Projects	-3,000,000.00	-3,000,000.00			-3,000,000.00		-3,000,000.00
Cabinet Reserve	-9,974,182.56	-7,496,182.56			-7,496,182.56	1,208,000.00	-6,288,182.56
Reallocated underspends	0.00	-2,548,000.00			-2,548,000.00		-2,548,000.00
Health improvement	0.00	0.00			0.00		0.00
Vehicle Maint Reserve	-60,550.00	-60,550.00			-60,550.00		-60,550.00
DSO Earmarked	-2,014,725.26	-1,865,272.85	-412,000.00		-2,277,272.85	1,750,000.00	-527,272.85
Total DSO	-2,075,275.26	-1,925,822.85	-412,000.00		-2,337,822.85	1,750,000.00	-587,822.85
Total Earmarked Reserves (excluding	-47,695,259.40	-54,232,798.82	14,385,286.00	0.00	-39,847,512.82	4,295,762.00	-35,551,750.82
General Reserve	-11,814,573.57	-21,132,461.59	-495,500.00	-3,682,000.00	-25,309,961.59	8,851,000.00	-16,458,961.59
Total County Council Reserves excluding Schools	-59,509,832.97	-75,365,260.41	13,889,786.00	-3,682,000.00	-68,839,474.41	13,146,762.00	-52,010,712.41
School surplus -equal pay	-7,620,974.38	-11,689,321.38	11,689,321.38		0.00		0.00
School surpluses	-16,638,554.10	-16,493,710.63			-16,493,710.63		-16,493,710.63
School deficits	709,301.39	522,229.37			522,229.37		522,229.37
Schools IT loans	4,008,483.00	3,360,620.00			3,360,620.00		3,360,620.00
Schools IT repayments	-1,672,872.66	-1,189,525.45			-1,189,525.45		-1,189,525.45
Total Schools Reserves	-21,214,616.75	-25,489,708.09	11,689,321.38	0.00	-13,800,386.71	0.00	-13,800,386.71
Total County Council Reserves	-80,724,449.72	-100,854,968.50	25,579,107.38	-3,682,000.00	-78,957,861.12	13,146,762.00	-65,811,099.12

Revenue Budget - Service Commentaries

The following Service reports have been prepared jointly by the Corporate Director Resources and the relevant Corporate Directors.

Adults Wellbeing and Health 2009/10

Background

- 1 Adults, Wellbeing and Health retain many of the responsibilities of the former Adult and Community Services function within Durham County Council. The provision of social care and support to vulnerable people is the main area of expenditure, and other services provided include the promotion of Social Inclusion and the provision of Libraries, Learning and Cultural services. As a result of the reorganisation of local government services within County Durham, additions to the services provided include an increase in community safety responsibilities, management of the Gala Theatre and Council involvement in the Shildon Locomotion project, and responsibility for Adult Learning services. Some community development responsibilities have been transferred to the Assistant Chief Executive.
- 2 As the range and breadth of responsibilities involved will remain largely unchanged during reorganisation, this will enable the service to continue to focus on known challenges during the transition phase.
- 3 A range of partnership arrangements, both formal and informal, continue to be utilised to provide cost effective and high quality services. Partner organisations include Health, the Government via GONE and the voluntary sector. Integrated Teams in Older People, Learning Disabilities and Mental Health services promote partnership working and the Commission for Social Care Inspection (CSCI) has recognised good examples of joint working within these teams comprising health, housing and social work staff.
- 4 A key focus to date has been value for money linked to performance improvement. A systematic approach to performance management has been developed using a balanced scorecard reviewed by managers at quarterly strategic and operational level performance sessions. Action plans are developed at these sessions and their implementation and the success or otherwise of their impact monitored. The Commissioning Service within Adults, Wellbeing and Health in conjunction with Corporate Procurement will continue to challenge and provide advice on procurement issues to promote value for money and sustainability.
- 5 Inspection regimes have a clear regard to the equalities agenda and, as such, robust performance measurement systems are in place to monitor activity. All business cases for both growth and savings include information in relation to the impact upon the equalities agenda to ensure that this issue is considered in all major investments/disinvestments.
- 6 Risk assessment is an integral part of financial management with Adults, Wellbeing and Health. The financial pressures faced are volatile as many services are needs-driven and therefore robust budget monitoring and

appropriate reporting is required to ensure managers have timely information available on which to base operational decisions. All investment and savings submissions are scrutinised by senior managers, and risk assessed to ensure the impact of any decisions made can be managed effectively.

Challenges

- 7 Adults, Wellbeing and Health operate in an environment of significant risk both operationally and financially. In addition to responding to the challenges resulting from Local Government Reorganisation, the key financial risks in the medium term are detailed below:
- Continued increase in demographic demand especially in older people and learning disability services. Demographic demands across all client types could be higher than forecast. Monthly commissioning activity is monitored in all areas to ensure the earliest possible opportunity for corrective action.
 - Demands for price increases significantly above inflation from care providers whose cost base is particularly subject to minimum wage increases.
 - Impact of the interpretation of Continuing Health Care (CHC) criteria. Health partners continue to face significant financial pressures. Joint funding arrangements are a key factor in a range of areas and interpretation of the CHC criteria is likely to come under increased scrutiny.
 - Impact of the Government policy of personalisation and choice. The development and implementation of the personalisation model of choice and control for all service users is likely to have a significant impact on resource allocation and service provision. The personalisation agenda will ensure that service users have greater choice in the procurement and commissioning of services which directly impact upon them.
 - Public expectation in the continued improvement in the quality of services provided.

Plans

- 8 The Service Business Plan provides a high level strategic view of the Directorate, and underpins the elements relating to Adults, Wellbeing and Health which are included in the Corporate Plan. The Service Business Plan 2009/12 includes Improvement Priorities for a one year implementation period, with targets included for three years, where applicable.
- 9 Service Improvement Plans are produced for each service area and underpin Corporate and Service Priorities. Service Improvement Plans are monitored as part of the regular performance management framework.
- 10 The planning framework for Adults, Wellbeing and Health identifies areas for improvement and allows resources to be targeted to priority service areas. The Medium Term Financial Plan reflects known service improvement areas as a result of the planning process outlined above, and also demographic factors which are likely to impact upon resource allocations in the future.

Service Investments

- 11 For 2009/10, additional investment of £4,200,000 has been identified as well as additional funding in the base budget to cover the above inflation costs of fee increases for independent sector residential care providers.
- 12 Investments focus, in the main, upon the Sustainable Community Strategy long-term goal of helping all residents to live long and healthy lives, which links to service and corporate priorities. Improved health and well-being and improved quality of life are key performance improvement priorities in the medium term and longer term. Durham County Council, NHS County Durham and other organisations developed together a Joint Strategic Needs Assessment which underpins the Sustainable Community Strategy and helps to inform the priorities and targets set by the Local Area Agreement 2008-2011. Key investment areas are detailed below:
- An additional £2,500,000 for additional volume demands from the Learning Disability Service. This investment will cover the cost of the full-year impact of additional services provided in 2008/09, preventative support to older carers, additional support to ageing learning disability clients and will ensure that learning disability clients of school leaving age receive the required level of care. This investment will help to facilitate independent living for this category of vulnerable people as per the Local Area Agreement indicator.
 - An additional £1,000,000 to ensure that additional volume demands as a result of demographic pressures are met for Older People's Services whilst at the same time maximising clients' ability to retain their independence.
 - Investing £350,000 to further develop the Day Service Improvement process for Learning Disability clients within County Durham.
 - Investment of £150,000 for one year only in a Deprivation of Liberty Team to effectively implement safeguards introduced via the Mental Health Act 2007.

Savings

LGR Savings

- 13 Managers within Adults, Wellbeing and Health are confident that across a range of services provided staffing structures can be built to facilitate the achievement of the LGR savings target.

Service savings/efficiencies

- 14 Savings to be achieved in 2009/10 have been risk assessed, and risk action plans are being developed with progress being reported to management teams on a quarterly basis.
- 15 Service-specific savings for 2009/10 amount to £3,024,000. Savings continue to be a major challenge with 27 specific areas for savings identified. Wherever possible front-line service provision has been protected with the key savings themes being as follows:

- Reviewing the price paid for care services and reducing/freezing prices wherever possible.
- Procuring similar levels of service from alternative providers but at lower prices.
- Reviewing client needs and reducing provision where assessed as reasonable.
- Maximising income and utilising additional grant funding as appropriate.
- Efficiency savings linked to a reduction in support costs.

16 Although efficiencies have been achieved wherever possible, savings of this magnitude are always likely to impact upon service provision. Wherever possible front-line services have been protected.

Children and Young People's Services in County Durham

Medium Term Financial Plan 2009/2010 and beyond

Executive Summary

- 1 The concept of a Children and Young People's Service (CYPS) has only existed, for budget planning purposes, in County Durham since April 2007. The shape and structure of Support Services was finalised for 2008/2009 and there is now a Strategic Commissioning Team whose role and influence is extending. Via this route, some resources are now being deployed by the five Local Children's Boards and it is expected this will be an area of expansion in the future.
- 2 A statutory Children's Trust is now in place and is looking to provide all integrated agency services that contribute to the five Every Child Matters outcomes:-

Being Healthy; Staying Safe; Enjoying and Achieving; Making a Positive Contribution; Achieving Economic Well Being.
- 3 Service delivery models are changing to become more "joined up" and reflect local circumstances and the Government expects features of these ongoing developments to be:-

Narrowing Outcome Gaps; Prevention; Empowering Parents; Joint Commissioning and Planning Services; Pooling of Budgets; Service Efficiencies and Resource Reprioritisation; Integrated Working and Governance.
- 4 By the start of the 2009/2010 financial year more consultation will have taken place on the possible development of as many as three 11-16 age range academies in the County. In addition to the capital implications there is an "academy holdback" to consider. Once Academies are ready to open (say 2011/2012), this will represent a significant budget challenge as a proportionate slice of specific services and activities is removed and paid direct to each Academy. Latest estimates suggest that in the region of £1.2m would be recovered and this will impact on most Council services supporting schools, both directly and indirectly.
- 5 The service budget strategy will be to look to fulfil all relevant statutory duties that fall to the Local Authority and enable sufficient resources to be targeted and sustained within frontline services to enable progress on the 12 key improvement priorities in the annual Children and Young People's Plan, working with other agencies and schools as appropriate:-
 1. Reduce Childhood Obesity
 2. Reduce Teenage Pregnancy
 3. Reduce Young People's Use of Alcohol
 4. Improve Emotional Well Being/Access to Child and Adolescent Mental Health Services
 5. Improve Integrated Services to Support Families
 6. Reduce Bullying
 7. Reduce Youth Crime
 8. Improve Integrated Services for Children with Complex Needs

9. Raise Attainment for All Whilst Narrowing Performance Gaps
10. Improve Places to Go and Things to Do for Teenagers
11. Young People to Feel Respected
12. Young People are Actively Engaged in Education, Employment or Training

6 The service continues to be at the forefront of significant change in Government Policy and Strategy: a Paper entitled “Raising Expectations: Staying in Education and Training Post 16” was released by DCSF in June 2008 and this sets out some of the practical issues and roles for the Local Authority and its schools in ensuring young people participate in learning or training until they are aged 18. Implementing this legislation will be a feature of budget planning for 2009/2010 onwards; the Government’s “Staying Safe Action Plan” was published in March 2008 and it requires the Local Authority to consider the way itself and its partners work to Safeguard children and young people, target resources to those most at risk and respond to cases of harm. This plan is intrinsic to the CYPS Plan and may have some budget implications in future years; the most extensive and far reaching Government document is “The Children’s Plan – Building Brighter Futures” that is the catalyst for much of Government initiative and developments about working with parents and families, developing each child’s potential, services being responsive to the views of children and more focus on prevention. Various aspects of this strategy will feed through into the next 2/3 years of budget planning.

7 The Service is the lead agency for the Children's Trust in County Durham, which operates as the Children and Young People's thematic partnership of the County Durham Partnership. The Children and Young People's Plan has agreed priorities for work with partners linked to the Sustainable Communities Strategy. Significant work has been invested in the creation of Local Children's Boards through which local action is focused. A Children's Trust Performance framework is in use through which impact on outcomes is monitored. Joint commissioning arrangements are in place, led by CYPS with NHS County Durham as primary partners. Through this, resources increasingly are aligned to meet the objectives of the partnership, improving value for money and effective use of resources. Value for money is assessed through the commissioning process and is based on an evaluation of cost relative to quality.

8 All joint commissioning follows an agreed framework and processes that requires the engagement of children, young people and parents in the mapping of need, review of service quality and the design, specification and procurement of services. For example, young people have recently been involved in the selection of service providers for youth services across the County. These arrangements are well established in the selection of providers of social care services for children. A young people's reference group linked to Strategic Commissioning service ensures that a broad range of children and young people are actively involved in all commissioning activity. A parallel reference group works alongside the Council's Overview and Scrutiny committee to ensure elected member reviews are informed by the views of children and young people.

9 The CYPS budget covers a significant part of the Authority’s business. Gross spend at April 2008 was estimated to be **£551.6m**. Well over half of this amount is delegated/devolved to schools and they have available funds of **£318.3m**.

School funding is largely provided via the Dedicated Schools Grant (DSG) and from this grant the Local Authority manages a number of specific support services such as Early Years – Private Providers, Admissions to Schools, Independent Special School Places, Out of School Provision and Capitalised Repair and Maintenance of School Buildings. These activities have a net budget value of **£22.4m. Where efficiencies are achieved or spending reduced for other reasons, the resources are redirected within the DSG planning process.** DCC Schools Forum has a statutory role to play in the distribution of the DSG and funding to schools. A provisional 3 year Budget Plan (2008/2009 to 2010/2011) covering the DSG (see separate budget planning paper) was agreed in February 2008, and DCSF does not expect to see significant change. At that time provisional DSG figures were £279,718,537 for 2009/2010 and £289,160,718 for 2010/11. Spending plans will be refined once accurate pupil numbers are known by the end of February 2009. **(None of the investments and savings referred to later in this paper relate to spending funded from the DSG.)**

- 10 The CYPS revenue budget (the part that has an impact on Council Tax) is split into 2 parts. The part that is managed by the Director of CYPS has a value of **£82,403,703 (including £12,949,336 of Area Based Grant)** in 2008/2009 and is the base position for future budget planning. (Cabinet agreed on 1 August 2008 that a contingency sum of £38,500 should be added to the base, to cover grant aid payable from the Education in the Community Budget but this should now be provided in the Assistant Chief Executive’s revenue budget as post LGR responsibilities lie there.)
- 11 The residual £20.3m that is not managed by CYPS includes:- Capital Charges (£9.1m), County Hall running costs (£0.6m), Support Services provided to CYPS but managed by Adult Services (£2.4m), Legal, Property, Procurement, Health and Safety, Personnel, Finance and ICT support (£6.5m); buildings and grounds maintenance (£0.5m).
- 12 CYPS will continue to access external funding where it is complementary and in line with its service priorities. A good example is the grant (£780,000 over 3 years) for Durham to be a “Family Pathfinder” which will bring together services across Children and Adult Services, alongside the PCT, to focus on the most at risk families with multiple and complex needs. By the end of February 2009 a match funded bid is expected to be ready to go to DCSF which could bring in as much as £2m to develop and improve kitchen and dining areas in schools in County Durham.
- 13 Maximising the use of grants and other funding streams, where possible refocusing their use to higher priorities, open discussion about services that may be good and desirable but, not absolute priority, the need to have effective and efficient support services, to eliminate duplication and addressing the challenges of managing demand led services, have been an important aspect of our CYPS budget planning. Budget debate has highlighted the need to look at the scope for investment in preventative strategies that in the medium to long term would reduce pressures and demand on specialist services, and this would seem to be in line with recent DCSF expectations.
- 14 The creation of a new Unitary Authority from April 2009 will see some transfer of initiatives relating to young people that have previously been undertaken by District Councils, predominantly they are local youth projects or early years

provision. They will initially be integrated into the service where appropriate and subsequently assessed to decide whether activities are in line with the priorities of the new Council. Following a detailed survey, completed by the end of November 2008, the workstream looking at Children and Young People's activities had identified 113 projects currently receiving financial or officer support, that were likely to continue to seek support from the new Unitary Council.

- 15 Of those, 71 projects align with CYPS; in 2008/09 the funding contribution had a value of nearly £0.9m. A key task in preparing the 2009/2010 budget for the new council has been to determine whether this funding lies within base District Council revenue budgets or is supported by the likes of Area Based Grant. The budget implication of individual projects is varied, ranging from a £260,000 Youth Work project in Easington, to many where officer support is the only cost. In addition there is a child care centre in Chester le Street with an operational budget of about £400,000 and £97,000 of support costs to be absorbed into CYPS. The value of initial revenue budget transfer from District Councils into CYPS is in the region of £210,000 from April 2009, with over £300,000 of grant funding supporting other projects. The expectation is that this will be refined in year to provide a better alignment with the CYPS functions identified by the CYPS LGR Workstream.
- 16 There will need to be a debate about the extent of "Support Services" that should be brought together within the new Council structure and it is expected this will begin to be implemented during the 2009/2010 financial year and could affect the existing distribution of functions and budget within CYPS.
- 17 Most of CYPS is initially expected to remain unchanged, but from April 2009 Adult and Community Learning will have been transferred from the Education in the Community Service as in future it will lie elsewhere. £375,641 of grants budget for Community Associations and groups will transfer to the Assistant Chief Executive and a further £668,060 will transfer to Adult Services.

Value for Money

- 18 During 2008/2009 the service has managed funds so that priority can be given to achieving stretch targets, especially the number of healthy schools and entrants to the Youth Justice system. The benefit could be considerable for the County Council and in overall terms, as much as £5m may be obtained as "Performance Related Grant" in 2009/2010.
- 19 Rather than bid for new resources, the service is actively looking at ways of reprioritising and making most effective use of grant streams via 2 specific sources, Area Based Grant, and Sure Start, and this is seen as an example of achieving VFM.
- 20 The theme of better value for money (VFM) runs through the Medium Term Budget strategy. It is exemplified by work with the PCT to secure an increased contribution towards the cost of independent fees and agency placements, schemes to reduce surplus places in schools, the reduction in service management costs and the work to maximise the effectiveness of the deployment of various grants. An Adoption Invest to Save Strategy has been an attempt to secure more, long term adoption placements as an alternative to

higher cost, less beneficial options for children. The County Council's success in minimising the number of pupils placed in independent special schools brings funding benefits within the Dedicated Schools' Grant (DSG). From 2010/2011, the Building Schools for the Future (BSF) programme should start to deliver better VFM with state of the art premises, better design, lower running and maintenance costs and better outcomes for pupils. Using the flexibility offered by multi-year DSG budgets, advanced spend on Capitalised Repair and Maintenance of School Buildings has brought quicker solutions to outstanding problems and better VFM because of building cost inflation. A review is underway of existing ICT systems in operation within CYPS and this may result in efficiencies after some initial consolidation costs.

Risk

- 21 In preparing the current Medium Term Financial Plan, the Service is aware of key risks particularly associated with vulnerable children and those demand led areas of the budget. Estimating the level of inflation on a transport budget expected to exceed £15m, is a crucial factor and the cost of fuel poses a challenge for the service and the many contractors we use. It remains to be seen whether a 3.3% inflationary increase will be adequate. The full impact of Post 16 Transport Policy changes first introduced in September 2007 are now evident and it is not certain how future demands and costs will balance, particularly as more students will be participating in education or training post 16.
- 22 A modest rise in the number of independent special school places can have significant affect on the funds available via the DSG and charges against the agency placement budget for those children where the Local Authority has a duty of care. Improved medical expertise at birth means that more children with complex and high dependency needs are in need of support and the unit cost is considerable. Direct Payments (for disabled children who remain in a home setting) and private provider Early Years placements show an upward trend and are driven by parental choice; both are subject of budget growth in 2009/2010.
- 23 The Department for Children Schools and Families (DCSF) will be making decisions on School Funding which pose a significant risk for schools from 2011/2012, with a probable move to formularise the DSG, ignoring existing spending levels in Local Authorities. This might have a major impact on the funds available for school budgets in Durham.
- 24 Across the Service, including schools, progress with equal pay claims and Job Evaluation was made by January 2009 and it is important that funds for any back payments and future pay costs are provided; otherwise direct service provision will be at risk.
- 25 LGR may challenge the existing structure of support service functions that has recently been established and it is important that any changes in arrangements do not lead to deterioration in support to front line services and service users.
- 26 2009/2010 will be a critical year in determining the future of Secure Services provision at Aycliffe and a sound revenue and capital funding strategy needs to be determined to support the latest bid for a Youth Justice Board contract, otherwise there are considerable revenue budget and staffing risks.

- 27 One of the cross Council budget strategies is to assume a higher degree of staff turnover and build staffing budgets at 97% of full cost. Not all parts of the service experience this level of staff movement and this poses a budget risk.

Budget Increases

- 28 For **Prices and Pay inflation**, a 2% increase has been allowed with a value of £1,620,000 for CYPS. (No inflation has been applied to Area Based Grant, other grants and trading accounts)
- 29 The **Transport** budget has consistently had higher inflation than other service costs and an extra £185,000 has been allowed, which equates to about 1.3% higher than other costs. The payments made to post 16 students will be inflated from September 2009.
- 30 **Local Government pension costs** are expected to rise from 19.8% to 20.9% from April 2009, as a consequence of harmonisation of payment rates due to LGR and in line with actuarial revisions. Excluding grant funded functions and trading accounts, the extra cost has a value of £385,377 for CYPS. In addition, to mitigate the impact on schools, an additional £810,000 will need to be
- 31 The service has looked to give priority to statutory or regulatory duties falling on the Local Authority and as far as possible has sought to reprioritise existing funds in such circumstances, rather than bid for budget growth. Routine budgetary control has highlighted areas of spending pressures. In view of the Treasurer's perspective on the budget outlook, service growth has been kept to a minimum, as in practice a high rise in DCC service growth may necessitate consequential cuts to frontline services.
- 32 A schedule of funding increases most of which simply allow service provision to be maintained at current levels is set out below. (The first 4 priorities were identified within the County Council's Medium Term Financial Plan, prepared in March 2008).

	£
(1) Direct Payments to parents who choose to support children with disabilities at home	350,000
(2) Transport for Looked After Children as per Court Orders – contact visits and from temporary addresses to school	40,000
(3) Increase to fostering allowance payments to bring in line with national prescribed level	210,000
(4) Costs of implementing 3 year Criminal Record Bureau checks on those who have access to children	20,000
(5) Capita Software migration costs (4 year cost associated with systems used to manage pupil details; admissions; exclusions; SEN; Governors).	63,650
(6) Legal Fees – associated with care proceedings	75,000

(7)	Agency Placements is an area of the budget that can be stretched considerably by a small number of complex needs cases. Additional resources will contribute towards expected demand.	250,000 £
(8)	Durham has been successful in becoming a Family Pathfinder . This involved bringing together a range of services supporting those families in need of intensive specialist support provided by CYPS, Adult Services and the PCT. There is DCSF grant of £780,000 available over 3 years, on the basis the Council and PCT can demonstrate some matching of resources. There has been some considerable redirection of resources within CYPS to match DCSF expectations but a budget growth bid is sought by Adults Services. The Project Budget will be managed by CYPS who are co-ordinating the initiative.	300,000
(9)	14 to 19 Training transfer from Learning and Skills Council (LSC) . Capacity is needed to plan for and set up new functions coming to the Local Authority	75,000
		1,383,650

- 33 By 30 January 2009, the Council was invited to lodge an expression of interest in a 2 year initiative, commencing September 2009, that would allow **all primary school pupils in Durham to have a free school meal**. The costs would be shared equally between DCSF, Department of Health, Durham PCT and the County Council. Spread across 3 financial years, the cost to the County Council could be between £4m and £5m. DCSF expects to announce which Local Authorities will be selected for this project after March 2009.
- 34 CYPS receives a significant share of the recently created annual **Area Based Grant** that comes to the County Council. This covers a range of initiatives such as the Connexions service; The Children's Fund; Extended Free Transport Rights; Extended Schools; Positive Activities for Young People; Teenage Pregnancy; CAMHS; Care Matters.
- 35 The indications are that grant allocations may rise by £1.8m between 2008/2009 and 2009/2010. After discounting a transfer into ABG for extended schools, from Sure Start, of £0.96m, a "real increase" in funds of just over £900,000 is expected to be available. After considering legislative requirements and those areas with a multi-agency focus it is appropriate to redirect some of this increased grant towards higher service investment priorities. This strategy is expected to be able to reduce budget pressures on the County Council by about £0.5m. The adjusted share of Area Based Grant for 2009/2010 that will support CYPS is estimated to be £14,582,560.
- 36 It may be possible for some aspects of proposed budget growth to be partially met in 2009/2010 and 2010/2011 by expected **Performance Reward Grant** and this would therefore minimise the impact on the revenue budget in the short term. Equally, the capital element of this grant could potentially contribute towards the development of a new Secure Unit at Aycliffe or the replacement of the Children's Home at Catchgate which is a high asset management plan priority.

Revenue Budget Savings

37 When considering a service savings target there has been some debate about the amount required to set a balanced Unitary Authority budget and an acknowledgement that as far as possible front line services should be protected. On 3 July 2008, HM Treasury published a paper outlining the “Operational Efficiency Programme” it expects to put in place across the public sector. Government expectations are that further efficiencies can be realised from:

- Back office services
(Finance; HR; Admin and Support; ICT; Estates Management; Procurement; Legal Services; Marketing and Communication)
- Collaborative procurement
- Asset Management and Sales
- Property

Managers and staff are expected to innovate and bring forward their own ideas for service improvements and efficiencies.

38 Applying a flat savings target across the entire £82.4m revenue budget managed by CYPS in 2008/2009 (**before District Council additions and the removal of “Adult Education”**), would produce the following amounts.

	£
1%	826,000
2%	1,652,000
3%	2,478,000
4%	3,304,000
5%	4,130,000

39 In practice it is not possible to change Home to School/College Transport Policy by September 2009, this takes £14.4m out of the equation. Members are unlikely to support budget reductions to front line services such as Adoption, Looked After Children, School Improvement and Youth Engagement as they support Council’s priorities. The consequence is that a higher % saving is needed from other parts of the service. It is of note that the consolidation of Children’s Services Grant and Area Based Grant into the CYPS Revenue Budget for 2008/2009, which are essentially for service development priorities, perversely increases the savings required by £440,000, at a 3% rate.

40 Deliverable savings during the 2009/2010 financial year are set out below. (Those marked * featured in the MTFP prepared in February 2008):-

		£
1.	* Transport – fewer pupils and re-tendering benefits.	95,000
2.	* Supplies and Services – reduced spend across services.	63,010
3.	* Management/Support Services – operational efficiencies.	105,000
4.	* Adoption – reduced cost alternate placements.	200,000
5.	* Investing in Children – income generation.	10,000
6.	* Youth Engagement – rationalise support services.	25,000
7.	* Sure Start - support services and grant deployment.	90,000
8.	* BSF – reduced planning and set up costs.	565,000

9.	Finance Team – new business process.	85,800
10.	Initiatives and Specific Projects – reduce development funding.	42,000
11.	Student Awards – function phasing out.	90,000
12.	Rural Science Inspector – post removed from structure.	65,000
13.	Extra Income	28,000
14.	Staff Vacancies/Pension Costs – reduced costs.	70,000
15.	Workforce Development – grant deployment.	60,000
16.	Sports Development – revised staff structure.	36,600
17.	Area Based Grant – redirection of allocation	500,000
		<u>2,130,410</u>

Regeneration and Economic Development

Background

- 1 Regeneration and Economic Development is one of the new Service Groupings in the Unitary Council and will bring together several of the activities and functions currently undertaken at both County and District level including Transport Strategy, Planning, Economic Development, Housing Strategy, Policy, Planning and Performance.
- 2 This will bring a cohesive and strategic direction to the County Council's contribution to the regeneration of the County and its economy and the prosperity and well-being of its residents.

Challenges

- 3 The Service will face many challenges over the coming year not least of which will be bringing together the current separate Councils and the associated staff. The current economic downturn and the provision of a mix of new housing and new transport infrastructure, retention and creation of jobs and employment opportunities will be key goals in the coming months and years.

Plans

- 4 Service Improvement Plans are being prepared by all Heads of Service which will set out the priorities for the coming year and inform and drive the improvements which in turn will be monitored under a performance management framework.

Investments

i) LGR

- 5 There are no direct LGR related investments in this Service Area.

ii) Service Investments

- 6 Several proposals have been put forward as part of this budget process which will enhance the level of service provided and the Council's reputation in the Region. These include:-
 - An additional £94,000 to procure the staff and consultancy services required to undertake the County Economic Assessment. This is a Statutory Duty and will link to the Improvement Priority theme of Economic Wellbeing in the Local Area Agreement.
 - An additional £50,000 to assist in procurement of advice to ensure that the interests of the County are fully reflected in the emerging Integrated Regional Strategy. This will also link to the Local Area Agreement Improvement Priority Theme of Economic Wellbeing.
 - An investment of £100,000 for City Regional Partnership Working both to facilitate the continuing financial contribution to the Tyne & Wear City Region as well as funding the additional staff and consultancy resources to enable participation in City – Regional working, connectivity and other cross border

issues. As an Improvement Priority this would link to the LAA theme of Economic Wellbeing.

- There is an anticipated reduction in the level of Planning Delivery Grant to be made available from Central Government and an investment of £425,000 is being made to supplement the loss of grant and ensure a continued high level of delivery from the Planning Service. This investment will contribute to the LAA themes of Physical Place, Positive Contribution and Economic Wellbeing.
- A general reduction to the level of funding being made available to Regional Development Agencies such as ONE and a change in the eligibility criteria will result in a consequent reduction to the County Council's current level of support. An investment of £410,000 is being made to enable current staff resources to be retained and so continue with the essential work of economic development and regeneration in the County. In terms of Improvement Priorities this will contribute to the LAA theme of Economic Wellbeing.
- The provision of £100,000 to meet the cost of key public transport services which fall out of commercial viability. Although not a Statutory function this will enable the County Council to maintain the current level of service provision and will align to the LAA theme of Physical Place and the Priority Indicator 31 – NI 175 Access to services and facilities by public transport.
- Cabinet at the meeting held on 24 January agreed the Bus Strategy for the County and an investment of £400,000 will assist with the development of this Strategy and will help in facilitating travel for those who are unable to access public transport either through geographical isolation or mobility disability. As an Improvement Priority this will link to the LAA theme of Physical Place and the Priority Indicator 31 – NI 175 Access to service and facilities by public transport.

7 These investments are additional to adjustments also made in the base budget to cover above inflation increases and other budget pressures.

8 In the medium term there will be a requirement for investment in preparing and producing the Local Development Framework. These are Statutory requirements for the Examination in Public of Development Plan documents and a sum of £200,000 has been identified in each of the years 2010/11 and 2011/12.

Savings

i) LGR

9 The Bid Document submitted to Central Government to support the proposal for a new Unitary Council suggested some savings could be achieved from some of these emerging Service Groupings. These are:

- Planning – a saving of £100,000 from a reduction in the number of senior staff posts through bringing together the current eight separate authorities.
- Economic Development – a saving of £374,000 through a reduction in Management and support costs.

10 Further savings will be expected to be made in the second year of the new Unitary Council.

ii) Service Savings and Efficiencies

- 11 In addition to LGR related savings and also because of unavoidable base budget pressures and priority Service investments a number of savings have had to be put forward in areas of lesser priority and where this would not result in any noticeable reduction in front-line services. These are more fully detailed elsewhere in the document.
- 12 The savings in total amount to £503,000 and although this presents a significant challenge this will largely be achieved through efficiencies and through opportunities from the combining of the activities currently carried out by eight separate authorities. It is not expected to impact on delivery of front line services.

Other Issues

LAA/Partnering Work

- 13 The Sustainable Communities Strategy has been developed around the seven themed areas of Economic Wellbeing, Achieve, Physical Place, Health and Wellbeing, Safe, Enjoy and Positive Contribution. Each themed area has a number of long-term goals which collectively will help deliver the vision “A county where strong economic growth is matched with a community that believes in itself and aims high, and where everyone can achieve to their potential and enjoy a high quality of life”.
- 14 The current Environment Service delivers services in support of all the themes but in particular Economic Wellbeing, Physical Place, Health and Wellbeing Safe and this will continue under both of the new Service Groupings of Neighbourhood Services and Regeneration and Economic Development. The Local Area Agreement has been developed around similar themed areas to that of the Sustainable Communities Strategy. The LAA has six themed areas of Health and Wellbeing, Safe, Achieve, Economic Wellbeing, Positive Contribution and Physical Place. Both of the new Service Groupings will be expected to lead on a number of negotiated and local indicators within the themes on behalf of the County Council and the County Durham Economic Partnership and the County Durham Sustainability and Environment Partnership. These indicators are within the Safe, Achieve, Economic Wellbeing, Positive Contribution and Physical Place themed areas.
- 15 Partnership Working and the involvement of Stakeholders is seen as key to the identification and delivery of services in line with the Council’s priorities and improving outcomes for local people.
- 16 There is good evidence of involvement in major partnerships such as the Local Strategic Partnership, the Transport to Health Partnership, the County Durham Economic Partnership, the Heritage Coast Partnership and the North Pennines AONB Partnership to name but a few.
- 17 Working arrangements continue with a large number of voluntary, charitable and statutory organisations developed over a number of years

- 18 The County Durham Transport Partnership Forum have provided a 'critical friend' role in helping to develop and implement our Local Transport Plan, LTP1 and LTP2. Working with the Primary Care Trust and North East Ambulance, a pilot scheme is being undertaken in East Durham for booking hospital journeys.

Procurement/Commissioning of Quality Services

- 19 Procurement and the commissioning of services is led by the County Council's Procurement Strategy and all Service Groupings work closely with the Corporate Procurement function in terms of support and advice including Regional and National opportunities.
- 20 Working with LSP's through the Area Programmes has helped to bring local views and priorities to influencing our transport investments and a formalised approval procedure promotes value for money schemes by attracting potential complementary funding and effective solutions. Similar working arrangements will be developed as we move forward into the new Authority.
- 21 The Urban and Rural Renaissance Initiative Programme to improve the vitality of towns and villages in the County includes local community involvement and exhibitions to inform and influence decisions.
- 22 Value for money is a key consideration in the budget process in ensuring that resources are allocated to support the Council's priorities for improved performance. Investment decisions are taken based on the outcomes to be achieved. The Service has a number of National and Local Performance Indicators which it is judged against and monitoring of these together with service priority outcomes is undertaken regularly throughout the year through integrated financial and performance management information both at a Service and Corporate level.
- 23 The former Environment Service has demonstrated a good record in achieving the efficiency savings identified under the Spending Review of 2004 (Gershon Savings) and moving forward the new Service Grouping will be expected to contribute to the new requirements under the Comprehensive Spending Review for 2007 covering the period up to 2010/11.

Equality, Diversity and Human Rights

- 24 The emerging new Service Grouping will remain committed to the aims set out in the Corporate Equality Plan to provide fair and equal access to high quality services for all sections of the community. Management of our equality and diversity work will be through regular reports to the Senior Management Team and through the Performance Management Framework.
- 25 On a more general note this work has included impact assessments on the County Durham Economic Strategy, the County Council Bus Strategy and the Parking Strategy for Civil Parking Enforcement. Action Plans have been produced and are being implemented.

26 Some specific examples and outcomes would include:

- Production of an Access Directory to provide the transport options available for disabled people.
- Working with the Durham Community Transport Operators Forum to further develop schemes such as shop-mobility, wheels to work and dial-a-ride.
- Continue to improve accessibility in rural areas for people with disabilities, low car ownership, young people and older people.
- Facilitating Community Transport Grants from LTP funding to enable improved access to health employment, education and leisure opportunities for elderly, disabled and young people.

Sustainable Development

27 The Council is committed to the principles of sustainable development as set out in the Integrated Regional Framework for the North East. There are a number of key environmental plans and strategies that inform the development of other plans and programmes. These include the Corporate Sustainable Environment Policy, the Manual for Streets, the Built Environment Strategy, Building in Sustainability, the Public Realm Strategy (draft) and the Residential Design Guide (draft).

28 The County Durham Sustainability and Environment Partnership has provided support, guidance, advice and promotion of sustainable development for many years through a variety of fora and covering core topics including waste, planning and transport. There has been considerable impact in making projects and programmes more sustainable and improving the local environment for communities.

29 There are numerous projects that have had an impact - Turning the Tide, Seaham Town Centre Regeneration, Durham Vision, Barnard Castle Vision, Mineral Valleys Project, etc.

30 The soon to be adopted AONB Management Plan ensures a sustainable context for economic, social and environmental development of this high value landscape area.

Governance Arrangements

31 The management of Regeneration and Economic Development will be through a senior team led by the Corporate Director and supported by the Heads of Service responsible for the various functional areas. The Corporate Director will be a key member of the Council's Corporate Management Team and the Heads of Service will form part of the Extended Management Team which collectively will drive the improvements to service delivery across the whole Council.

32 Some of these Heads of Service are already in place and arrangements are in hand for the remaining appointments to be made in the near future. Detailed structures for the remainder of the new Service areas are still being developed and the upper management tiers are expected to be in place by vesting day

- 33 The Corporate Management Team and the Extended Management Team support the Cabinet and Council in setting priorities and in the decision making process.

Risk Assessments

- 34 In accordance with the Corporate Risk Management approach, Service Risk Registers are in place across the County Council.

Some of the key risks for this Service would relate to:-

- failure to improve the economic well being of the County
 - a downturn in the housing market and improving housing choice
 - failure to achieve continued reduction of CO2 emissions in line with national reduction targets
 - the volatility of energy and fuel costs which could affect the delivery of public transport costs
 - uncertainty around some income streams which currently support service delivery.
- 35 The current global financial crisis will have implications across all Services and could result in significant additional costs.
- 36 Consideration of risks have formed part of the budget process and informed the investment and savings proposals which have been put forward.

Neighbourhood Services

Background

- 1 Neighbourhood Services is one of the new Service Groupings in the Unitary Council and will bring together several of the activities and functions currently undertaken at both County and District level including Direct Services, Policy, Planning and Performance, Technical Services, Sport and Leisure, Environment, Health & Consumer Protection and Finance and Business Support.
- 2 This will bring together key areas of direct service delivery with a strong customer focus designed to meet the expectations of the residents of the County.

Challenges

- 3 The Service will face many challenges over the coming year as it brings together the staff and resources required to deliver excellent services and strives towards continuous improvement.

Plans

- 4 Service Improvement Plans are being prepared by all Heads of Service which will set out the priorities for the coming year and inform and drive the improvements which in turn will be monitored under a performance management framework.

Investments

i) LGR

- 5 There are no direct LGR related investments in this Service Area.

ii) Service Investments

- 6 A number of areas have been identified as requiring investment decisions to allow the Service to meet its Statutory responsibilities or to ensure continuing levels of current service provision. These include:-
 - Waste Solutions Project. An investment of £350,000 is required to provide the additional staff and consultancy resources to identify and deliver a solution to future waste management and disposal arrangements in the County. If this investment were not made then the County Council would incur significant additional costs as well as incurring financial penalties and failing to meet statutory targets. This will link to the LAA theme of Physical Place and the Priority Indicators 33 and 34. This in turn links to the National Indicators 191 and 192 relating to percentage of household waste sent for reuse, recycling and composting and residual household waste for household.
 - The County Council has a Statutory Duty under the Electricity at Work Act Regulations to test the underground cables serving the street lighting network. An investment of £270,000 will enable a planned programme of

testing to be implemented and will contribute to the LAA theme of Physical Place.

- 7 These investments are additional to adjustments also made in the base budget to cover above inflation increases and other budget pressures.
- 8 In the medium to longer term there will be a requirement for investment in providing a solution to the County's Waste Management and Disposal arrangements in order to meet environmental and Government targets. The cost of this is still to be evaluated.

Savings

- i) LGR related savings
- 9 The Bid Document submitted to Central Government to support the proposal for a new Unitary Council suggested a number of areas where savings could be achieved as a consequence of bringing together the activities and functions undertaken by the separate authorities. These are:-
- | | |
|--------------------------------------------------------|----------|
| Recreation and Sport Management – saving of | £71,000 |
| Open Spaces Management – a saving of | £42,000 |
| Environmental Health/Consumer Protection – a saving of | £110,000 |
| Street Cleaning – a saving of | £145,000 |
| Waste Collection Reductions – a saving of | £461,000 |
| Waste Disposal – a saving of | £193,000 |
- 10 The total saving to be achieved in the first year of the new Unitary Council is £1,022,000 and is expected to be achieved through a reduction in management costs and a merger of the services currently provided over eight separate authorities.
- 11 Further savings have been identified for 2010/11 and these will be addressed in the budget considerations for that year.
- ii) Service Savings and Efficiencies
- 12 In addition to LGR related savings and also because of unavoidable base budget pressures and priority Service investments a number of savings have had to be put forward in areas of lesser priority and where this would not result in any noticeable reduction in front-line services. These are more fully detailed elsewhere in the document.
- 13 The savings in total amount to £3.0m and although this presents a significant challenge this will largely be achieved through efficiencies and through opportunities from the combining of the activities currently carried out by eight separate authorities. It is not expected to impact on delivery of front line services.

Other Issues

LAA/Partnering Work

- 14 The Sustainable Communities Strategy has been developed around the seven themed areas of Economic Wellbeing, Achieve, Physical Place, Health and Wellbeing, Safe, Enjoy and Positive Contribution. Each themed area has a number of long-term goals which collectively will help deliver the vision “A county where strong economic growth is matched with a community that believes in itself and aims high, and where everyone can achieve to their potential and enjoy a high quality of life”.
- 15 The current Environment Service delivers services in support of all the themes but in particular Economic Wellbeing, Physical Place, Health and Wellbeing Safe and this will continue under both of the new Service Groupings of Neighbourhood Services and Regeneration and Economic Development. The Local Area Agreement has been developed around similar themed areas to that of the Sustainable Communities Strategy. The LAA has six themed areas of Health and Wellbeing, Safe, Achieve, Economic Wellbeing, Positive Contribution and Physical Place. Both of the new Service Groupings will be expected to lead on a number of negotiated and local indicators within the themes on behalf of the County Council and the County Durham Economic Partnership and the County Durham Sustainability and Environment Partnership. These indicators are within the Safe, Achieve, Economic Wellbeing, Positive Contribution and Physical Place themed areas.
- 16 Partnership Working and the involvement of Stakeholders is seen as key to the identification and delivery of services in line with the Council’s priorities and improving outcomes for local people.
- 17 There is good evidence of involvement in major partnerships such as the Local Strategic Partnership, the County Durham Economic Partnership, the Heritage Coast Partnership and the North Pennines AONB Partnership to name but a few.
- 18 Working arrangements continue with a large number of voluntary, charitable and statutory organisations developed over a number of years. There have also been close working arrangements between County and District Councils over the years which help in the transition period.
- 19 Some specific partnership arrangements would include the Road Casualty Reduction Forum, the Community Highways initiative which is a partnership with seven Parish Councils, cross boundary arrangements with neighbouring authorities, the Probation Service with a graffiti removal programme involving young offenders, the Passive Revolution promoting passive safety and safer roadsides and the Parish Paths Partnerships.

Procurement/Commissioning of Quality Services

- 20 Procurement and the commissioning of services is led by the County Council's Procurement Strategy and all Service Groupings work closely with the Corporate Procurement function in terms of support and advice including Regional and National opportunities.
- 21 Working with LSP's through the Area Programmes has helped to bring local views and priorities to influencing our transport investments and a formalised approval procedure promotes value for money schemes by attracting potential complementary funding and effective solutions. Similar working arrangements will be developed as we move forward into the new Authority.
- 22 Customer satisfaction surveys are undertaken through the Citizens Panel to help improve the way we work and find out what local people think should be our highway maintenance priorities.
- 23 Countryside Rangers roadshows have been held to seek the views of local people on countryside sites and services.
- 24 The Strategic Alliance with Balfour Beatty and its partner organisations has contributed to the effective delivery of the works programmes since its inception in 1992. This has also provided the opportunity to measure performance against a number of key performance indicators including price benchmarking to demonstrate value for money. Similarly, the in-house contractors, Service Direct, has through its membership of APSE (Association of Public Sector Excellence) benchmarked its performance against the level of like authorities.
- 25 Value for money is a key consideration in the budget process in ensuring that resources are allocated to support the Council's priorities for improved performance. Investment decisions are taken based on the outcomes to be achieved. The Service has a number of National and Local Performance Indicators which it is judged against and monitoring of these together with service priority outcomes is undertaken regularly throughout the year through integrated financial and performance management information both at a Service and Corporate level.
- 26 The former Environment Service has demonstrated a good record in achieving the efficiency savings identified under the Spending Review of 2004 (Gershon Savings) and moving forward the new Service Groupings will be expected to contribute to the new requirements under the Comprehensive Spending Review for 2007 covering the period up to 2010/11.

Equality, Diversity and Human Rights

- 27 The emerging new Service Groupings will remain committed to the aims set out in the Corporate Equality Plan to provide fair and equal access to high quality services for all sections of the community. Management of our equality and diversity work will be through regular reports to the Senior Management Team and through the Performance Management Framework.

Some specific examples and outcomes would include

- Extending the young driver training programme to reduce the number of accidents involving young people.
- Promotion of driver training for older drivers to help reduce the number of road traffic accident in this group.
- Assessing the needs of the Durham Asian Community through contact with appropriate community groups.
- Provision of disabled access ramps where appropriate in all major and minor highway improvement schemes.
- Developing a programme of engaging disadvantaged groups in working in the Countryside.
- Continue with the pedestrian road safety programme for children and disabled people.

Sustainable Development

- 28 The Council is committed to the principles of sustainable development as set out in the Integrated Regional Framework for the North East. There are a number of key environmental plans and strategies that inform the development of other plans and programmes. These include the Corporate Sustainable Environment Policy, the Manual for Streets, the Built Environment Strategy, Building in Sustainability, the Public Realm Strategy (draft) and the Residential Design Guide (draft).
- 29 The County Durham Sustainability and Environment Partnership has provided support, guidance, advice and promotion of sustainable development for many years through a variety of forms and covering core topics including waste, planning and transport. There has been considerable impact in making projects and programmes more sustainable and improving the local environment for communities.
- 30 As part of the roads and bridges design and construction process we will continue to include sustainable principles including drainage and aggregate and also use recycled and locally sourced materials where possible in the management of the countryside estate.
- 31 A proportion of the energy for street lighting will be purchased from 'green' sources and we will also continue the replacement of electronic control gear and more efficient light sources to reduce our energy consumption.

Governance Arrangements

- 32 The management of Neighbourhood Services will be through a senior team led by the Corporate Director and supported by the Heads of Service responsible for the various functional areas. The Corporate Director will be a key member of the Council's Corporate Management Team and the Heads of Service will form part of the Extended Management Team which collectively will drive the improvements to service delivery across the whole Council.

- 33 Some of these Heads of Service are already in place and arrangements are in hand for the remaining appointments to be made in the near future. Detailed structures for the remainder of the new Service areas are still being developed and the upper management tiers are expected to be in place by vesting day
- 34 The Corporate Management Team and the Extended Management Team support the Cabinet and Council in setting priorities and in the decision making process.

Risk Assessments

- 35 In accordance with the Corporate Risk Management approach, Service Risk Registers are in place across the County Council.

Some of the key risks for this Service Grouping would relate to:-

- The volatility of energy costs which would affect the Street Lighting budget
- The high cost of fuel and fuel oils which affects vehicle operating costs and the cost of oil based products used in road construction. This in turn could lead to a deterioration in the condition of the highway network.
- Failure to effectively implement a solution to future waste management and disposal requirements.
- Uncertainty around some income streams which currently support service delivery.

- 36 The current global financial crisis will have implications across all Services and could result in significant additional costs.

- 37 Consideration of risks has formed part of the budget process and informed the investment and savings proposals which have been put forward.

Corporate Resources

Background

- 1 The Corporate Resources Directorate brings together all corporate and business support functions and consists of the following services:
 - Finance – including financial management, payroll, pensions, creditor payments, internal audit, risk Management, Council tax collection and Housing Benefit
 - Information and Communication Technology
 - Legal and Democratic – including electoral services, members services, legal, civic duties, registration of births, deaths and marriages and coroners
 - Human Resources and Organisational Development – including human resource management, training, employee relations, recruitment and health and safety
 - Asset Management – including asset management strategy, property strategy, office accommodation, community buildings and corporate procurement

- 2 These services provide support to the Council as a corporate organisation, to front line services and also to other public sector organisations largely on a 'fee' basis. The service also manages a small number of important front line services such as Council tax collection, housing benefits ,registration of births, deaths & marriages, and the coroner's service.

Challenges

- 3 The initial challenge for Corporate Resources will be to build upon work already underway within the former county and district councils to centralise transactional support services into a single unit building upon the existing good practice. This will involve bringing together and rationalising support staff and systems identifying key areas for improvement in order to deliver high quality but low cost support services.

Plans

- 4 The overall aim is to ensure that all front line services receive a consistent and common level of business support which provides value for money. Whilst the centralisation of support services will create cost effective centres of excellence it is also intended to localise some services and exploit opportunities for flexible working. Aligned to the council's property strategy the opportunity will be taken to utilise the total property portfolio and base teams of support service staff around the County.

- 5 The centre of excellence will be the catalyst for continuous improvement in the provision of support services which will be realised through the satellite processing units across the County.

- 6 The council's property portfolio will be rationalised to improve the council's footprint and stimulate town centre development and surplus property will be disposed of realising value for reinvestment.
- 7 A unified approach to procurement will allow significant advantages in terms of aggregated purchasing power and will strengthen procurement as a cost effective and locally responsive route to service improvement.

Investments

- 8 The LGR bid included a proposal to significantly increase the level of investment in Members' revenue budgets £50,000 per Ward has been provided for this initiative. As local government reorganisation (LGR) will release significant net savings from support services no additional investment is required in Corporate Resources.

Savings

- 9 Savings totalling £10.060m have been identified in Corporate Resources as a result of local government reorganisation. These savings result from the removal of duplication which existed in support service provision across the former county and district councils. The savings mainly comprise of staffing reductions together with a reduction in the cost of democracy including elected member allowances and expenses.
- 10 Further efficiency savings totalling £1.502m have been identified which will mainly be achieved through further rationalisation of staffing resulting from changes to working practices, increasing income earned from outside bodies above the rate of inflation and reducing expenditure on supplies and services and repairs and maintenance. It is anticipated that the savings identified can be achieved without detriment to the level or quality of service provision.

Partnership Working

- 11 The Authority has entered into a partnership with Northumberland County Council to provide shared services in connection with the Oracle Enterprise Resource Planning (ERP) system. The IT infrastructure is hosted by Northumberland which provides a number of advantages in terms of shared fixed costs, service improvement and resilience.

Risks

- 12 There are risks associated with the recent implementation of the corporate financial system and payroll system together with the bringing together of all former county and district financial systems onto a common IT platform. Robust project management and reporting arrangements are in place to manage these risks.
- 13 A further identified ICT risk relates to the possibility of a major disruption to IT service delivery and appropriate measures are in place to mitigate this risk including a planned programme of ICT equipment replacement.

Assistant Chief Executive's Office

Service Commentary

Background

- 1 The Assistant Chief Executive's Office (ACEO) established in the new structure comprises of Corporate Planning and Performance, Corporate Policy and Communications, Overview and Scrutiny, Partnerships and Community Engagement and the Civil Contingencies Unit. Overview and Scrutiny, Equalities, Diversity and Cohesion were formally a part of Corporate Resources; the Civil Contingencies Unit was formally part of County Durham and Darlington Fire and Rescue Service. Area Action Partnerships is new to the structure and includes Neighbourhood Budgets (formerly Members' Initiative Funds). Human Resources (HR,) which were previously included in the former Chief Executive's Office, are now part of Corporate Resources.
- 2 The Assistant Chief Executive's Office is responsible for providing corporate leadership on the development and delivery of corporate policy and performance. The service is also responsible for the development and management of the Council's Corporate Improvement Programme which aims to create a flagship council within the next 2/3 years and will be taking a leadership role in developing the Council's approach to organisational development and change.
- 3 The management for the service contains 4 senior managers; Assistant Chief Executive, Head of Policy and Communications, Head of Partnerships and Community Engagement and Head of Planning and Performance.

Challenges

- 4 Challenges:
 - Developing, steering and programme managing the new council's transformation agenda to ensure that the Council achieves 'flagship status'
 - Ensuring strong customer focus is maintained and developed within the authority
 - Embedding flexible and effective service delivery across the organisation
 - Leading on implementation of the Council's new community engagement and development model (Area Action Partnerships) and ensuring organisational focus on community engagement
 - Developing and maintaining performance management and continuous improvement within the Council
 - Managing internal and external communications and driving the reputation and brand of the Council

Plans

- 5 The Assistant Chief Executive's Office will also be taking forward the 'All Together Better' improvement programme and will deliver against robust Service Improvement Plans in all areas. There is a clear alignment between the activities of the Assistant Chief Executive's Office and the priorities agreed in the Sustainable Community Strategy and the Local Area Agreement.

Investments

i. LGR

- 6 Additional funding will be utilised for the significant initiative of Area Action Partnerships and their supporting teams.

ii. Service

- 7 No additional funding has been allocated.

Savings

i. LGR

- 8 Savings of £1.6m have been identified in staffing reductions through service reorganisation.

ii. Service

- 9 Total service savings of £0.077m will be achieved by further rationalisation of staffing and reductions in corporate communications costs.

Other Issues

- 10 **LAA/ Partnering work**
The Assistant Chief Executive's Office has responsibility for partnerships and external relationships and through liaison with county and regional partners has a key role in supporting the Council to exercise strong leadership delivering improving outcomes with partners in the community. The ACEO has a direct link to Area Action Partnerships and Area Co-ordinators to enable local issues and concerns to be appropriately co-ordinated and improved.
- 11 **Equality, diversity and human rights**
The ACEO has responsibility for equality and diversity within the Authority, ensuring fair and equal access to services. This is continuously monitored through service self assessments and impact assessments. Area Action Partnerships will focus on natural communities and work flexibly according to local circumstance in order to tackle inequalities and narrow gaps between different areas through locally focussed, tailored action.

Section I – Capital Budget

2008/09 Capital Programme

- 1 The following table summarises the County Council and Districts 2008/09 Capital Budgets and indicates the forecast outturn from each Council. It is anticipated that most of the forecast underspending is likely to slip forward into 2009/10.

	Original Budget 2008/09	Slippage to/from 2007/08 & revisions in year	Revised Budget 2008/09	2008/09 Projected Outturn	Projected Outturn variance against revised budget (inc Rephasing)	
	£	£	£	£	£	£
Chester-le-Street	4,994,000	951,206	5,945,206	3,997,906	1,947,300	33%
City of Durham	6,844,731	2,157,269	9,002,000	9,002,000	0	0%
Derwentside	22,085,000	2,310,000	24,395,000	9,194,000	15,201,000	62%
Durham County	103,590,613	23,229,516	126,820,129	111,375,536	15,444,593	12%
Easington	16,099,000	414,860	16,513,860	13,692,000	2,821,860	17%
Sedgefield	20,000,000	6,344,000	26,344,000	26,344,000	0	0%
Teesdale	926,090	745,011	1,671,101	1,619,796	51,305	3%
Wear Valley	13,196,800	4,217,708	17,414,508	17,414,508	0	0%
Total	187,736,234	40,369,570	228,105,804	192,639,746	35,466,058	16%

Summary of financing:						
Grants	46,125,566	15,830,882	61,956,449	59,672,604	2,283,845	4%
Contributions	4,801,323	650,957	5,452,280	2,735,451	2,716,829	50%
Direct Revenue Funding	2,112,259	277,799	2,390,058	2,327,687	62,371	3%
Direct Revenue Funding - DSG	3,892,900	- 253,498	3,639,402	3,639,402	-	0%
Reserves	7,259,853	3,240,577	10,500,430	5,843,303	4,657,127	44%
Borrowing - supported (SCE-R)	30,857,473	1,271,570	32,129,043	31,868,944	260,099	1%
Major Repairs Allowance	17,672,168	- 12	17,672,156	16,746,823	925,333	5%
Borrowing - unsupported	22,371,763	- 731,091	21,640,672	11,350,881	10,289,791	48%
Capital Receipts	52,642,927	20,082,387	72,725,314	58,454,650	14,270,664	20%
Financing of capital programme*	187,736,234	40,369,570	228,105,804	192,639,746	35,466,058	16%

* The financing of projected outturn is an estimate and final financing decisions will be made at the year-end.

- 2 The County Council and Districts' 2009/10 Capital budgets are summarised in Annex H1. However a number of Districts did not approve budgets for 2009/10 and so only an incomplete picture for the County is available. Furthermore when those budgets were planned anticipated levels of capital receipts from the sale of assets were significantly higher than is now realistically achievable.
- 3 A significant number of proposals for new projects have been submitted by Services for consideration by the Council. These currently total approximately £270m of which, around half is met from grants and contributions and include schemes which are both funded and unfunded.
- 4 The Council will inherit a significant asset base from predecessor authorities and needs to develop a strategy which maximises its use of those assets. It also needs to ensure capital investment is affordable and contributes to the priorities of the Authority. The Council has developed a scoring system for capital proposals linked to Council priorities. Some schemes will inevitably be well advanced in terms of planning, others will have started.
- 5 Members are engaged in the process of developing proposals for capital investments for the County Council.

Housing Capital

- 6 It is important to recognise the investment in housing related expenditure and to acknowledge the contribution that housing capital receipts can make towards regeneration. Housing capital receipts can only be used for limited purposes, including regeneration and this use is conditional on the County Council making an appropriate determination. In order to maximise the flexibility in respect of housing related capital receipts it is considered appropriate that the County Council makes this determination.
- 7 All capital receipts from housing land sales can be applied to projects falling within the following definitions of affordable housing and/or regeneration where:
 - iii) affordable housing is outlined as 'the provision of dwellings to meet the housing needs as identified by the local authority, of persons on low incomes, whether provided by the local authority or a registered local landlord'and
 - iv) where 'regeneration' is defined as 'any project for the carrying out of works of activities on any land where:
 - ◆ the land, or a building on the land is vacant, unused, under-used, ineffectively used, contaminated or derelict, and
 - ◆ the works or activities are carried out in order to secure that the land or building will be brought into effective use.

Annex I1

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
City of Durham	Regeneration & Economic Development	Housing Business Plan	Capital Fees	509,500
City of Durham	Regeneration & Economic Development	Housing Business Plan	These works are required to meet the Decent Homes Standard	4,500,000
City of Durham	Regeneration & Economic Development	Housing Business Plan	Medical Adaptations	300,000
City of Durham	Regeneration & Economic Development	Housing Business Plan	DDA Works Communal Halls	100,000
City of Durham	Regeneration & Economic Development	Housing Business Plan	Planned Maintenance - Gas Renewals	110,000
City of Durham	Regeneration & Economic Development	Housing Business Plan	Planned Maintenance - Energy Works	25,000
City of Durham	Regeneration & Economic Development	Housing Business Plan	Off-Street Parking Initiatives	60,000
City of Durham	Regeneration & Economic Development	General Fund Housing	Disabled Facilities grants	410,000
City of Durham	Regeneration & Economic Development	General Fund Housing	Renovation Grants/loans	180,000
City of Durham	Resources	Corporate Services	ICT Systems / PC Replacement Programme	50,000
City of Durham	Regeneration & Economic Development	Property Services	Office Accommodation Works - Major Repairs etc	100,000
City of Durham	Adults, Wellbeing & Health	Cultural Services	Gala Theatre - Major Repairs / Equipment Upgrades	50,000
City of Durham	Neighbourhood Services	Parks & Open Spaces	Land Drainage Works	20,000
City of Durham	Neighbourhood Services	Parks & Open Spaces	Riverbanks (Incl. Canoe Access & Riverbank Gardens)	100,000
City of Durham	Neighbourhood Services	Environmental Services	Public Conveniences	10,000
City of Durham	Neighbourhood Services	Parks & Open Spaces	Environment Works (Landscaping/Play/Fencing etc.)	250,000
City of Durham	Regeneration & Economic Development	Property Services	Leisure Centres - Major Repairs (Floors/Roofs/Heating etc.)	200,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
City of Durham	Regeneration & Economic Development	Property Services	Leisure Centres - DDA Compliance / Accessibility Issues	175,000
City of Durham	Neighbourhood Services	Leisure Services	Leisure Centres - Equipment	25,000
City of Durham	Neighbourhood Services	Parks & Open Spaces	Pride in Durham Initiatives (Bus Shelters/Seating/Bins etc.)	20,000
City of Durham	Neighbourhood Services	City Care	City Care / CCTV Equipment	25,000
				7,219,500
Derwentside DC	Regeneration & Economic Development	Energy Efficiency Scheme	Energy Efficiency Scheme	350,000
Derwentside DC	Regeneration & Economic Development	Town & Village Centres Scheme	Town & Village Centre - Car Parks - Remaining part of programme to improve car parks in the district.	200,000
Derwentside DC	Regeneration & Economic Development	Craghead Housing Intervention	Craghead Housing Intervention - Group Repair Scheme	1,492,000
Derwentside DC	Regeneration & Economic Development	Consett Business Park	Consett Business Park	1,000,000
Derwentside DC	Regeneration & Economic Development	Disabled Facilities Grant	To deliver a range of assistance to ensure vulnerable and disabled people remain in their homes for longer.	300,000
				3,342,000
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Structural maintenance-Care	262,700
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Transport - purchase of vehicles	476,000
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Contribution to Health - Mental Health	237,000
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Residential Homes for the Elderly	2,000,000
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Pontop Centre/Shinwell Centre/3rd Centre	150,000
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Adult Social Care IT Infrastructure	188,269
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Structural Maintenance-Culture & Leisure	83,200
Durham County	Adults, Wellbeing & Health	Adult & Community Services	Killhope Museum	100,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Durham County	Children & Young People's Services	Children & Young People's Services	Transport - purchase of vehicles	22,000
Durham County	Children & Young People's Services	Children & Young People's Services	Basic Need Allocation	1,631,189
Durham County	Children & Young People's Services	Children & Young People's Services	Extended Schools	921,981
Durham County	Children & Young People's Services	Children & Young People's Services	Harnessing Technology	1,237,781
Durham County	Children & Young People's Services	Children & Young People's Services	Horden Our Lady Star of the Sea VA - LEA contribution	100,000
Durham County	Children & Young People's Services	Children & Young People's Services	Murton Primary Additional Classrooms	400,000
Durham County	Children & Young People's Services	Children & Young People's Services	Modernisation	6,125,983
Durham County	Children & Young People's Services	Children & Young People's Services	Primary Capital Programme	6,016,015
Durham County	Children & Young People's Services	Children & Young People's Services	School Devolved Capital	15,702,073
Durham County	Children & Young People's Services	Children & Young People's Services	Schools Access	948,590
Durham County	Children & Young People's Services	Children & Young People's Services	Structural Maintenance - DSG share	3,892,900
Durham County	Children & Young People's Services	Children & Young People's Services	Structural Maintenance - LEA liability	230,500
Durham County	Children & Young People's Services	Children & Young People's Services	Surestart Early Years & Child Care	2,734,198
Durham County	Children & Young People's Services	Children & Young People's Services	Surestart Early Years & Child Care - ADHC Short Break Services	267,800
Durham County	Children & Young People's Services	Children & Young People's Services	Youth Capital Fund	268,142

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Durham County	Children & Young People's Services	Children & Young People's Services	Youth Capital Fund Plus	405,000
Durham County	Children & Young People's Services	Children & Young People's Services	BSF - Local Education Partnership	1,500
Durham County	Children & Young People's Services	Children & Young People's Services	BSF - Durham Johnston School Reorganisation	3,000,000
Durham County	Neighbourhood Services	Environment-Waste	Waste minimisation	863,816
Durham County	Neighbourhood Services	Environment-Scientific Services	Equipment	30,000
Durham County	Regeneration & Economic Development	Environment-Highways	Major Schemes	545,000
Durham County	Regeneration & Economic Development	Environment-Highways	Integrated Transport	3,925,000
Durham County	Regeneration & Economic Development	Environment-Highways	Highways Capitalised Maintenance	11,167,000
Durham County	Neighbourhood Services	Environment-Highways	Road Safety	153,783
Durham County	Neighbourhood Services	Environment-Highways	Local Area Schemes (Members)	478,000
Durham County	Neighbourhood Services	Environment-Highways	Street Lighting - Column Replacement	100,000
Durham County	Neighbourhood Services	Environment-Highways	Street Lighting - Energy Efficiency	50,000
Durham County	Neighbourhood Services	Environment-Highways	Vehicle & Plant Replacement	185,400
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Adelaide/West Auckland/Barnard Castle Railway	40,000
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Barnard Castle Gasworks	500
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Minewater pollution	6,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Long sea outfalls	3,050
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-South west Durham Heritage Corridor	12,500
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Advance Works etc	20,000
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Contaminated land survey	7,500
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Reclamation-Derelict land survey	2,500
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Dales Historic Buildings	20,000
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Historic community buildings	5,000
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Environmental Improvement Schemes (Urban & Rural Renaissance)	4,002,925
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Landscape Partnership Schemes	20,000
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Horden Dene Project	325,787
Durham County	Regeneration & Economic Development	Environment-Countryside & Planning	Vehicles	53,000
Durham County	Regeneration & Economic Development	Environment-Economic Development	NETpark incubator 2	128,000
Durham County	Regeneration & Economic Development	Environment-Economic Development	NETpark Plot 3	3,800,000
Durham County	Regeneration & Economic Development	Environment-Economic Development	Infrastructure	200,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Durham County	Resources	Corporate Services	Admin Buildings - structural maintenance	100,700
Durham County	Resources	Corporate Services	Disability Discrimination Act	500,000
Durham County	Resources	Corporate Services	County Farms - structural maintenance	41,100
Durham County	Regeneration & Economic Development	Corporate Services	St John's Square, Seaham	2,160,000
Durham County	Resources	Corporate Services	Repairs & maintenance-capitalised (emergencies)	500,000
Durham County	Resources	County Treasurer	PC / Server Replacement	944,271
Durham County	Neighbourhood Services	Service Direct	Vehicles, Plant & Equipment	780,000
				78,573,653
Easington DC	Regeneration & Economic Development	Economic Development and Regeneration	North East Ind Est Workshop Programme inc Novus	75,000
Easington DC	Regeneration & Economic Development	Economic Development and Regeneration	GREAT Institute	50,000
Easington DC	Regeneration & Economic Development	Economic Development and Regeneration	East Durham Link Road Phase 2	75,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Peterlee	350,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Seaham inc conservation area & Seaham Regeneration	200,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Liveability Land & Buildings	500,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	North Dock Seaham	845,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Coastal Improvements	25,000
Easington DC	Neighbourhood Services	Physical Renaissance of the District	Verge Hardening	80,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Conservation Area Enhancements	125,000
Easington DC	Regeneration & Economic Development	Physical Renaissance of the District	Urban & Rural Renaissance	30,000
Easington DC	Neighbourhood Services	Physical Renaissance of the District	Murton Highway works	100,000
Easington DC	Neighbourhood Services	Physical Renaissance of the District	Apollo Pavillion	13,000
Easington DC	Neighbourhood Services	Physical Renaissance of the District	Feasibility - Play Strategy	35,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Decent Homes Compliance	2,500,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Preventative Maintenance	2,500,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Asbestos	150,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	District Heating	200,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Utilities	900,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Other Decent Housing Schemes	500,000
Easington DC	Regeneration & Economic Development	Housing Investment - East Durham Homes	Adaptations for Aged & Disabled - Non decent homes works	750,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Disabled Facilities Grants (Mandatory)	750,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Private Sector Renewal	3,484,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Loans & Financial Assistance	145,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Reshaping Housing Neighbourhoods	300,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Environmental Works Targeted Neighbourhoods	650,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Fuel Poverty Insulation Scheme (Social Housing)	100,000
Easington DC	Regeneration & Economic Development	Housing Investment - Council Led Schemes	Fuel Poverty Insulation Scheme (Private Sector))	150,000
Easington DC	Neighbourhood Services	Asset Management and Minor Works	Leisure Centres	150,000
Easington DC	Neighbourhood Services	Asset Management and Minor Works	Warden Call Equipment	321,000
Easington DC	Resources	Asset Management and Minor Works	Community Buildings Repairs	300,000
Easington DC	Regeneration & Economic Development	Asset Management and Minor Works	Regeneration Initiatives - Support Budget	250,000
Easington DC	Resources	Asset Management and Minor Works	Victoria Mews	50,000
				16,653,000
Teesdale DC	Regeneration & Economic Development	Housing Investment Programme	Disabled Facilities Grants	60,000
Teesdale DC	Regeneration & Economic Development	Housing Investment Programme	Housing Market Assessment	5,000
Teesdale DC	Regeneration & Economic Development	Housing Investment Programme	Home Improvement Agency	10,000
Teesdale DC	Regeneration & Economic Development	Housing Investment Programme	Improvement Grants	60,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Teesdale DC	Regeneration & Economic Development	Housing Investment Programme	Capital Salaries	15,000
Teesdale DC	Regeneration & Economic Development	Strategic Planning	Heritage Economic Regeneration Scheme - Durham Dales & BC Schemes	18,000
Teesdale DC	Regeneration & Economic Development	Strategic Planning	Biodiversity Audit	10,000
Teesdale DC	Neighbourhood Services	Leisure and Culture	Locker Replacement Programme Phase 2	15,000
Teesdale DC	Regeneration & Economic Development	Barnard Castle Vision	Barnard Castle Vision	100,000
Teesdale DC	Resources	ICT	Co Durham E-Government Partnership	15,000
Teesdale DC	Resources	ICT	Hardware Replacement Programme	23,000
Teesdale DC	Resources	ICT	Software, Security & Tools	10,000
Teesdale DC	Resources	ICT	Network & Telephony Infrastructure	77,500
Teesdale DC	Resources	ICT	Office Systems Software	11,000
Teesdale DC	Neighbourhood Services	Licensing and Enforcement	Capital Salaries	39,640
				469,140
Wear Valley	Regeneration & Economic Development	Eldon Lane Renewal Area	Eldon Lane Renewal Area	200,000
Wear Valley	Regeneration & Economic Development	Elite Hall Improvement Programme	Elite Hall Improvement Programme	100,000
Wear Valley	Regeneration & Economic Development	Estate Improvements	Estate Improvements	200,000
Wear Valley	Neighbourhood Services	Shared Leisure Facilities Bishop Auckland	Shared Leisure Facilities Bishop Auckland	4,915,000

Current Authority	New Authority Directorate	Current Portfolio/Service Area/Scheme	Scheme Details	Budget 2009/10
				£
Wear Valley	Neighbourhood Services	Planned Tree Management	Planned Tree Management	50,000
Wear Valley	Regeneration & Economic Development	Asbestos Survey	Asbestos Survey	30,000
Wear Valley	Regeneration & Economic Development	Eastgate	Eastgate	250,000
Wear Valley	Regeneration & Economic Development	Bishop Auckland Town Centre	Bishop Auckland Town Centre	200,000
Wear Valley	Regeneration & Economic Development	Stanhope	Stanhope	100,000
Wear Valley	Regeneration & Economic Development	Employment Land	Employment Land	325,000
Wear Valley	Regeneration & Economic Development	Coundon / Dene Valley	Coundon / Dene Valley	230,000
Wear Valley	Regeneration & Economic Development	Decent Homes Programme	Decent Homes Programme	8,300,000
				14,900,000
			Total	121,157,293

Capital Budget - Service Commentaries

Adults Wellbeing and Health

Commentary on current programme

- 1 Commentary on current programme:
 - Estimated £3,900,000 under-spend on Residential Homes.
 - Estimated £300,000 under-spend on Killhope Visitor Centre – awaiting confirmation of external funding.
 - Estimated £358,000 under-spend on Learning Disability Shared Living Schemes.

Commentary on 2009/10 programme and anticipated outcomes

- 2 In addition to the continuation of schemes enabling improvements to be made to the building stock, the vehicle fleet and the IT infrastructure, provision is being made for the refurbishment of East Howle Travellers Site to be funded through a grant from the DCLG. The refurbishment of travellers' sites was identified as a priority in the 2008/9 Asset Management Plan and links into the promotion of social inclusion and the Equality and Diversity agenda.

Children and Young People's Services in County Durham

Capital Investment

2008/2009 Capital Programme

BSF

- 1 The main area of focus is the BSF programme which is being developed to the defined timetable.
- 2 Durham Johnston, the single largest project with a budget of £29m (excluding ICT), is under construction and is expected to be complete for the summer of 2009. It is expected that there will be no slippage on the revised 2008/09 budget of £15.3m (£3m has already been slipped to 2009/10).

Modernisation

- 3 Major projects funded from the Modernisation budget in 2008/09 are as follows:
 - Byers Green Primary – New School
 - Peterlee Eden Community Primary – New School
 - Seaham Princess Road – New School
 - Tanfield Lea Junior and Infants – Amalgamation
 - Woodham Burn Community Primary – Surplus Place Removal
 - Red Rose Primary – Kitchen Facility
- 4 All of these projects are expected to be finished by the end of the financial year, with no slippage. The project at Peterlee Eden Community Primary is expected to overspend by around £0.59m which will be met from the Modernisation holding account (pending approval by cabinet). An overspend is also expected on the Byers Green Primary project and again this will be met from the Modernisation holding account once cabinet approval is given.
- 5 It is anticipated that there will be slippage of around £6.4m on the Modernisation holding account (after the adjustments mentioned above). There are plans to utilise this funding in 2009/10, in conjunction with the Primary Capital Programme allocation, on projects such as Esh Winning Primary.

New Pupil Places (Basic Need)

- 6 The 2008/09 allocation of £1.631m will not be utilised as there are very few schools in the County which need to create new places for pupils.

Sure Start Early Years & Childcare Grant

- 7 The Children's Centres capital part of the Sure Start Early Years & Childcare (SSEYCC) grant is expected to be around £0.4m under budget in 2008/09 and this allocation will be slipped to 2009/10 for use on projects at Phase 3 Children's Centres. The Flexible Free Entitlement part of the SSEYCC grant which is used to improve the quality of the environment in private, voluntary and independent early years and childcare settings is likely to underspend by around £0.9m and this can be carried forward to use in 2009/10.

Capitalised Maintenance - £3,664,402

- 8 The 2008/09 programme (funded from within the DSG) is expected to be fully spent. The flexibility presented by the new grant regime has allowed £253,498 of the 2008/09 allocation to be used to fund an overspend in 2007/08.
- 9 The budget of £230,500 for non-DSG funded capitalised maintenance (i.e. on buildings other than schools) is expected to be fully utilised in 2008/09.

Access Initiative - £1,246,341

- 10 It is anticipated that the 2008/09 Access Initiative budget will be fully spent. The budget for 2008/09 includes an underspend of £297,751 which was carried forward from 2007/08.

2009/2010 Capital Programme

- 11 The majority of capital developments within CYPS are as expected in relation to school buildings. DCSF allocates specific grant and borrowing approval in a 3 year cycle that coincides with the Government's Public Spending review and firm information is available up to 2010/2011
- 12 £12.64m is available in 2009/2010 and £15.02m in 2010/2011, via a mix of grant and supported borrowing approval to resource a programme to **'Modernise' Schools and Rebuild/Revamp Primary Schools**. (It is possible that up to £2.7m of this funding may be 'advanced' by DCSF.)
- 13 DCSF required Local Authorities to prepare a **Primary Strategy for Change**, which was approved by DCSF subject to modifications. Until the Primary Strategy is fully approved, DCSF will release funding for 2009/2010 only, which amounts to £6,016,000. Once full approval is given, an allocation of £8.4m for 2010/2011 will be released. Key elements of the proposal are improved pupil performance and the removal of surplus places. There is an expectation that resources from land or building disposal associated with this programme, and where possible School Devolved Capital allocations will be used to contribute towards each Local Authority's Strategy.
- 14 Initial investment priorities outlined in the consultation submission from Durham County Council are:-
 - Refurbishment of Green Lane C.E. Primary School to improve accommodation and remove surplus places;
 - Rationalisation of accommodation at Roseberry Primary School to remove surplus places;
 - New build primary school to replace Esh Winning Primary School to remove surplus places and provide first class accommodation on single site;
 - New build primary school to replace Brandon Primary School to remove surplus places and provide first class accommodation;
 - The refurbishment of Finchale Primary School to remove surplus places, improve accessibility and provide first class accommodation;
 - A new primary school to replace Greenland Primary School, eliminating surplus places and providing, on a single site, first class accommodation, and playing field;

- A reorganisation of education in Delves Lane to develop primary provision;
- To replace the existing accommodation at Kirk Merrington Primary School with a new build to provide first class accommodation and the capacity to meet the demand for places;
- To re-organise Shotton Hall Infant and Junior School into a new build primary school eliminating surplus places and providing seamless progression for pupils in first class accommodation;
- To replace the existing buildings at West Cornforth Primary School to provide first class accommodation in a single building;
- To replace Coundon Primary School and St. Joseph's RCVA Primary Coundon with new buildings to provide first class accommodation, including investigation of the potential for co-locating the two new schools on a single site;
- To replace Framwellgate Moor Primary School as part of the groundbreaking specialist science CAMPUS project to provide integrated education 3-18 with Framwellgate School Durham and Durham Trinity School;
- Conduct a full review of primary school provision In Newton Aycliffe;
- Continue to investigate potential re-organisations of infant and junior schools into primary schools;
- Continue to develop schemes for refurbishment or remodelling of schools to remove surplus places and revitalise schools that are in poor condition;
- Consider schemes for cross phase co-location with local or national exemplar features.

15 Another DCSF Capital grant is provided under the **Access Initiative** (£948,590 in 2009/2010 and 2010/2011) that is to be spent in schools so that pupils with disabilities can access buildings and a full curriculum. There is also an **Extended Schools Grant** (£921,981 in 2009/2010 and £476,529 in 2010/2011) to fund building work that will assist schools develop the Government's Extended Schools ambitions. In addition a **Harnessing Technology** Capital Grant (£2,251,124 2009/2010 and £2,240,820 2010/2011), is available, mainly to deliver broadband and expand ICT connectivity in schools. **Aiming Higher for Disabled Children** is another Government initiative that will bring £267,800 in 2009/2010 and a £624,900 in 2010/2011 which is ringfenced for securing equipment, building adaptations and new facilities that will support disabled children's short break provision.

16 By far the largest area of capital development is the Government's **Building Schools for the Future (BSF)** programme which is reaching the stage where contracts will be awarded to commence building work in East Durham during 2009/2010, that will result in new schools or refurbished secondary and special schools. Schools in the first wave of the programme applicable to County Durham are:-

		Expected Completion Date
Seaham School of Technology	PFI Contract	2012/2013
Sedgefield Community College	PFI Contract	2010/2011
Shotton Hall School	PFI Contract	2010/2011
Easington Community School	Design & Build Contract	2010/2011
Dene Community School of	Design & Build Contract	2011/2012

Technology

Glendene School and Community Art College Design & Build Contract 2010/2011

Peterlee St Bede's Catholic Comprehensive Design & Build Contract 2011/2012

Wellfield Community School – Specialist Maths Computing College Design & Build Contract 2010/2011

Durham Johnston School Design & Build Contract 2009/2010

- 17 The funding arrangements will vary depending on whether PFI or Design & Build is the chosen construction/funding solution. As a consequence the programme will be resourced by a combination of DCSF Capital Grant and PFI credits, with contributions towards annual maintenance charges coming from the Dedicated Schools Grant.
- 18 DCC Schools Forum continues to support the use of the annual Dedicated Schools Grant for **Capitalised Repair and Maintenance Works** on school buildings. Typically this can cover boiler plant replacement, major re-roofing projects, electrical repairs and asbestos removal. For the financial years 2009/2010 and 2010/2011 budgets of £3.7m have been identified. Funds are managed flexibly between financial years, thus delivering VFM because of rising inflation in the building services and allowing scope to respond to emergencies. In addition the Schools Forum has identified £300,000 in 2009/2010 and £400,000 in 2010/2011 to address the issue of inadequate ventilation in school kitchens.
- 19 Via the County Councils Asset Management planning process one of the highest priorities that has emerged is the need to replace **Catchgate Children's Home**, which provides short term residential accommodation for Children in Care.
- 20 During 2008 reports have been produced regarding the strategy for the potential replacement of the **Secure Unit at Newton Aycliffe**. A development of this type is essential to secure an ongoing contract with the Youth Justice Board (YJB). There may be DCSF and Department of Health Grant available, probable funds from land disposal and resources in a Service Development Fund, however there would need to be some DCC Capital investment in the short term, which would be recovered over the period of a YJB contract. Building works may commence during 2009/2010 and this is likely to create a capital budget demand during the next 2 years. Detailed costings and a budget plan have been submitted to the YJB as part of the bid for a new 5 year contract.

Regeneration and Economic Development

Background

- 1 The Capital Programme is determined by County Council policies and priorities and linked to existing strategy documents such as the Local Transport Plan. This is a policy-led strategy supported by a monitoring framework to ensure the Plan is achieving its aims and objectives
- 2 Other elements of the Capital Programme are determined by a prioritisation process under the Asset Management Plan and by opportunities provided by other funding partners providing that this aligns with Council priorities.
- 3 The Council will inherit a significant asset base from predecessor authorities and needs to develop a strategy which maximises the use of those assets. Part of that process will be evaluating proposals which were originally put forward for 2009/10 but were reliant on funding such as capital receipts which may not be realistically achievable.
- 4 Whilst some elements of the Capital Programme are more certain than others in terms of identified and confirmed funding other elements, particularly those in current District Council programmes, are less so.

Housing Capital

- 5 As mentioned in other parts of the budget report it is important to recognise the investment in housing related expenditure and to acknowledge the contribution that housing capital can make towards regeneration.
- 6 Cabinet were recommended at the meeting held on 19th January to make a determination that all capital receipts from housing land sales be applied to projects falling within the definition of affordable housing and/or regeneration projects under defined criteria.
- 7 There are significant housing and regeneration related projects in current District Council capital budgets and the funding to support these projects will be evaluated as part of the further work to take place on the 2009/10 capital budget.

Regeneration Capital

- 8 The NETpark Incubator 2 Project was completed in 2008/09 and provision has been made for the Plot 3 Production Facility on the same site for 2009/10 in the sum of £4m.
- 9 Following the award of significant grant aid from ONE North East, the Durham City Vision Project has been included in the capital estimates for a commencement of work in 2009/10 and phased over a three year period.
- 10 Progress continues to be made with the Urban and Rural Renaissance Initiative which is providing a major contribution to improving the County's environment for years to come.

- 11 As with other elements of the capital budget an evaluation of further projects from the County Council and other predecessor authorities will need to be made when further information is available on slippage from the current year and on available funding and this information together with proposals for 2009/10 will form part of a further evaluation process involving elected Members.

Neighbourhood Services

Background

1. The Capital Programme is determined by County Council policies and priorities and linked to existing strategy documents such as the Local Transport Plan. This is a policy-led strategy supported by a monitoring framework to ensure the Plan is achieving its aims and objectives
2. Other elements of the Capital Programme are determined by a prioritisation process under the Asset Management Plan and by opportunities provided by other funding partners providing that this aligns with Council priorities.
3. The Council will inherit a significant asset base from predecessor authorities and needs to develop a strategy which maximises the use of those assets. Part of that process will be evaluating proposals which were originally put forward for 2009/10 but were reliant on funding such as capital receipts which may not be realistically achievable.
4. Whilst some elements of the Capital Programme are more certain than others in terms of identified and confirmed funding other elements, particularly those in current District Council programmes, are less so.

Transport Capital Funding

5. The Government Office North East (GONE) have reaffirmed the local transport capital settlement for 2009/10 and 2010/11 as previously notified in the 3 year settlement figures issued in November 2007.
6. The capital settlement is awarded in two blocks – one for integrated transport improvements and one to meet the maintenance costs of the highway network. The allocations for the remaining two years of the Local Transport Plan 2 (LTP2) plan period up to March 2011 are shown in the table below:

BLOCK	2009/10	2010/11
Integrated Transport	£5.365m	£5.396m
Highways Maintenance	£9.246m	£9.942m

7. The Integrated Transport Block funding is allocated as two-thirds supported borrowing approval and one-third direct grant. The Highways Maintenance element is all allocated as supported borrowing approval.
8. As in previous years the amount allocated for the Integrated Transport Block will be apportioned so as to obtain the most effective use of resources and the contribution which this can make to the Aims and Objectives set out in LTP2 and the contribution to the Shared Priorities for Transport.
9. Although the funding is not specifically ring-fenced for Transport Capital purposes, the County Council has in previous years earmarked the whole of the allocation for this purpose.
10. In addition to the LTP Capital Settlement funding has been available by the Department for Transport (DfT) as Specific Road Safety Grant and also for

capitalised maintenance on the former Trunk Road A167. These are confirmed in the following table:

Funding	2009/10 £	2010/11 £
Specific Road Safety Grant (Capital)	153,783	151,385
Direct Capital Grant – Capitalised Maintenance of A167	750,000	1,025,000

11. Further capital transport related expenditure has been included which has been approved either through the Asset Management Plan process or through the monies made available to be spent on Local area Schemes and measures as identified by Members as being priorities in their Ward areas. This amounts to £6,000 per Member and is derived from a combination of LTP funding and direct County Council provided funds.
12. The first progress report for LTP2 has been prepared and submitted to GONE. This sets out the progress that has been made over the first two years of the plan period.
13. The notable achievements since the last budget report have included completion of the long awaited A688 Wheatley Hill to Bowburn Link Road and also the East Durham Link Road, the latter through funding allocated to Easington District Council by ONE-North East.
14. Whilst no significant slippage to the works programmes is anticipated the settlement of claims submitted under Part 1 of the Land Compensation Act remain uncertain and may contribute to an underspend in the residual budgets of some schemes.
15. In addition to the transport related funding and expenditure there are other areas of spend which sit within the Neighbourhoods Service Grouping.
16. The Waste Disposal Capital Budget includes for projects funded from a variety of sources including Waste Performance and Efficiency Grant, Waste Infrastructure Grant and through the Asset Management Plan process. Whilst some expenditure is likely to take place in the current year on essential safety and improvement works to Household Waste Recycling Centres the major part of the budget will carry into 2009/10 to fund new and improved sites subject to suitable locations being found.

Corporate Resources

- 1 The capital programme for Corporate Resources comprises of a number of schemes to maintain and improve the Authority's property portfolio together with planned replacement of ICT equipment. A number of the schemes in the current programme are necessary in order to maintain, improve and prevent further deterioration of the Authority's property assets. It is essential that property assets are maintained in order to ensure service continuity and reduce the need for more costly major works in the future. The St John's Square scheme has been designed to provide improved local access to services and contribute to the Authority's Priority of Improving Health.
- 2 The continued phased replacement of the Authority's IT assets via the centralised renewals policy will ensure the provision of value for money services in a rapidly changing environment as information technology provides the catalyst for releasing efficiency savings. It will also ensure that equipment is replaced before it becomes obsolete resulting in quicker response times, increased reliability, capability to use the latest technology and fewer operational problems. This will significantly reduce the risk of major IT systems failure.
- 3 As part of the £50,000 per Ward investment in localised spend it is anticipated that capital projects will be required. £20,000 per Ward has been included in the overall £50,000 total to be funded by way of LPSA Reward Grant (Capital). In addition, each Member has a budget of £6,000 for 'highways related' expenditure which is outlined in the Neighbourhood Services budget.

Assistant Chief Executive's Office

- 1 There is no current capital budget for this Corporate Directorate and no new schemes have been added to the programme for 2009/10.

Section J – Prudential Code and Treasury Management

This section outlines the Council's prudential indicators for 2009/10 – 2011/12 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:

- The reporting of the **prudential indicators** setting out the expected capital activities (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities - Annex J1);
- The Council's **Minimum Revenue Provision (MRP) Policy**, which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007 – also Annex J1);
- The **treasury management strategy statement** which sets out how the Council's treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the **Authorised Limit**, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003. This is in accordance with the CIPFA Code of Practice on Treasury Management and shown at Annex J4;
- The **investment strategy** which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance and also shown in Annex J4.

The County Council intends to review the capital programme, initially by way of a member group early in 2009/10, and therefore no firm decisions have yet been made about capital investment for 2009/10 and beyond, other than to assume where projects are committed or started they will continue. Therefore figures relating to 2009/10 and beyond are provisional.

The Council is recommended to approve each of the six key elements:

1. **The Prudential Indicators and Limits for 2009/10 to 2011/12 contained within Annex J1 of this section.**
2. **The Minimum Revenue Provision (MRP) Statement contained within Annex J1 which sets out the Council's policy on MRP.**
3. **Adoption of four key clauses of CIPFA's Code of Practice for Treasury Management Services, set out in Annex J2; and the Treasury Management Policy Statement in Annex J3.**
4. **The Treasury Management Strategy 2009/10 to 2011/12, the treasury Prudential Indicators contained within Annex J4.**
5. **The Authorised Limit Prudential Indicator (Annex J4).**
6. **The Investment Strategy 2009/10 contained in the treasury management strategy (Annex J4), and the detailed criteria included in Annex J5.**

Annex J1 The Capital Prudential Indicators 2009/10 – 2011/12

Introduction

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. This section updates currently approved indicators and introduces provisional new indicators for 2011/12.
2. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity. As a consequence the treasury management strategy for 2009/10 to 2011/12 is included as Annex J4 to complement these indicators, and treasury strategy includes the prudential indicators relating specifically to the treasury activity.

The Capital Expenditure Plans

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This needs to be affordable, sustainable and prudent. The revenue consequences of unsupported expenditure will need to be paid for from the Council's own resources.
4. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants etc., or revenue resources), but if these resources are insufficient any residual expenditure will add to the Council's borrowing need.
5. The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. Anticipated asset sales may be postponed due to the impact of the credit crisis on the property market.
6. The Council is asked to approve the summary capital expenditure projections below, which are subject to review by a member working group. This forms the first prudential indicator:

Capital Expenditure £000	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
Non-HRA	198,194	99,753	70,265	0
HRA	29,912	21,405	12,641	0
Financed by:				
Capital receipts	72,725	3,000	5,166	0
Capital grants	67,409	36,656	36,194	0
Capital reserves	17,672	11,951	9,242	-
Revenue	16,530	7,509	6,481	0
Net financing need for the year	53,770	62,042	25,803	0

The Council's Borrowing Need (the Capital Financing Requirement)

7. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of

the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

8. The Council is asked to approve the CFR projections below:

£000	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
Capital Financing Requirement				
CFR – Non Housing	303,297	346,459	358,156	343,829
CFR – Housing	120,415	127,163	127,411	127,411
Total CFR	423,712	473,622	485,567	471,248

9. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP).
10. CLG Regulations have been issued which require full Council to approve an **MRP Statement** in advance of each year. The Council is recommended to approve the following MRP Statement:
11. For capital expenditure incurred before 1 April 2008 or which in the future will be supported capital expenditure, the MRP policy will be:
- **Based on Capital Financing Requirement** – MRP will be based on the non-housing CFR (Option 2).
12. From 1 April 2008 for all unsupported borrowing the MRP policy will be:
- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (Option 3).

Affordability Prudential Indicators

13. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:
14. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
Ratio of financing costs to net revenue stream	5.04%	6.83%	6.90%	6.67%

15. The estimates of financing costs include current commitments and the proposals in this budget report.
16. **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with *new*

schemes introduced to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	Revised Budget 2008/09	Forward Projection 2009/10
Council Tax – Band D	6.39	8.55

17. **Estimates of the incremental impact of capital investment decisions on Housing Rent levels** – Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	Revised Budget 2008/09	Forward Projection 2009/10
Weekly Housing Rent levels	0	0

18. This indicator shows the revenue impact on any newly approved schemes, although any discrete impact will be constrained by rent controls.

Treasury Management Code of Practice

As mentioned in Section J., Durham County Council is recommended to formally re-adopt 4 key clauses in the new Code of Practice for Treasury Management Services for the new unitary authority from 1 April 2009. The 4 key clauses are:

a) *The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code. Details of the key recommendations are as follows:*

- ◆ *Key Recommendation 1*
Public Service Organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- ◆ *Key Recommendation 2*
Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities.
- ◆ *Key Recommendation 3*
They should acknowledge that the pursuit of best value in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.
- ◆ *Key Recommendation 4*
In order to achieve the above, organisations should:
 - 1) adopt the 4 clauses in Section 5 of the Code
 - 2) adopt a treasury management policy statement, as recommended in Section 6
 - 3) follow the recommendations in Section 7 concerning the creation of Treasury Management Practices (TMPs)

b) *Accordingly the Council will create and maintain, as the cornerstone for effective treasury management:*

- a treasury management policy statement, stating the policies and objectives of its treasury management activities.
- suitable TMPs, setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

c) *The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in the TMPs.*

d) The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices, and for the execution and administration of treasury management decisions to the Corporate Director of Resources, who will act in accordance with the Council's policy statement and TMPs.

Treasury Management Policy Statement

- 1 Durham County Council defines its treasury management activities as:

“The management of the organisation’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

- 2 Durham County Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 3 Durham County Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Treasury Management Strategy 2009/10 – 2011/12

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex J1 consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets balanced budget requirement under the Local Government Finance Act 1992. There are specific treasury prudential indicators included in this strategy which require approval.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The seven District Councils and the County Council adopted the Code of Practice on Treasury Management in 2003, and as a result each adopted a Treasury Management Policy Statement. Durham County Council's current Treasury Management Policy Statement (Annex J3) is recommended for re-adoption for the new unitary authority. This adoption meets the requirements of the first of the treasury prudential indicators.
3. The policy requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year.
4. This strategy covers:
 - The Council's debt and investment projections;
 - The Council's estimates and limits on future debt levels;
 - The expected movement in interest rates;
 - The Council's borrowing and investment strategies;
 - Treasury performance indicators;
 - Specific limits on treasury activities;
 - Any local treasury issues.

Debt and Investment Projections 2009/10 – 2011/12

5. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected debt position at the end of each year represents the Operational Boundary prudential indicator. The table also highlights the expected change in investment balances.

£000	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
External Debt				
Debt at 1 April	333,802	326,007	438,176	450,121
Expected change in debt	-7,795	112,168	11,945	-14,326
Debt at 31 March	326,007	438,176	450,121	435,795
<i>The debt estimated at 31 March represents the Council's Operational Boundary</i>				
Investments				
Total Investments at 31 March	192,656	192,656	192,656	192,656

Limits to Borrowing Activity

6. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
7. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2009/10 and the following two financial years. This allows some flexibility for limited early borrowing for future years.

£000	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
Gross Borrowing	326,008	438,176	450,121	435,795
Investments	-192,656	-192,656	-192,656	-192,656
Net Borrowing	133,352	245,520	257,465	243,138
CFR	423,712	473,622	485,567	471,240

8. The Authorised Limit for External Debt – A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.
9. The Council is asked to approve the following Authorised Limit:

£000	2008/09 Revised	2009/10 Estimated	2010/11 Estimated	2011/12 Estimated
Borrowing	424,000	524,000	536,000	521,000
Other long term liabilities	-	-	-	-
Total	424,000	524,000	536,000	521,000

Expected Movement in Interest Rates (source: Butlers)

Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWLB Rates*		
		3 month	1 year	5 year	20 year	50 year
2008/09	3.9	5.0	5.3	4.2	4.8	4.5
2009/10	1.0	1.6	1.8	2.4	3.9	3.8
2010/11	1.7	2.1	2.8	3.2	4.1	4.0
2011/12	2.4	2.8	3.6	4.0	4.3	4.1

* Borrowing Rates

10. The UK economy has entered a profound recession, worsened by a dangerous combination of negative growth and dislocation in the domestic and world financial markets. The situation in the economy is considered critical by the policy setters who are concerned that the testing financial environment, the sharp decline in house prices and persistently tight credit conditions could trigger a collapse in consumer confidence. At best this could deliver a short, sharp downturn, at worst a prolonged Japanese-style recession.
11. The sharp downturn in world commodity, food and oil prices, the lack of domestic wage pressures and weak retail demand promises a very steep decline in inflation in the year ahead. In the recent pre-Budget Report, the Treasury suggested RPI inflation could fall to minus 2.25% by September 2009. Inflation considerations will not be a constraint upon Bank of England policy action. Indeed, the threat of deflation strengthens the case for more aggressive policy ease.
12. The Government's November pre-Budget Report did feature some fiscal relaxation but it also highlighted the very poor health of public sector finances. The size of the package is considered insufficient to kick-start the economy. The onus for economic stimulation will fall upon monetary policy and the Bank of England.
13. The Bank will continue to ease policy and the need to drive commercial interest rates, currently underpinned by the illiquidity of the money market, to much lower levels suggests the approach will be more aggressive than might otherwise have been the case. A Bank Rate of 1% now seems a distinct possibility and short-term LIBOR rates of below 2% may result. Only when the markets return to some semblance of normality will official rates be edged higher.
14. Long-term interest rates will be the victim of conflicting forces. The threat of deep global recession should drive bond yields to yet lower levels and this will be a favourable influence upon the sterling bond markets. But the prospect of exceptionally heavy gilt-edged issuance in the next three years (totalling in excess of £100bn per annum), as the Government seeks to finance its enormous deficit, could severely limit the downside potential for yields.

Borrowing Strategy 2009/10 – 2011/12

15. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
16. Long-term fixed interest rates are at risk of being higher over the medium term. The Corporate Director of Resources, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that shorter term fixed rates may provide better opportunities.

17. With the likelihood of a steepening of the yield curve any debt restructuring is likely focus on switching from longer term fixed rates to cheaper shorter term debt, although the Corporate Director of Resources and treasury consultants will monitor prevailing rates for any opportunities during the year.
18. The option of postponing borrowing and running down investment balances will continue to be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.

Investment Counterparty and Liquidity Framework

19. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- **It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.**
- **It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.**

20. The Corporate Director of Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it selects which counterparties the Council will choose rather than defining what its investments are.

- **Banks 1 – the Council will use banks which have at least the following Fitch and Moody's ratings (where rated):**
 - i. Short Term – F1*
 - ii. Long Term – A*
 - iii. Individual / Financial Strength – C (Fitch / Moody's only)*
 - iv. Support – 3 (Fitch only)*
- **Banks 2 – In addition, the Council will use banks whose ratings fall below the criteria specified above if all of the following conditions are met:**
 - **(a) wholesale deposits in the bank are covered by a government guarantee;**
 - **(b) the government providing the guarantee is rated "AAA" by all three major rating agencies (Fitch, Moody's and Standard & Poors); and**
 - **(c) the Council's investments with the bank are limited to amounts and maturities within the terms of the stipulated guarantee.**
- **Banks 3 - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008.**
- **Banks 4 – The Council's own banker if this falls below the above criteria.**

- Building Societies – **the Council will use all Societies with assets in excess of £3bn where they also have a long-term rating of at least A.**
 - Money Market Funds – **AAA**
 - UK Government **(including gilts and the Debt Management Account Deposit Facility (DMADF))**
 - Local Authorities, Parish Councils etc
21. Due to the uncertainty in the financial markets it is recommended that the Investment Strategy is approved on a similar approach to previous years which will provide officers with the flexibility to deal with any unexpected occurrences. Officers will restrict the pool of available counterparties from this criteria to safer instruments and institutions. Currently this involves the use of the DMADF, AAA rated Money Market Funds and institutions with higher credit ratings than those outlined in the investment strategy or which are provided support from the Government. Investments are being maintained short term to also improve the security of investments.
22. The proposed criteria for Specified and Non-Specified investments are shown in Annex J5 for approval.
23. In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.
24. The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the investment prudential indicator below.

Investment Strategy 2009/10 – 2011/12

25. Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of the current 1.5% Bank Rate reducing throughout 2009. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
26. There is a clear operational difficulty arising from the current banking crisis. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
27. The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Corporate Director of Resources will temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.
28. Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (DMADF – a Government body which accepts local authority deposits), Money Market Funds, guaranteed deposit facilities and strongly rated institutions offered support by the UK Government. The credit criteria have been amended to reflect these facilities.

Sensitivity to Interest Rate Movements

29. The table below highlights the estimated impact of a 0.5% increase/decrease in all interest rates to treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

	2009/10 Estimated +/- 0.5%
Investment income	+/- £968,000

Treasury Management Prudential Indicators and Limits on Activity

30. There are four further treasury prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:

- Upper limits on variable interest rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

31. The Council is asked to approve the following prudential indicators:

£000	2009/10	2010/11	2011/12
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	50%	50%	50%
Maturity Structure of fixed interest rate borrowing 2009/10			
		Lower	Upper
Under 12 months		0%	20%
12 months to 2 years		0%	40%
2 years to 5 years		0%	60%
5 years to 10 years		0%	80%
10 years and above		0%	100%
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£6.5m*	£0m	£0m

* Relates to existing investments that will mature after 2009/10

Performance Indicators

32. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID rate

The results of these indicators will be reported in the Annual Treasury Report.

Local Issues

33. This strategy is based on the combination of the existing debt and investment portfolios of the County Council and the seven district councils. It should be noted that there may be some debt or investments outstanding at 31st March 2009, made under the individual councils' strategies, that will no longer conform to the new authority's criteria. They will be replaced on maturity with transactions that do fall within the new criteria.

34. It is also assumed that the transfer of Sedgfield Borough Council's housing stock to Sedgfield Borough Homes will proceed as planned on 30th March 2009.

Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12th March 2004, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The new unitary Durham County Council will re-adopt the Code from 1 April 2009 and will apply its principles to all investment activity. In accordance with the Code, the Corporate Director of Resources has produced its treasury management practices. This part, TMP 1(5), covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for decision making on investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

This strategy is to be approved by full Council. The investment policy proposed for the Council is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. These would include investments with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.

5. A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society).
6. **A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes. Where these guarantees are in place and the government has an AAA sovereign long term rating these institutions will be included within the Council's criteria temporarily until such time as the ratings improve or the guarantees are withdrawn. Monies will only be deposited within the timeframe of the guarantee.**

For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.

For category 5 this covers bodies with a minimum rating of A (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments are set out below. Non specified investments would include any sterling investments with:

Non Specified Investment Category

a. Supranational Bonds greater than 1 year to maturity

(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).

(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO})

The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.

b. **Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.

c. **Building societies not meeting the basic security requirements under the specified investments.** The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The council may use such building societies which have a minimum asset size of £3bn

d. The **Council's own banker** if this falls below the criteria for specified investments.

e. **Share capital or loan capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.

The Monitoring of Investment Counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information from Butlers on a daily basis, as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Corporate Director of Resources, and if required new counterparties which meet the criteria will be added to the list.

Section K – Dedicated Schools Grant

Background

- 1 This section gives a brief explanation of the way DSG is calculated, what it can be used for, the role of Durham County Council Schools Forum and the content of budget plans over the period 2009/2010 and 2010/2011.

DSG - The Purpose of the Grant

- 2 Each Local Authority, that has “Education” as a statutory responsibility, receives an annual grant from the Department for Children, Schools and Families (DCSF) called the Dedicated Schools Grant (DSG). It is “ring-fenced”, can only be used for purposes prescribed in regulation, and broadly it funds the running costs of Durham’s Nursery, Primary Secondary and Special Schools and a number of specific support services to pupils or schools.

How Much Was Available in 2008/2009 Financial Year

- 3 The Council is required to prepare a statement each March (the Section 52 Statement) that sets out how it intends to use the grant for the following financial year and the main areas of spending during 2008/2009 are set out below:-

• Delegated Schools Budgets	£251,077,000
• Private/Independent Early Years Providers	£2,620,000
• Support for Pupils with Special Educational Needs	£6,780,000
• Education out of School and Behaviour Support	£5,560,000
• School Admissions	£520,000
• Major School Repair and Maintenance Projects	£4,350,000

- 4 Schools also receive allocations via other Government grant sources:-

• School Standards Grant	£16,227,000
• Standards Fund	£31,780,000
• Learning and Skills Council	£20,292,000

The **total** planned spend in 2008/2009 funded by DSG and other ringfenced Government grants for schools and specific support services was **£343,057,182**.

DSG – How it is Calculated and its Value

- 5 The DCSF has allocated a unit cost to each eligible child in County Durham (aged 3 to 19 – 72,715 children in 2008/2009) of £3,982 for 2008/2009. Very simply, more children leads to a rise in annual grant and fewer results in a reduction. Durham, like most County Authorities is experiencing a reduction in numbers and compared to 2007/2008 they fell by 868 (1.2%). The County average reduction was 0.7%.
- 6 DSG is based on a headcount each January and is not confirmed by DCSF until June each year. The final DSG for 2008/2009 was £274,436,000, and this was within £7,666 of the estimate used for budget planning by our school funding team. Experience has shown that it is dangerous to rely on DCSF estimates as they can be considerably adrift of the real position.
- 7 An accurate estimate of DSG available for the **2009/2010 financial year** will not be available until mid February 2009, once we have completed the headcount of eligible children, but for planning purposes we are working on a **grant in the region of £279,726,000**, a rise of £5.3m (1.9%) from the current year). School Funding Officers have estimated a further grant increase of £9.4m in 2010/2011.

The Role of Durham County Council Schools Forum

- 8 DCSF prescribes that each local authority must have a Schools Forum that has a number of statutory duties associated with school funding and the way the DSG is deployed. The Schools Forum in Durham is well attended and is regarded as a model of good practice by DCSF officers. There are 43 members of the Forum, of which 17 are headteachers and 16 are school governors. Further representatives are from private early years providers, the Roman Catholic and Church of England Diocese, the LSC and Trades' Unions/Professional Associations. The Forum has chosen to include 2 Elected Members as part of their constitution, but the DCSF does not permit them to have voting rights. Current representatives are Councillors Claire Vasey and Jan Blakey.
- 9 The Schools Forum has a number of powers associated with the way resources are distributed to schools (funding formulae) but probably their most significant power is whether to approve spending on central expenditure managed by the Local Authority, from within the DSG. DCSF sets a "Central Expenditure Limit" as their expectation is that the majority of funds available each year should be devolved to schools and a 'minimum funding per pupil guarantee' each year reinforces this.

The Latest 3 Year Budget Plan (2008/2009 to 2010/2011)

- 10 DCSF is keen to see as much stability in school budgets as possible and for school governors to be able to plan with confidence beyond financial years. As a result it is a requirement to put in place 3 year budget plans that coincide with public spending cycles determined by Government. Formula values in school budgets have now been set for the 3 year period 2008/2009 through to 2010/2011 and the Schools Forum has approved a range of spending priorities from newly available funds (i.e. extra DSG and redirected savings, predominantly as a result of falling pupil numbers).
- 11 There are several references to DSG in the County Council's Medium Term Financial Plan for 2008/2009 and a 3 Year Plan for deployment of budget growth and redistributed savings on activities within the DSG, was included in full.

- 12 On the 26th February 2008, the Durham County Council Schools Forum refined spending plans, against accurate grant figures and savings expectations. Reproduced as an appendix to this note are their priorities which have arisen from discussion with Headteachers, Governors, DCSF directions and the work of the School Funding Team and other CYPS managers.
- 13 Durham County Council Schools Forum is scheduled to meet on 24th February 2009 to review 2009/2010 and 2010/2011 budget plans against latest data on available grant, savings with the DSG and any new potential pressures that may have arisen since they last discussed a budget plan for the period. A recurring DCSF priority is for more funds to be distributed to those schools with the highest levels of social disadvantage, with the aim of improving pupil performance. In practice, it is anticipated there will only be limited scope to revise the budget priorities already identified, without affecting schools' budget plans.

Summary Data

		£
2008/2009	Actual DSG allocation	274,436,000
2009/2010	Estimated DSG allocation	279,726,000
	Grant increase compared to previous year	5,290,000
2010/2011	Estimate DSG allocation for final year	289,168,000
	Grant increase compared to 2009/2010 previous year	9,442,000

PROPOSED DISTRIBUTION OF ADDITIONAL/REDIRECTED DSG FOR 2009/2010 AND 2010/2011

	2009/2010		2010/2011	
	DSG		DSG	
	*ISB	*LA	*ISB	*LA
	£	£	£	£
1. COMMITMENTS PREVIOUS YEARS				
DCSF minimum pupil funding guarantee	30,000		30,000	
Increased number of pupils at SEN audit band E	250,000		350,000	
	280,000	0	380,000	0
2. PAY AWARDS AND INFLATION				
Teachers pay award @ 2.3% 09 and 10	4,070,000	118,000	4,150,000	120,000
Support staff pay award @ 2.1%	1,640,000	90,000	1,675,000	90,000
Independent Special School Fees – Growth and Inflation @ 3%		165,000		150,000
Increase to Support Staff (LG) Pension Contributions	187,000	15,000	140,000	15,000
Other LA special schools – growth on spend and inflation @ 3%		40,000		40,000
School domestic rate rises and floor area increases	240,000		239,990	
Inflation on School Catering – assisted via Energy	150,000		250,000	
	250,000		350,000	
Inflation SLA's and support services	175,000	30,000	180,000	35,000
Transport PRU and KS4 support		20,000		20,000
Non-LA Early Years – 2.1% inflation and extra demand		150,000		150,000
	6,712,000	628,000	6,984,990	620,000
3. NEW GROWTH OPTIONS				
KS4 improvement strategy	150,000		500,000	
Personalised Learning	350,000		500,000	
BSF schools – running costs revenue contribution	250,000		250,000	
KS1 Improvement Funds	150,000		500,000	
Secondary ILS values	140,000		140,000	
ECM priorities		50,000		100,000
Socio economic funding – IMD factor	492,493		889,481	
Teacher – Polish pupils – E2L support team		70,000		50,000
Extra special school planned places	0		100,000	
	1,532,493	120,000	2,879,481	150,000
TOTAL VALUE OF EXPENDITURE PLANS	8,524,493	748,000	10,244,471	770,000
4. SAVINGS				
Pupil number reductions – falling rolls	2,939,000		1,203,000	
Reduced capacities in nursery units from September 2008	103,000		50,000	
Fewer resource base places	68,000			
Reduced initial allocation for kitchen ventilation projects		205,290		165,290
Revised school floor areas – formula revisions	400,000			
Extra LSC income – SEN		42,000		44,000
Premises savings school amalgamations and closures SEPT 2008	225,000		110,000	
	3,735,000	247,290	1,363,000	209,290

*Key - ISB - Individual Schools Budget – funds delegated to schools
 LA - Local Authority spending on activities funded via the DSG

Section L – The Charter Trustees for Durham City

- 1 The Local Government (Structural Changes) (Further Financial Provisions and Amendments) Regulations 2009 in relation to the creation of Charter Trustees have been published by the Department for Communities and Local Government (CLG).
- 2 The functions of the Charter Trustees include but are not limited to:-
 - The annual election of one of their number as mayor, and another as deputy mayor - the first business to be transacted at their annual meeting.
 - Appointment of local officers of dignity (e.g. recorder, pantmaster, billetmaster etc)
 - Holding the historic property (i.e. historic and ceremonial property held by a predecessor council [other than land and buildings, and property held for the purposes of any statutory function] and in particular charters, insignia and plates) relating to the charter trustee area (whether by retaining it under the control of the Charter Trustees or vesting it in the Unitary Authority).
 - Acquiring or accepting gifts of historic or ceremonial property (other than land and buildings) and, in particular, charters, insignia and plate, of the area for which they act and may execute any work (including works of maintenance or improvement) incidental to or consequential on the acquisition, acceptance or holding.
 - Determining whether to appoint or reappoint as charter trustees up to three councillors from the relevant council provided that at any time no more than three of their number have been appointed in this way (save that additional Charter Trustees must be appointed if the number of Charter Trustees falls below five).
 - Holding an annual meeting which, in the case of the first annual meeting, shall be within one month following the reorganisation date, and in any other case, within twenty-one days following the annual meeting of the relevant council.
 - Paying the mayor and deputy mayor for the purpose of enabling them to meet the expenses of their office such allowance as they think reasonable.
 - Appointing such officers as they think necessary for the proper discharge of their functions. Arrange for the discharge of their functions by Committee or Officers, other than the election of the mayor or deputy mayor; the appointment of local officers of dignity and functions relating to the issuing of a precept or the borrowing of money;
 - Setting a precept to recover the costs of the arrangements for the charter trustees
 - Paying reasonable subscriptions, whether annually or otherwise, to the funds of the Association of Charter Trustees and Charter Town Councils.

- 3 The Regulations provide that where on the reorganisation date (1st April 2009) there is a Councillor on the Council who immediately before the reorganisation date was Mayor, that person shall continue in that role for the Charter Trustees after the reorganisation date until such time as the completion of the election by the Charter Trustees of the Mayor. Cllr. Holland will therefore continue as Mayor of the City of Durham until the first annual meeting of the Charter Trustees.
- 4 The Regulations also provide that the County Council shall provide accommodation for the proper discharge of the functions of any Charter Trustees; and the accommodation to be provided and the terms on which it is provided shall be determined by agreement between that council and the charter trustees or, in default of such agreement, by the decision of a person agreed on by them or, in default of their agreement, appointed by the Secretary of State. Any question as to the interpretation or application of the regulation in relation to the historic property which is not resolved before the end of the period of twelve months beginning with the establishment date may be determined by a person agreed on by the parties or, failing their agreement, appointed by the Secretary of State.
- 5 The Charter Trustees are entitled to precept upon the billing authority. The creation of the Charter Trust and subsequent precepting is treated exactly the same as in the case of a new Town or Parish Council. The County Council is able to “anticipate” the first year’s precept, in line with provisions of the Local Government Finance (New Parishes) Regulations 1998 SI No 119 (as amended by SI No 3270 of 1998). The Charter Trustees would then have until 31st October 2009 to formally issue its precept to the new authority. Confirming the budget and then issuing the appropriate precept is likely to be a priority for the Charter Trustees.
- 6 Estimates have been prepared and discussed with Charter Trustees (designate). An estimate of the likely costs associated with the functions of the Charter Trustees in 2009/10, based on existing costs incurred by the City of Durham, has been prepared.
- 7 The proposed budget is attached as Annex L1 and is based on a Band D council tax of £5.00. This Council Tax will apply across the area covered by the former District boundary of the City of Durham District Council.
- 8 It is recommended that a Council Tax of £5 at Band D be approved for the Charter Trust with a total expenditure of £132,155 being anticipated, using a tax base for the former City of Durham District of £26,431.0.

Annex L1

	Charter Trust 2009/10 £
“Employee” Related Expenses	
- Mayors Allowance	7,000
- Deputy Mayors Allowance	3,000
- Sergeants at Mace / Body Guard	3,000
	13,000
Premises Related Expenses	
- Town Hall, Durham	12,000
Transport Related Expenses	
- Civic Car / Other Travelling Expenses	16,000
Supplies & Services Expenses	
- Mayors Hospitality	7,200
- Functions – Receptions	13,500
- Stationery & Materials	1,000
- Insurance (Regalia etc.)	2,000
	23,700
Support Services	
- Mayoral Support / Democratic Support / Accountancy etc	67,455
TOTAL	132,155
TaxBase – Former City of Durham District	26,431.0
Band D Council Tax 2009/10	£5.00

Section M – Council Tax and other issues

- 1 This section of the report considers the impact of council tax increases across the County and considers the calculation of the tax base and the estimates of the collection fund surplus.

Council Tax Levels

- 2 Business Planning had been based on a council tax increase of 5%. Each 1% variation varies council tax income by about £2m. A 5% increase, together with equalisation of council taxes, reduces the average increase across the county to 3.19%. The cost of equalisation at this level is £3.4m. A 4.75% increase, together with equalisation, reduces the average increase to 2.9% and would cost an additional £0.5m compared with the Bid. A 4.5% increase, together with equalisation, reduces the average increase to 2.7% and would cost an additional £0.9m compared with the Bid. A 4.0% increase, together with equalisation, reduces the average increase to 2.2% and would cost an additional £1.9m compared with the bid.
- 3 Annex M1 shows the impact of an average 2.9% increase in council tax across the County and the former District Council areas.

Council Tax - Calculation of Tax Base

Introduction

- 4 Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended)) require each billing authority to calculate its 'Council Tax Base'. This is the measure of an area's taxable capacity, for the purpose of setting its Council Tax. Legislation requires that the Billing Authority sets out the formula for that calculation and that the Tax Base is formally approved. Cabinet agreed in December that it would make the necessary determinations and this section of the report details the required information.

Council Tax Base Calculation

- 5 Annex M2 shows the number of dwellings in the County, allocated across the parishes and unparished areas.
- 6 Some of these properties will be empty during the year; others will be exempt from Tax (e.g. dwellings occupied solely by students), whilst in single person households only 75% of the Tax is payable. The number of dwellings, therefore, needs to be adjusted to reflect these features giving a net property base for each band.

- 7 The Council Tax varies between the different bands according to proportions laid down in legislation. These proportions are based around Band D, and are fixed so that the bill for a dwelling in Band A will be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each band's net property base produces the number of 'Band D Equivalent' properties for the area.
- 8 The Tax Base is finally arrived at by anticipating the collection rate during the year. Collection rates of between 98% and 99% have been used by the County in the past. In the first instance it is proposed to use 99% in calculating the tax base for 2009/10.
- 9 Applying a 99% collection rate to the total band D equivalent tax base of 155,328.0 produces a final figure of 153,774.7, which compares to a 2008/09 aggregate figure for the Districts of 153,411.5.

Council Tax – Estimated Collection Fund Surplus / (Deficit) [The Local Authorities (Funds) (England) Regulations 1992]

Introduction

- 10 The Local Authorities (Funds) (England) Regulations 1992 make provision for the discharge by a Billing Authority of its liabilities to pay amounts in respect of precepts from its Collection and General Funds and to make transfers between its funds to meet its estimated expenses.
- 11 They also make provision for the discharge by a Billing Authority and its major precepting authorities, in respect of their liabilities to meet any estimated surplus or (deficit) in a Billing Authority's Collection Fund. The City of Durham is a Billing Authority and the County Council; the Durham Police Authority; and the Durham and Darlington Fire and Rescue Authority constitute the Council's major precepting authorities.

Estimated Collection Fund Surplus / (Deficit)

- 12 Under Regulation 10, a Billing Authority is responsible for estimating, for each financial year, beginning in or after 1993, whether there is a surplus or (deficit) in its Collection Fund for the preceding financial year and, if so, the amount of that surplus or deficit. This calculation, which takes into account any residual transactions from the Community Charge, must be completed and approved by members between 1 December and 31 January each year.
- 13 Any surpluses cannot be included as income in the authority's accounts and must be passed onto the Council Taxpayer in the form of a reduction in their annual bill. Likewise, a deficit cannot be charged as any Authority's expenditure, but must be charged to Council Taxpayers as an increase on the bills.

- 14 District Treasurers have estimated collection fund surpluses for 2009/10 based on their experience of collection rates in their respective areas. The table below shows the aggregate position for the County:

	2009/10
	£
Collection Fund Surplus / (Deficit)	2,818,886

- 15 This is allocated across precepting authorities as follows:

	2009/10
	£
Durham County Council	2,400,000
Durham Police Authority	265,257
Fire Authority	153,629

Council Tax

- 16 Currently the County residents pay Band D council tax to the County Council of £1,024.38, plus a District council tax which depending on where they live, ranges from £177.48 to £246.98.
- 17 The new County Council will bring the District Council taxes down to the level of the current lowest District, add that to the County Council's and then apply the increase required to generate the resources needed for the new Council. On average this increase is 2.9%.
- 18 The average council tax level for 2008/09 at band D is £1,222.94. The impact of a 2.9% increase is shown below:

	Band D £
2008/09	1,222.94
2009/10	1,258.92

Fire and Police Authority Council Taxes

- 19 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. The council tax has increased by £2.79 or 3.38% compared with 2008/09 and this was confirmed on 17th February 2009:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	56.94	66.43	75.92	85.41	104.39	123.37	142.35	170.82

- 20 The Durham Police Authority is also a separate body responsible for its own financial affairs. The council tax has increased by £5.04 or 3.5% compared with 2008/09 and this was confirmed on 26th February:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	98.34	114.73	131.12	147.51	180.29	213.07	245.85	295.02

Parishes

- 21 Details of the Parish precepts are given in Annex M3, Appendix M1.

Overall Tax Position

- 22 Durham County Council is required to collect tax on behalf of the following independent organisations:

Durham County Council
Durham Police Authority
County Durham and Darlington Fire and Rescue Authority
Parish Councils
The Charter Trustees for the City of Durham

- 23 The position for Durham County Council, with a budget requirement of £420,154,810 is given below:

Council Tax 2009/10			
	Current 2008/09 (Band D) £	Proposed 2009/10 (Band D) £	Increase %
Durham County Council	1,222.94	1,258.92	2.9
Durham Police Authority	142.47	147.51	3.5
County Durham and Darlington Fire and Rescue Authority	82.62	85.41	3.4

- 24 The County Council must approve the precept and council tax in line with statutory guidelines. These determinations are contained at Annex M4.

Appendix M1

	Average increase in council tax	Council Tax Band							
		A £	B £	C £	D £	E £	F £	G £	H £
Current Level - average for County		815.29	951.18	1,087.06	1,222.94	1,494.70	1,766.47	2,038.23	2,445.88
Proposed Level <i>Increase per year</i> <i>Increase per week</i>	2.94%	839.28 23.99 0.46	979.16 27.98 0.54	1,119.04 31.98 0.62	1,258.92 35.98 0.69	1,538.68 43.98 0.85	1,818.44 51.97 1.00	2,098.20 59.97 1.15	2,517.84 71.96 1.38
Current Level - Easington DC		801.24	934.78	1,068.32	1,201.86	1,468.94	1,736.02	2,003.10	2,403.72
Proposed Level <i>Increase per year</i> <i>Increase per week</i>	2.94%	839.28 38.04 0.73	979.16 44.38 0.85	1,119.04 50.72 0.98	1,258.92 57.06 1.10	1,538.68 69.74 1.34	1,818.44 82.42 1.59	2,098.20 95.10 1.83	2,517.84 114.12 2.19
Current Level - Chester-le-Street DC		803.70	937.65	1,071.60	1,205.55	1,473.45	1,741.35	2,009.25	2,411.10
Proposed Level <i>Increase per year</i> <i>Increase per week</i>	2.94%	839.28 35.58 0.68	979.16 41.51 0.80	1,119.04 47.44 0.91	1,258.92 53.37 1.03	1,538.68 65.23 1.25	1,818.44 77.09 1.48	2,098.20 88.95 1.71	2,517.84 106.74 2.05

	Average increase in council tax	Council Tax Band							
		A £	B £	C £	D £	E £	F £	G £	H £
Current Level - City of Durham		807.33	941.89	1,076.44	1,211.00	1,480.11	1,749.22	2,018.33	2,422.00
Proposed Level	2.94%	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
<i>Increase per year</i>		31.95	37.27	42.60	47.92	58.57	69.22	79.87	95.84
<i>Increase per week</i>		0.61	0.72	0.82	0.92	1.13	1.33	1.54	1.84
Current Level - Sedgefield BC		809.60	944.53	1,079.47	1,214.40	1,484.27	1,754.13	2,024.00	2,428.80
Proposed Level	2.94%	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
<i>Increase per year</i>		29.68	34.63	39.57	44.52	54.41	64.31	74.20	89.04
<i>Increase per week</i>		0.57	0.67	0.76	0.86	1.05	1.24	1.43	1.71
Current Level - Teesdale DC		816.84	952.98	1,089.12	1,225.26	1,497.54	1,769.82	2,042.10	2,450.52
Proposed Level	2.94%	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
<i>Increase per year</i>		22.44	26.18	29.92	33.66	41.14	48.62	56.10	67.32
<i>Increase per week</i>		0.43	0.50	0.58	0.65	0.79	0.94	1.08	1.29

	Average increase in council tax	Council Tax Band							
		A £	B £	C £	D £	E £	F £	G £	H £
Current Level - Wear Valley DC		817.45	953.70	1,089.94	1,226.18	1,498.66	1,771.15	2,043.63	2,452.36
Proposed Level	2.94%	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
<i>Increase per year</i>		21.83	25.46	29.10	32.74	40.02	47.29	54.57	65.48
<i>Increase per week</i>		0.42	0.49	0.56	0.63	0.77	0.91	1.05	1.26
Current Level - Derwentside DC		847.57	988.84	1,130.10	1,271.36	1,553.88	1,836.41	2,118.93	2,542.72
Proposed Level	2.94%	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
<i>Increase per year</i>		-8.29	-9.68	-11.06	-12.44	-15.20	-17.97	-20.73	-24.88
<i>Increase per week</i>		-0.16	-0.19	-0.21	-0.24	-0.29	-0.35	-0.40	-0.48

Annex M2

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalent	Tax Base for CTAX Purposes
Chester-le-Street	Bournmoor	919	691.9	685.0
Chester-le-Street	Edmondsley	269	180.5	178.7
Chester-le-Street	Great Lumley	1,651	1,224.9	1,212.7
Chester-le-Street	Kimbleworth and Plawsworth	752	504.8	499.8
Chester-le-Street	Little Lumley	707	527.5	522.2
Chester-le-Street	North Lodge	986	922.0	912.8
Chester-le-Street	Ouston	1,265	921.6	912.4
Chester-le-Street	Pelton	2,944	1,841.8	1,823.4
Chester-le-Street	Sacriston	2,273	1,419.7	1,405.5
Chester-le-Street	Urpeth	1,551	1,131.0	1,119.7
Chester-le-Street	Waldridge	1,737	1,504.0	1,489.0
Chester-le-Street	Unparished Areas	9,526	6,493.6	6,428.7
Derwentside	Annfield Plain	3,621	2,179.2	2,157.4
Derwentside	Burnhope	696	457.9	453.3
Derwentside	Consett	16,549	11,272.1	11,159.4
Derwentside	Cornsay	497	322.5	319.3
Derwentside	Dipton	1,282	843.8	835.4
Derwentside	Esh	2,230	1,494.0	1,479.1
Derwentside	Greencroft	89	80.9	80.1
Derwentside	Healeyfield	698	531.7	526.4
Derwentside	Hedleyhope	85	60.6	60.0
Derwentside	Lanchester	1,906	1,537.8	1,522.4
Derwentside	Muggleswick	55	43.1	42.7
Derwentside	Satley	124	107.0	105.9
Derwentside	Stanley	9,804	5,957.9	5,898.3
Derwentside	Tanfield	4,012	2,787.3	2,759.4
Derwentside	Unparished Areas			-
Durham City	Bearpark	969	635.7	629.3
Durham City	Belmont	4,112	3,060.0	3,029.4
Durham City	Brancepeth	177	218.8	216.6
Durham City	Brandon & Byshottles	8,667	5,559.8	5,504.2
Durham City	Cassop-cum-Quarrington Hill	2,261	1,436.8	1,422.4
Durham City	Coxhoe	1,879	1,312.8	1,299.7
Durham City	Croxdale	461	322.8	319.6
Durham City	Framwellgate Moor	2,289	1,637.1	1,620.7
Durham City	Kelloe	682	412.7	408.6
Durham City	Pittington	668	512.0	506.9
Durham City	Shadforth	978	643.1	636.7
Durham City	Sherburn	1,466	974.1	964.4
Durham City	Shincliffe	703	710.5	703.4
Durham City	West Rainton	1,096	769.5	761.8
Durham City	Witton Gilbert	1,189	809.8	801.7
Durham City	Unparished Areas	11,538	7,686.5	7,609.6
Easington	Castle Eden	273	309.8	306.7
Easington	Dalton-le-Dale	676	524.3	519.0
Easington	Easington Colliery	2,456	1,440.3	1,425.9
Easington	Easington Village	989	746.0	738.5
Easington	Haswell	861	565.8	560.1
Easington	Hawthorn	225	199.5	197.5
Easington	Horden	3,932	2,293.7	2,270.8
Easington	Hutton Henry	756	505.0	500.0
Easington	Monk Hesleden	2,784	1,722.9	1,705.7
Easington	Murton	3,294	2,014.6	1,994.5

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalents	Tax Base for CTAX Purposes
Easington	Peterlee	8,950	5,793.8	5,735.9
Easington	Seaham	8,960	5,591.0	5,535.1
Easington	Seaton with Slingley	530	432.6	428.3
Easington	Shotton	1,955	1,195.6	1,183.6
Easington	South Hetton	1,346	811.5	803.4
Easington	Thornley	1,122	683.6	676.8
Easington	Trimdon	661	407.0	402.9
Easington	Wheatley Hill	1,477	889.6	880.7
Easington	Wingate	1,794	1,187.6	1,175.7
Easington	Unparished Areas	53	56.2	55.6
Sedgefield	Bishop Middleham	579	441.2	436.8
Sedgefield	Bradbury	54	56.6	56.0
Sedgefield	Chilton	1,924	1,115.0	1,103.9
Sedgefield	Cornforth	1,284	750.3	742.8
Sedgefield	Eldon	208	115.7	114.5
Sedgefield	Ferryhill	5,139	3,022.6	2,992.4
Sedgefield	Fishburn	1,163	752.2	744.7
Sedgefield	Great Aycliffe	11,614	7,965.9	7,886.2
Sedgefield	Middridge	152	132.2	130.9
Sedgefield	Mordon	105	109.2	108.1
Sedgefield	Sedgefield	2,346	1,963.5	1,943.9
Sedgefield	Shildon	4,910	2,909.1	2,880.0
Sedgefield	Spennymoor	8,999	6,049.9	5,989.4
Sedgefield	Trimdon	2,179	1,350.6	1,337.1
Sedgefield	Windlestone	109	106.1	105.0
Sedgefield	Unparished Areas			-
Teesdale	Barforth	32	31.9	31.6
Teesdale	Barnard Castle	2,657	1,933.0	1,913.7
Teesdale	Barningham	81	79.0	78.2
Teesdale	Bolam	39	43.2	42.8
Teesdale	Boldron	51	52.6	52.1
Teesdale	Bowes	194	155.5	153.9
Teesdale	Brignall	24	23.6	23.4
Teesdale	Cleatlam	34	38.1	37.7
Teesdale	Cockfield	793	491.0	486.1
Teesdale	Cotherstone	271	251.2	248.7
Teesdale	Eggleston	211	188.9	187.0
Teesdale	Eggstone Abbey	8	8.1	8.0
Teesdale	Etherly	966	706.5	699.4
Teesdale	Evenwood and Barony	1,210	760.6	753.0
Teesdale	Forest and Frith	79	56.8	56.2
Teesdale	Gainford	601	497.6	492.6
Teesdale	Gilmonby	17	16.0	15.8
Teesdale	Hamsterley	193	181.7	179.9
Teesdale	Headlam	19	19.1	18.9
Teesdale	Hilton	19	18.7	18.5
Teesdale	Holwick	43	35.5	35.1
Teesdale	Hope	8	8.0	7.9
Teesdale	Hunderthwaite	47	46.2	45.7
Teesdale	Hutton Magna	47	46.6	46.1
Teesdale	Ingleton	187	186.7	184.8
Teesdale	Langleydale	26	23.5	23.3
Teesdale	Langton	14	16.0	15.8
Teesdale	Lartington	62	59.5	58.9
Teesdale	Lunedale	43	40.1	39.7
Teesdale	Lynesack and Softley	587	416.2	412.0

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalents	Tax Base for CTAX Purposes
Teesdale	Marwood	238	202.7	200.7
Teesdale	Mickleton	209	167.7	166.0
Teesdale	Middleton-in-Teesdale	627	440.9	436.5
Teesdale	Morton Tinmouth	5	4.4	4.4
Teesdale	Newbiggin-in-Teesdale	77	52.1	51.6
Teesdale	Ovington	66	66.2	65.5
Teesdale	Raby with Keverstone	32	30.7	30.4
Teesdale	Rokeby	44	36.4	36.0
Teesdale	Romaldkirk	91	87.1	86.2
Teesdale	Scargill	14	12.9	12.8
Teesdale	South Bedburn	75	77.7	76.9
Teesdale	Staindrop	621	484.4	479.6
Teesdale	Startforth	409	356.6	353.0
Teesdale	Streatlam & Stainton	211	163.9	162.3
Teesdale	Wackerfield	22	20.0	19.8
Teesdale	Westwick	24	22.8	22.6
Teesdale	Whorlton	92	81.7	80.9
Teesdale	Winston	213	197.9	195.9
Teesdale	Woodland	115	81.8	81.0
Teesdale	Wycliffe-with-Thorpe	42	46.9	46.4
Teesdale	Unparished Areas			
Wear Valley	Tow Law	977	578.8	573.0
Wear Valley	Dene Valley	1,253	788.3	780.4
Wear Valley	Greater Willington	3,274	2,153.0	2,131.4
Wear Valley	Witton le Wear	308	273.3	270.6
Wear Valley	Bishop Auckland	7,617	4,971.5	4,921.8
Wear Valley	Wolsingham	1,267	1,003.4	993.4
Wear Valley	West Auckland	1,212	749.4	742.0
Wear Valley	Stanhope	2,375	1,693.3	1,676.3
Wear Valley	Unparished Areas	12,191	8,099.1	8,018.1
		231,485	155,328.0	153,774.7

Council Tax Calculations - Recommendations

- 1 The County Council is recommended to approve:
 - (a) That the following amounts be calculated by the County Council for 2009/10 in accordance with sections 32 to 36 of the Act and relevant regulations:
 - i) the aggregate amount which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act: (total expenditure including Parish Precepts): £1,229,958,702.
 - ii) the aggregate amount that the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act : (total income raised in the year plus the movement on revenue balances): £807,370,327.
 - iii) the amount by which the aggregate at (a) i) above exceeds the aggregate at (a) ii) above, calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year: £431,731,607
 - iv) the aggregate of the sums that the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant and surplus on the Collection Fund: £226,564,765
 - v) the basic amount of council tax for the year, calculated by the Council in accordance with Section 33 of the Act: £1,334.20
 - vi) the aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all Parish precepts including Charter Trustees): £11,576,797
 - vii) the basic amount of council tax for those parts of the area that have no parish precepts or other special items calculated in accordance with Section 34 (2) of the Act: £1,258.92
 - viii) the basic council tax for 2009/10 calculated in accordance with Section 34 (3) for dwellings in those areas with parish precepts be as set out in Appendix M1, column 5.
 - ix) The amounts of council tax at items (a) vii) and viii) multiplied by the proportion set out in paragraph 35 which is applicable to each category of dwelling in its area, in

accordance with Section 36 of the Act be as set out in Appendix M2.

- (b) That Members note that for 2009/10 County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	56.94	66.43	75.92	85.41	104.39	123.37	142.35	170.82

- (c) That Members note that for 2009/10 Durham Police Authority has stated the following amounts in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown :

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	98.34	114.73	131.12	147.51	180.29	213.07	245.85	295.02

- (d) That the County Council, in accordance with Section 30 (2) of the Act sets the amounts set out in Annex 5 as the amounts of council tax for 2009/10 for each of the categories of dwellings.
- (e) That the Corporate Director of Resources be authorised to incorporate any necessary adjustments for publication of the Budget Book.
- (f) That the Chief Executive be instructed to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.
- (g) That the County Council, in accordance with Section 11A (3) of the Act sets a 10% discount for Second and Empty Homes for 2009/10 as confirmed by Cabinet on 20th November 2008.
- (h) That the Chief Executive be instructed to publish a notice in accordance with Section 11A (6) of the Act, relating to the discount set.

Appendix M1: Schedule of Council Tax by Parish and Town Council within Durham County Council 2009/10

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Barforth	31.60	NIL	0.00	1,258.92	1,258.92
Barnard Castle	1,913.70	122,520.00	64.02	1,258.92	1,322.94
Barningham	78.20	800.00	10.23	1,258.92	1,269.15
Bearpark	629.30	14,300.00	22.72	1,258.92	1,281.64
Belmont	3,029.40	65,000.00	21.46	1,258.92	1,280.38
Bishop Auckland	4,921.80	97,815.00	19.87	1,258.92	1,278.79
Bishop Middleham	436.80	42,583.00	97.49	1,258.92	1,356.41
Bolam	42.80	NIL	0.00	1,258.92	1,258.92
Bournmoor	685.00	13,000.00	18.98	1,258.92	1,277.90
Boldron	52.10	300.00	5.76	1,258.92	1,264.68
Bowes	153.90	3,388.00	22.01	1,258.92	1,280.93
Bradbury	56.00	1,287.75	23.00	1,258.92	1,281.92
Brancepeth	216.60	6,800.00	31.39	1,258.92	1,290.31
Brandon and Byshtottes	5,504.20	140,635.00	25.55	1,258.92	1,284.47
Burnhope	453.30	4,983.00	10.99	1,258.92	1,269.91
Cassop-cum-Quarrington	1,422.40	24,875.00	17.49	1,258.92	1,276.41
Castle Eden	306.70	5,500.00	17.93	1,258.92	1,276.85
Chilton	1,103.90	191,757.75	173.71	1,258.92	1,432.63
Cleatlam	37.70	NIL	0.00	1,258.92	1,258.92
Cockfield	486.10	10,000.00	20.57	1,258.92	1,279.49
Cornforth	742.80	86,000.00	115.78	1,258.92	1,374.70
Cornsay	319.30	10,000.00	31.32	1,258.92	1,290.24
Cotherstone	248.70	4,750.00	19.10	1,258.92	1,278.02
Coxhoe	1,299.70	35,000.00	26.93	1,258.92	1,285.85
Croxdale and Hett	319.60	8,000.00	25.03	1,258.92	1,283.95
Dalton-le-Dale	519.00	12,280.00	23.66	1,258.92	1,282.58
Dene Valley	780.40	9,774.00	12.52	1,258.92	1,271.44
Easington Colliery	1,425.90	345,000.00	241.95	1,258.92	1,500.87
Easington Village	738.50	104,730.00	141.81	1,258.92	1,400.73
Edmondsley	178.70	2,300.00	12.87	1,258.92	1,271.79
Eggleston	187.00	3,500.00	18.72	1,258.92	1,277.64
Eldon	114.50	9,000.00	78.60	1,258.92	1,337.52
Esh	1,479.10	37,837.00	25.58	1,258.92	1,284.50
Etherley	699.40	16,927.00	24.20	1,258.92	1,283.12
Evenwood and Barony	753.00	14,000.00	18.59	1,258.92	1,277.51
Ferryhill	2,992.40	594,030.00	198.51	1,258.92	1,457.43
Fishburn	744.70	66,000.00	88.63	1,258.92	1,347.55
Forest and Frith	56.20	1,400.00	24.91	1,258.92	1,283.83
Framwellgate Moor	1,620.70	42,000.00	25.91	1,258.92	1,284.83
Gainford and Langton	508.40	13,073.00	25.71	1,258.92	1,284.63
Gilmonby	15.80	NIL	0.00	1,258.92	1,258.92
Great Aycliffe	7,886.20	1,625,500.00	206.12	1,258.92	1,465.04
Great Lumley	1,212.70	20,000.00	16.49	1,258.92	1,275.41
Greater Willington	2,131.40	59,500.00	27.92	1,258.92	1,286.84
Greencroft	80.10	2,309.00	28.83	1,258.92	1,287.75
Hamsterley	179.90	2,500.00	13.90	1,258.92	1,272.82
Haswell	560.10	46,675.00	83.33	1,258.92	1,342.25
Hawthorn	197.50	3,184.00	16.12	1,258.92	1,275.04
Headlam	18.90	NIL	0.00	1,258.92	1,258.92
Healeyfield	526.40	5,753.00	10.93	1,258.92	1,269.85
Hedleyhope	60.00	2,017.00	33.62	1,258.92	1,292.54
Hilton	18.50	NIL	0.00	1,258.92	1,258.92
Holwick	35.10	NIL	0.00	1,258.92	1,258.92
Hope	7.90	NIL	0.00	1,258.92	1,258.92
Hornden	2,270.80	448,489.00	197.50	1,258.92	1,456.42
Hunderthwaite	45.70	NIL	0.00	1,258.92	1,258.92
Hutton Henry	500.00	45,000.00	90.00	1,258.92	1,348.92
Hutton Magna	46.10	200.00	4.34	1,258.92	1,263.26

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Ingleton	184.80	3,800.00	20.56	1,258.92	1,279.48
Kelloe	408.60	9,500.00	23.25	1,258.92	1,282.17
Kimbleworth and Plawsworth	499.80	13,000.00	26.01	1,258.92	1,284.93
Lanchester	1,522.40	46,870.50	30.79	1,258.92	1,289.71
Langleydale	23.30	NIL	0.00	1,258.92	1,258.92
Lartington	58.90	750.00	12.73	1,258.92	1,271.65
Little Lumley	522.20	7,000.00	13.40	1,258.92	1,272.32
Lunedale	39.70	150.00	3.78	1,258.92	1,262.70
Lynesack and Softley	412.00	5,000.00	12.14	1,258.92	1,271.06
Marwood	200.70	650.00	3.24	1,258.92	1,262.16
Mickleton	166.00	6,200.00	37.35	1,258.92	1,296.27
Middleton-in-Teesdale and Newbiggin-in-Teesdale	488.10	8,932.00	18.30	1,258.92	1,277.22
Midldridge	130.90	6,000.00	45.84	1,258.92	1,304.76
Monk Hesleden	1,705.70	246,788.00	144.68	1,258.92	1,403.60
Mordon	108.10	1,674.00	15.49	1,258.92	1,274.41
Morton Tinmouth	4.40	NIL	0.00	1,258.92	1,258.92
Muggleswick	42.70	1,200.00	28.10	1,258.92	1,287.02
Murton	1,994.50	304,500.00	152.67	1,258.92	1,411.59
North Lodge	912.80	18,000.00	19.72	1,258.92	1,278.64
Ouston	912.40	10,000.00	10.96	1,258.92	1,269.88
Ovington	65.50	160.00	2.44	1,258.92	1,261.36
Pelton	1,823.40	70,000.00	38.39	1,258.92	1,297.31
Peterlee	5,735.90	1,325,498.00	231.09	1,258.92	1,490.01
Pittington	506.90	13,200.00	26.04	1,258.92	1,284.96
Raby with Keverstone	30.40	NIL	0.00	1,258.92	1,258.92
Rokeby, Brignall and Eggleston Abbey	67.40	1,350.00	20.03	1,258.92	1,278.95
Romaldkirk	86.20	2,100.00	24.36	1,258.92	1,283.28
Sacriston	1,405.50	40,000.00	28.46	1,258.92	1,287.38
Satley	105.90	2,435.70	23.00	1,258.92	1,281.92
Scargill	12.80	NIL	0.00	1,258.92	1,258.92
Seaham	5,535.10	1,068,935.00	193.12	1,258.92	1,452.04
Seaton with Slingley	428.30	10,000.00	23.35	1,258.92	1,282.27
Sedgefield	1,943.90	229,000.00	117.80	1,258.92	1,376.72
Shadforth	636.70	14,000.00	21.99	1,258.92	1,280.91
Sherburn	964.40	26,500.00	27.48	1,258.92	1,286.40
Shildon	2,880.00	628,210.00	218.13	1,258.92	1,477.05
Shincliffe	703.40	11,000.00	15.64	1,258.92	1,274.56
Shotton	1,183.60	98,000.00	82.80	1,258.92	1,341.72
South Bedburn	76.90	750.00	9.75	1,258.92	1,268.67
South Hetton	803.40	87,000.00	108.29	1,258.92	1,367.21
Spennymoor	5,989.40	1,170,181.00	195.38	1,258.92	1,454.30
Staindrop	479.60	12,300.00	25.65	1,258.92	1,284.57
Stainton and Streatlam	162.30	3,200.00	19.72	1,258.92	1,278.64
Stanhope	1,676.30	26,250.00	15.66	1,258.92	1,274.58
Stanley Town Council	9,215.50	800,000.00	86.81	1,258.92	1,345.73
Startforth	353.00	6,000.00	17.00	1,258.92	1,275.92
Thornley	676.80	110,558.00	163.35	1,258.92	1,422.27
Tow Law	573.00	20,390.00	35.58	1,258.92	1,294.50
Trimdon	1,337.10	125,000.00	93.49	1,258.92	1,352.41
Trimdon Foundry	402.90	62,528.00	155.19	1,258.92	1,414.11
Urpeth	1,119.70	29,000.00	25.90	1,258.92	1,284.82
Wackerfield	19.80	NIL	0.00	1,258.92	1,258.92
Waldridge	1,489.00	25,000.00	16.79	1,258.92	1,275.71
West Auckland	742.00	22,000.00	29.65	1,258.92	1,288.57
West Rainton and Leamside	761.80	26,000.00	34.13	1,258.92	1,293.05
Wheatley Hill	880.70	102,289.00	116.15	1,258.92	1,375.07
Whorlton and Westwick	103.50	2,700.00	26.09	1,258.92	1,285.01
Windlestone	105.00	600.00	5.71	1,258.92	1,264.63

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Wingate	1,175.70	100,000.00	85.06	1,258.92	1,343.98
Winston	195.90	3,950.00	20.16	1,258.92	1,279.08
Witton Gilbert	801.70	29,500.00	36.80	1,258.92	1,295.72
Witton le Wear	270.60	4,000.00	14.78	1,258.92	1,273.70
Wolsingham	993.40	21,670.00	21.81	1,258.92	1,280.73
Woodland	81.00	1,100.00	13.58	1,258.92	1,272.50
Wycliffe-with-Thorpe	46.40	NIL	0.00	1,258.92	1,258.92
The Charter Trustees for the City of Durham	0.00	132,155.00	5.00	1,258.92	1,263.92

Appendix M2: Billing Authority's Council Tax for each property Band 2009/10

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Barnard Castle	881.96	1,028.96	1,175.95	1,322.94	1,616.93	1,910.92	2,204.90	2,645.89
Barningham	846.10	987.12	1,128.13	1,269.15	1,551.18	1,833.22	2,115.25	2,538.30
Bearpark*	857.76	1,000.72	1,143.68	1,286.64	1,572.56	1,858.49	2,144.41	2,573.29
Belmont*	856.92	999.74	1,142.56	1,285.38	1,571.02	1,856.65	2,142.29	2,570.75
Bishop Auckland	852.53	994.62	1,136.71	1,278.79	1,562.97	1,847.15	2,131.32	2,557.59
Bishop Middleham	904.27	1,054.98	1,205.70	1,356.41	1,657.83	1,959.26	2,260.68	2,712.82
Bolam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Bournmoor	851.93	993.92	1,135.91	1,277.90	1,561.88	1,845.85	2,129.83	2,555.80
Boldron	843.12	983.64	1,124.16	1,264.68	1,545.72	1,826.76	2,107.80	2,529.36
Bowes	853.96	996.28	1,138.61	1,280.93	1,565.59	1,850.24	2,134.89	2,561.87
Bradbury	854.61	997.05	1,139.48	1,281.92	1,566.79	1,851.66	2,136.53	2,563.83
Brancepeth*	863.54	1,007.47	1,151.39	1,295.31	1,583.16	1,871.01	2,158.86	2,590.63
Brandon & Byshottles*	859.65	1,002.92	1,146.20	1,289.47	1,576.02	1,862.57	2,149.12	2,578.94
Burnhope	846.61	987.71	1,128.81	1,269.91	1,552.12	1,834.32	2,116.52	2,539.83
Cassop-cum-Quarrington*	854.27	996.65	1,139.03	1,281.41	1,566.17	1,850.92	2,135.68	2,562.82
Castle Eden	851.24	993.11	1,134.98	1,276.85	1,560.60	1,844.34	2,128.09	2,553.71
Chilton	955.09	1,114.27	1,273.45	1,432.63	1,750.99	2,069.35	2,387.72	2,865.26
Cleatlam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Cockfield	852.99	995.16	1,137.33	1,279.49	1,563.82	1,848.15	2,132.49	2,558.98
Cornforth	916.47	1,069.21	1,221.95	1,374.70	1,680.19	1,985.68	2,291.16	2,749.40
Cornsay	860.16	1,003.52	1,146.88	1,290.24	1,576.96	1,863.68	2,150.40	2,580.48
Cotherstone	852.01	994.02	1,136.02	1,278.02	1,562.02	1,846.03	2,130.03	2,556.04
Coxhoe*	860.57	1,003.99	1,147.42	1,290.85	1,577.70	1,864.56	2,151.42	2,581.70

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	859.30	1,002.52	1,145.73	1,288.95	1,575.38	1,861.82	2,148.25	2,577.90
Dalton-le-Dale	855.05	997.56	1,140.07	1,282.58	1,567.60	1,852.62	2,137.63	2,565.16
Dene Valley	847.63	988.90	1,130.17	1,271.44	1,553.99	1,836.53	2,119.07	2,542.89
Easington Colliery	1,000.58	1,167.35	1,334.11	1,500.87	1,834.40	2,167.93	2,501.45	3,001.74
Easington Village	933.82	1,089.46	1,245.10	1,400.73	1,712.01	2,023.28	2,334.56	2,801.47
Edmondsley	847.86	989.17	1,130.48	1,271.79	1,554.41	1,837.03	2,119.65	2,543.58
Eggleston	851.76	993.72	1,135.68	1,277.64	1,561.56	1,845.48	2,129.39	2,555.27
Eldon	891.68	1,040.30	1,188.91	1,337.52	1,634.75	1,931.98	2,229.20	2,675.05
Esh	856.33	999.06	1,141.78	1,284.50	1,569.95	1,855.39	2,140.84	2,569.00
Etherley	855.41	997.98	1,140.55	1,283.12	1,568.26	1,853.40	2,138.54	2,566.24
Evenwood and Barony	851.67	993.62	1,135.57	1,277.51	1,561.40	1,845.30	2,129.19	2,555.02
Ferryhill	971.62	1,133.56	1,295.50	1,457.43	1,781.31	2,105.18	2,429.05	2,914.87
Fishburn	898.36	1,048.09	1,197.82	1,347.55	1,647.00	1,946.46	2,245.91	2,695.09
Forest and Frith	855.89	998.54	1,141.18	1,283.83	1,569.13	1,854.42	2,139.72	2,567.66
Framwellgate Moor*	859.89	1,003.20	1,146.52	1,289.83	1,576.46	1,863.09	2,149.72	2,579.67
Gainford and Langton	856.42	999.16	1,141.90	1,284.63	1,570.11	1,855.58	2,141.06	2,569.27
Gilmonby	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Great Aycliffe	976.69	1,139.48	1,302.26	1,465.04	1,790.60	2,116.17	2,441.73	2,930.08
Great Lumley	850.27	991.99	1,133.70	1,275.41	1,558.84	1,842.26	2,125.69	2,550.82
Greater Willington	857.89	1,000.87	1,143.85	1,286.84	1,572.80	1,858.76	2,144.73	2,573.67
Greencroft	858.50	1,001.58	1,144.66	1,287.75	1,573.91	1,860.08	2,146.24	2,575.49
Hamsterley	848.54	989.97	1,131.39	1,272.82	1,555.66	1,838.51	2,121.36	2,545.63
Haswell	894.84	1,043.97	1,193.11	1,342.25	1,640.53	1,938.81	2,237.09	2,684.51
Hawthorn	850.03	991.70	1,133.37	1,275.04	1,558.38	1,841.73	2,125.07	2,550.08
Headlam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Healeyfield	846.57	987.66	1,128.75	1,269.85	1,552.04	1,834.23	2,116.41	2,539.70
Hedleyhope	861.69	1,005.31	1,148.92	1,292.54	1,579.77	1,867.00	2,154.23	2,585.07
Hilton	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Hope	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Horden	970.95	1,132.77	1,294.60	1,456.42	1,780.07	2,103.72	2,427.37	2,912.85
Hunderthwaite	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Hutton Henry	899.28	1,049.16	1,199.04	1,348.92	1,648.68	1,948.44	2,248.20	2,697.84
Hutton Magna	842.17	982.53	1,122.90	1,263.26	1,543.98	1,824.71	2,105.43	2,526.52
Ingleton	852.99	995.15	1,137.32	1,279.48	1,563.81	1,848.14	2,132.47	2,558.97
Kelloe*	858.11	1,001.13	1,144.15	1,287.17	1,573.21	1,859.25	2,145.28	2,574.34
Kimbleworth and Plawsworth	856.62	999.39	1,142.16	1,284.93	1,570.47	1,856.01	2,141.55	2,569.86
Lanchester	859.80	1,003.11	1,146.41	1,289.71	1,576.31	1,862.91	2,149.51	2,579.41
Langleydale	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Lartington	847.77	989.06	1,130.36	1,271.65	1,554.24	1,836.83	2,119.42	2,543.31
Little Lumley	848.22	989.59	1,130.96	1,272.32	1,555.06	1,837.80	2,120.54	2,544.65
Lunedale	841.80	982.10	1,122.40	1,262.70	1,543.30	1,823.90	2,104.50	2,525.40
Lynesack and Softley	847.37	988.60	1,129.83	1,271.06	1,553.51	1,835.97	2,118.43	2,542.11
Marwood	841.44	981.68	1,121.92	1,262.16	1,542.64	1,823.12	2,103.60	2,524.32
Mickleton	864.18	1,008.21	1,152.24	1,296.27	1,584.33	1,872.39	2,160.45	2,592.54
Middleton-in-Teesdale and Newbiggin-in-Teesdale	851.48	993.39	1,135.31	1,277.22	1,561.05	1,844.87	2,128.70	2,554.44
Middridge	869.84	1,014.81	1,159.78	1,304.76	1,594.70	1,884.65	2,174.59	2,609.51
Monk Hesleden	935.74	1,091.69	1,247.65	1,403.60	1,715.52	2,027.43	2,339.34	2,807.21
Mordon	849.60	991.20	1,132.81	1,274.41	1,557.61	1,840.81	2,124.01	2,548.81
Morton Tinmouth	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Muggleswick	858.02	1,001.02	1,144.02	1,287.02	1,573.03	1,859.03	2,145.04	2,574.05
Murton	941.06	1,097.90	1,254.75	1,411.59	1,725.28	2,038.96	2,352.65	2,823.18
North Lodge	852.43	994.50	1,136.57	1,278.64	1,562.78	1,846.92	2,131.07	2,557.28
Ouston	846.59	987.68	1,128.78	1,269.88	1,552.08	1,834.27	2,116.47	2,539.76
Ovington	840.91	981.06	1,121.21	1,261.36	1,541.67	1,821.97	2,102.27	2,522.73

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	864.87	1,009.02	1,153.16	1,297.31	1,585.60	1,873.89	2,162.18	2,594.62
Peterlee	993.34	1,158.90	1,324.45	1,490.01	1,821.12	2,152.23	2,483.35	2,980.02
Pittington*	859.97	1,003.30	1,146.63	1,289.96	1,576.62	1,863.28	2,149.93	2,579.92
Raby with Keverstone	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Rokeyby, Brignall and Eggleston Abbey	852.63	994.74	1,136.84	1,278.95	1,563.16	1,847.37	2,131.58	2,557.90
Romaldkirk	855.52	998.11	1,140.70	1,283.28	1,568.46	1,853.63	2,138.80	2,566.56
Sacriston	858.25	1,001.30	1,144.34	1,287.38	1,573.46	1,859.55	2,145.63	2,574.76
Satley	854.61	997.05	1,139.48	1,281.92	1,566.79	1,851.66	2,136.53	2,563.84
Scargill	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Seaham	968.03	1,129.36	1,290.70	1,452.04	1,774.71	2,097.39	2,420.07	2,904.08
Seaton with Slingley	854.85	997.32	1,139.79	1,282.27	1,567.22	1,852.17	2,137.11	2,564.54
Sedgefield	917.82	1,070.79	1,223.76	1,376.72	1,682.66	1,988.60	2,294.54	2,753.45
Shadforth*	857.27	1,000.15	1,143.03	1,285.91	1,571.67	1,857.42	2,143.18	2,571.82
Sherburn*	860.93	1,004.42	1,147.91	1,291.40	1,578.38	1,865.35	2,152.33	2,582.80
Shildon	984.70	1,148.82	1,312.93	1,477.05	1,805.28	2,133.51	2,461.75	2,954.10
Shincliffe*	853.04	995.21	1,137.39	1,279.56	1,563.90	1,848.25	2,132.60	2,559.12
Shotton	894.48	1,043.56	1,192.64	1,341.72	1,639.88	1,938.04	2,236.20	2,683.44
South Bedburn	845.78	986.75	1,127.71	1,268.67	1,550.60	1,832.53	2,114.45	2,537.35
South Hetton	911.47	1,063.39	1,215.30	1,367.21	1,671.03	1,974.86	2,278.68	2,734.42
Spennymoor	969.53	1,131.12	1,292.71	1,454.30	1,777.47	2,100.65	2,423.83	2,908.59
Staindrop	856.38	999.11	1,141.84	1,284.57	1,570.03	1,855.48	2,140.94	2,569.13
Stainton and Streatlam	852.42	994.50	1,136.57	1,278.64	1,562.78	1,846.92	2,131.06	2,557.27
Stanhope	849.72	991.34	1,132.96	1,274.58	1,557.82	1,841.06	2,124.30	2,549.16
Stanley Town Council	897.15	1,046.68	1,196.20	1,345.73	1,644.78	1,943.83	2,242.88	2,691.46
Startforth	850.61	992.38	1,134.15	1,275.92	1,559.45	1,842.99	2,126.53	2,551.83
Thornley	948.18	1,106.21	1,264.24	1,422.27	1,738.33	2,054.40	2,370.46	2,844.55
Tow Law	863.00	1,006.84	1,150.67	1,294.50	1,582.17	1,869.84	2,157.51	2,589.01

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	901.60	1,051.87	1,202.14	1,352.41	1,652.94	1,953.48	2,254.01	2,704.81
Trimdon Foundry	942.74	1,099.87	1,256.99	1,414.11	1,728.36	2,042.61	2,356.86	2,828.23
Urpeth	856.55	999.30	1,142.06	1,284.82	1,570.34	1,855.85	2,141.37	2,569.64
Wackerfield	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Waldridge	850.47	992.22	1,133.96	1,275.71	1,559.20	1,842.69	2,126.18	2,551.42
West Auckland	859.05	1,002.22	1,145.40	1,288.57	1,574.92	1,861.27	2,147.62	2,577.14
West Rainton and Leamside*	865.37	1,009.59	1,153.82	1,298.05	1,586.51	1,874.96	2,163.42	2,596.10
Wheatley Hill	916.71	1,069.50	1,222.28	1,375.07	1,680.64	1,986.21	2,291.78	2,750.13
Whorlton and Westwick	856.67	999.45	1,142.23	1,285.01	1,570.57	1,856.13	2,141.68	2,570.02
Windlestone	843.09	983.60	1,124.12	1,264.63	1,545.66	1,826.69	2,107.72	2,529.27
Wingate	895.98	1,045.31	1,194.65	1,343.98	1,642.64	1,941.30	2,239.96	2,687.95
Winston	852.72	994.84	1,136.96	1,279.08	1,563.32	1,847.56	2,131.81	2,558.17
Witton Gilbert*	867.14	1,011.67	1,156.19	1,300.72	1,589.76	1,878.81	2,167.86	2,601.43
Witton le Wear	849.13	990.66	1,132.18	1,273.70	1,556.75	1,839.79	2,122.84	2,547.40
Wolsingham	853.82	996.13	1,138.43	1,280.73	1,565.34	1,849.95	2,134.56	2,561.47
Woodland	848.33	989.72	1,131.11	1,272.50	1,555.28	1,838.06	2,120.83	2,545.00
Wycliffe-with-Thorpe	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Unparished Areas	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Unparished Areas in the former City of Durham Area*	842.61	983.05	1,123.48	1,263.92	1,544.79	1,825.66	2,106.53	2,527.84
* these areas include a precept for the Charter Trustees for the City of Durham								
The Charter Trustees for the City of Durham	3.33	3.89	4.44	5.00	6.11	7.22	8.33	10.00

Appendix M3: Overall Council Tax for each property Band 2009/10

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Barnard Castle	1,037.24	1,210.12	1,382.99	1,555.86	1,901.61	2,247.36	2,593.10	3,111.73
Barningham	1,001.38	1,168.28	1,335.17	1,502.07	1,835.86	2,169.66	2,503.45	3,004.14
Bearpark*	1,013.04	1,181.88	1,350.72	1,519.56	1,857.24	2,194.93	2,532.61	3,039.13
Belmont*	1,012.20	1,180.90	1,349.60	1,518.30	1,855.70	2,193.09	2,530.49	3,036.59
Bishop Auckland	1,007.81	1,175.78	1,343.75	1,511.71	1,847.65	2,183.59	2,519.52	3,023.43
Bishop Middleham	1,059.55	1,236.14	1,412.74	1,589.33	1,942.51	2,295.70	2,648.88	3,178.66
Bolam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Bournmoor	1,007.21	1,175.08	1,342.95	1,510.82	1,846.56	2,182.29	2,518.03	3,021.64
Boldron	998.40	1,164.80	1,331.20	1,497.60	1,830.40	2,163.20	2,496.00	2,995.20
Bowes	1,009.24	1,177.44	1,345.65	1,513.85	1,850.27	2,186.68	2,523.09	3,027.71
Bradbury	1,009.89	1,178.21	1,346.52	1,514.84	1,851.47	2,188.10	2,524.73	3,029.67
Brancepeth*	1,018.82	1,188.63	1,358.43	1,528.23	1,867.84	2,207.45	2,547.06	3,056.47
Brandon & Byshottles*	1,014.93	1,184.08	1,353.24	1,522.39	1,860.70	2,199.01	2,537.32	3,044.78
Burnhope	1,001.89	1,168.87	1,335.85	1,502.83	1,836.80	2,170.76	2,504.72	3,005.67
Cassop-cum-Quarrington*	1,009.55	1,177.81	1,346.07	1,514.33	1,850.85	2,187.36	2,523.88	3,028.66
Castle Eden	1,006.52	1,174.27	1,342.02	1,509.77	1,845.28	2,180.78	2,516.29	3,019.55
Chilton	1,110.37	1,295.43	1,480.49	1,665.55	2,035.67	2,405.79	2,775.92	3,331.10
Cleatlam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Cockfield	1,008.27	1,176.32	1,344.37	1,512.41	1,848.50	2,184.59	2,520.69	3,024.82
Cornforth	1,071.75	1,250.37	1,428.99	1,607.62	1,964.87	2,322.12	2,679.36	3,215.24
Corsay	1,015.44	1,184.68	1,353.92	1,523.16	1,861.64	2,200.12	2,538.60	3,046.32
Cotherstone	1,007.29	1,175.18	1,343.06	1,510.94	1,846.70	2,182.47	2,518.23	3,021.88
Coxhoe*	1,015.85	1,185.15	1,354.46	1,523.77	1,862.38	2,201.00	2,539.62	3,047.54

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	1,014.58	1,183.68	1,352.77	1,521.87	1,860.06	2,198.26	2,536.45	3,043.74
Dalton-le-Dale	1,010.33	1,178.72	1,347.11	1,515.50	1,852.28	2,189.06	2,525.83	3,031.00
Dene Valley	1,002.91	1,170.06	1,337.21	1,504.36	1,838.67	2,172.97	2,507.27	3,008.73
Easington Colliery	1,155.86	1,348.51	1,541.15	1,733.79	2,119.08	2,504.37	2,889.65	3,467.58
Easington Village	1,089.10	1,270.62	1,452.14	1,633.65	1,996.69	2,359.72	2,722.76	3,267.31
Edmondsley	1,003.14	1,170.33	1,337.52	1,504.71	1,839.09	2,173.47	2,507.85	3,009.42
Eggleston	1,007.04	1,174.88	1,342.72	1,510.56	1,846.24	2,181.92	2,517.59	3,021.11
Eldon	1,046.96	1,221.46	1,395.95	1,570.44	1,919.43	2,268.42	2,617.40	3,140.89
Esh	1,011.61	1,180.22	1,348.82	1,517.42	1,854.63	2,191.83	2,529.04	3,034.84
Etherley	1,010.69	1,179.14	1,347.59	1,516.04	1,852.94	2,189.84	2,526.74	3,032.08
Evenwood and Barony	1,006.95	1,174.78	1,342.61	1,510.43	1,846.08	2,181.74	2,517.39	3,020.86
Ferryhill	1,126.90	1,314.72	1,502.54	1,690.35	2,065.99	2,441.62	2,817.25	3,380.71
Fishburn	1,053.64	1,229.25	1,404.86	1,580.47	1,931.68	2,282.90	2,634.11	3,160.93
Forest and Frith	1,011.17	1,179.70	1,348.22	1,516.75	1,853.81	2,190.86	2,527.92	3,033.50
Framwellgate Moor*	1,015.17	1,184.36	1,353.56	1,522.75	1,861.14	2,199.53	2,537.92	3,045.51
Gainford and Langton	1,011.70	1,180.32	1,348.94	1,517.55	1,854.79	2,192.02	2,529.26	3,035.11
Gilmonby	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Great Aycliffe	1,131.97	1,320.64	1,509.30	1,697.96	2,075.28	2,452.61	2,829.93	3,395.92
Great Lumley	1,005.55	1,173.15	1,340.74	1,508.33	1,843.52	2,178.70	2,513.89	3,016.66
Greater Willington	1,013.17	1,182.03	1,350.89	1,519.76	1,857.48	2,195.20	2,532.93	3,039.51
Greencroft	1,013.78	1,182.74	1,351.70	1,520.67	1,858.59	2,196.52	2,534.44	3,041.33
Hamsterley	1,003.82	1,171.13	1,338.43	1,505.74	1,840.34	2,174.95	2,509.56	3,011.47
Haswell	1,050.12	1,225.13	1,400.15	1,575.17	1,925.21	2,275.25	2,625.29	3,150.35
Hawthorn	1,005.31	1,172.86	1,340.41	1,507.96	1,843.06	2,178.17	2,513.27	3,015.92
Headlam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Healeyfield	1,001.85	1,168.82	1,335.79	1,502.77	1,836.72	2,170.67	2,504.61	3,005.54
Hedleyhope	1,016.97	1,186.47	1,355.96	1,525.46	1,864.45	2,203.44	2,542.43	3,050.91
Hilton	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Hope	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Hornden	1,126.23	1,313.93	1,501.64	1,689.34	2,064.75	2,440.16	2,815.57	3,378.69
Hunderthwaite	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Hutton Henry	1,054.56	1,230.32	1,406.08	1,581.84	1,933.36	2,284.88	2,636.40	3,163.68
Hutton Magna	997.45	1,163.69	1,329.94	1,496.18	1,828.66	2,161.15	2,493.63	2,992.36
Ingleton	1,008.27	1,176.31	1,344.36	1,512.40	1,848.49	2,184.58	2,520.67	3,024.81
Kelloe*	1,013.39	1,182.29	1,351.19	1,520.09	1,857.89	2,195.69	2,533.48	3,040.18
Kimbleworth and Plawsworth	1,011.90	1,180.55	1,349.20	1,517.85	1,855.15	2,192.45	2,529.75	3,035.70
Lanchester	1,015.08	1,184.27	1,353.45	1,522.63	1,860.99	2,199.35	2,537.71	3,045.25
Langleydale	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Lartington	1,003.05	1,170.22	1,337.40	1,504.57	1,838.92	2,173.27	2,507.62	3,009.15
Little Lumley	1,003.50	1,170.75	1,338.00	1,505.24	1,839.74	2,174.24	2,508.74	3,010.49
Lunedale	997.08	1,163.26	1,329.44	1,495.62	1,827.98	2,160.34	2,492.70	2,991.24
Lynesack and Softley	1,002.65	1,169.76	1,336.87	1,503.98	1,838.19	2,172.41	2,506.63	3,007.95
Marwood	996.72	1,162.84	1,328.96	1,495.08	1,827.32	2,159.56	2,491.80	2,990.16
Mickleton	1,019.46	1,189.37	1,359.28	1,529.19	1,869.01	2,208.83	2,548.65	3,058.38
Middleton-in-Teesdale and Newbiggin-in-Teesdale	1,006.76	1,174.55	1,342.35	1,510.14	1,845.73	2,181.31	2,516.90	3,020.28
Middridge	1,025.12	1,195.97	1,366.82	1,537.68	1,879.38	2,221.09	2,562.79	3,075.35
Monk Hesleden	1,091.02	1,272.85	1,454.69	1,636.52	2,000.20	2,363.87	2,727.54	3,273.05
Mordon	1,004.88	1,172.36	1,339.85	1,507.33	1,842.29	2,177.25	2,512.21	3,014.65
Morton Tinmouth	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Muggleswick	1,013.30	1,182.18	1,351.06	1,519.94	1,857.71	2,195.47	2,533.24	3,039.89
Murton	1,096.34	1,279.06	1,461.79	1,644.51	2,009.96	2,375.40	2,740.85	3,289.02
North Lodge	1,007.71	1,175.66	1,343.61	1,511.56	1,847.46	2,183.36	2,519.27	3,023.12
Ouston	1,001.87	1,168.84	1,335.82	1,502.80	1,836.76	2,170.71	2,504.67	3,005.60
Ovington	996.19	1,162.22	1,328.25	1,494.28	1,826.35	2,158.41	2,490.47	2,988.57

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	1,013.04	1,181.88	1,350.72	1,519.56	1,857.24	2,194.93	2,532.61	3,039.13
Peterlee	1,148.62	1,340.06	1,531.49	1,722.93	2,105.80	2,488.67	2,871.55	3,445.86
Pittington*	1,015.25	1,184.46	1,353.67	1,522.88	1,861.30	2,199.72	2,538.13	3,045.76
Raby with Keverstone	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Rokeby, Brignall and Eggleston Abbey	1,007.91	1,175.90	1,343.88	1,511.87	1,847.84	2,183.81	2,519.78	3,023.74
Romaldkirk	1,010.80	1,179.27	1,347.74	1,516.20	1,853.14	2,190.07	2,527.00	3,032.40
Sacriston	1,013.53	1,182.46	1,351.38	1,520.30	1,858.14	2,195.99	2,533.83	3,040.60
Satley	1,009.89	1,178.21	1,346.52	1,514.84	1,851.47	2,188.10	2,524.73	3,029.68
Scargill	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Seaham	1,123.31	1,310.52	1,497.74	1,684.96	2,059.39	2,433.83	2,808.27	3,369.92
Seaton with Slingley	1,010.13	1,178.48	1,346.83	1,515.19	1,851.90	2,188.61	2,525.31	3,030.38
Sedgefield	1,073.10	1,251.95	1,430.80	1,609.64	1,967.34	2,325.04	2,682.74	3,219.29
Shadforth*	1,012.55	1,181.31	1,350.07	1,518.83	1,856.35	2,193.86	2,531.38	3,037.66
Sherburn*	1,016.21	1,185.58	1,354.95	1,524.32	1,863.06	2,201.79	2,540.53	3,048.64
Shildon	1,139.98	1,329.98	1,519.97	1,709.97	2,089.96	2,469.95	2,849.95	3,419.94
Shincliffe*	1,008.32	1,176.37	1,344.43	1,512.48	1,848.58	2,184.69	2,520.80	3,024.96
Shotton	1,049.76	1,224.72	1,399.68	1,574.64	1,924.56	2,274.48	2,624.40	3,149.28
South Bedburn	1,001.06	1,167.91	1,334.75	1,501.59	1,835.28	2,168.97	2,502.65	3,003.19
South Hetton	1,066.75	1,244.55	1,422.34	1,600.13	1,955.71	2,311.30	2,666.88	3,200.26
Spennymoor	1,124.81	1,312.28	1,499.75	1,687.22	2,062.15	2,437.09	2,812.03	3,374.43
Staindrop	1,011.66	1,180.27	1,348.88	1,517.49	1,854.71	2,191.92	2,529.14	3,034.97
Stainton and Streatlam	1,007.70	1,175.66	1,343.61	1,511.56	1,847.46	2,183.36	2,519.26	3,023.11
Stanhope	1,005.00	1,172.50	1,340.00	1,507.50	1,842.50	2,177.50	2,512.50	3,015.00
Stanley Town Council	1,052.43	1,227.84	1,403.24	1,578.65	1,929.46	2,280.27	2,631.08	3,157.30
Startforth	1,005.89	1,173.54	1,341.19	1,508.84	1,844.13	2,179.43	2,514.73	3,017.67
Thornley	1,103.46	1,287.37	1,471.28	1,655.19	2,023.01	2,390.84	2,758.66	3,310.39
Tow Law	1,018.28	1,188.00	1,357.71	1,527.42	1,866.85	2,206.28	2,545.71	3,054.85

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	1,056.88	1,233.03	1,409.18	1,585.33	1,937.62	2,289.92	2,642.21	3,170.65
Trimdon Foundry	1,098.02	1,281.03	1,464.03	1,647.03	2,013.04	2,379.05	2,745.06	3,294.07
Urpeth	1,011.83	1,180.46	1,349.10	1,517.74	1,855.02	2,192.29	2,529.57	3,035.48
Wackerfield	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Waldridge	1,005.75	1,173.38	1,341.00	1,508.63	1,843.88	2,179.13	2,514.38	3,017.26
West Auckland	1,014.33	1,183.38	1,352.44	1,521.49	1,859.60	2,197.71	2,535.82	3,042.98
West Rainton and Leamside*	1,020.65	1,190.75	1,360.86	1,530.97	1,871.19	2,211.40	2,551.62	3,061.94
Wheatley Hill	1,071.99	1,250.66	1,429.32	1,607.99	1,965.32	2,322.65	2,679.98	3,215.97
Whorlton and Westwick	1,011.95	1,180.61	1,349.27	1,517.93	1,855.25	2,192.57	2,529.88	3,035.86
Windlestone	998.37	1,164.76	1,331.16	1,497.55	1,830.34	2,163.13	2,495.92	2,995.11
Wingate	1,051.26	1,226.47	1,401.69	1,576.90	1,927.32	2,277.74	2,628.16	3,153.79
Winston	1,008.00	1,176.00	1,344.00	1,512.00	1,848.00	2,184.00	2,520.01	3,024.01
Witton Gilbert*	1,022.42	1,192.83	1,363.23	1,533.64	1,874.44	2,215.25	2,556.06	3,067.27
Witton le Wear	1,004.41	1,171.82	1,339.22	1,506.62	1,841.43	2,176.23	2,511.04	3,013.24
Wolsingham	1,009.10	1,177.29	1,345.47	1,513.65	1,850.02	2,186.39	2,522.76	3,027.31
Woodland	1,003.61	1,170.88	1,338.15	1,505.42	1,839.96	2,174.50	2,509.03	3,010.84
Wycliffe-with-Thorpe	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Unparished Areas	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Unparished Areas in the former City of Durham Area*	997.89	1,164.21	1,330.52	1,496.84	1,829.47	2,162.10	2,494.73	2,993.68
* these areas include a precept for the Charter Trustees for the City of Durham								
The Charter Trustees for the City of Durham	3.33	3.89	4.44	5.00	6.11	7.22	8.33	10.00

County Council

27th February 2009

Budget 2009/10

**Report under Section 25 of Local
Government Act 2003**



Key Decision No. Corp/TR/01/08

**Report of Stuart Crowe, Corporate Director, Resources
[Cabinet Portfolio Member for Corporate Resources,
Councillor Michele Hodgson]**

Purpose of the Report

- 1 The purpose of this report is to provide Members with information on the robustness of the estimates and the adequacy of reserves, so that Members have authoritative advice available when they make their decisions.

Background

- 2 Local Authorities decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services.
- 3 The decision on the level of the council tax is taken before the year begins and it cannot be changed during the year, so allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by:
 - a) making prudent allowance in the estimates for each of the services, and in addition;
 - b) ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
- 4 Section 25 of the Local Government Act 2003 requires that an authority's chief financial officer reports to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed

for in the budget proposals, so that Members will have authoritative advice available to them when they make their decisions.

- 5 Section 25 also requires Members to have regard to the report in making their decisions.

Robustness of Estimates

- 6 This has been a challenging budget to prepare, bringing together Districts and County Budgets and reallocating sums in accordance with the structural design and determining where investments are needed and savings can be made.
- 7 The budget process has involved Members, Corporate Directors and their staff, the District Council finance officers and my own staff in a thorough examination of the budget now recommended to Cabinet.
- 8 Adjustments for proposed savings from the Local Government Review (LGR) process and investments identified in the document submitted to Government as a Bid for a Unitary Council have been made to the combined budget requirements of the former District and County Council.
- 9 Detailed reports have been completed by Corporate Directors reviewing their services, explaining Service pressures and the need for resources to fund Service pressures in line with corporate priorities and identifying areas for savings. From these, decisions have been taken to incorporate some of these areas into the budget for 2009/10 which will flow through to the medium term financial plan.
- 10 In coming to the decision to include funding for investments and savings in the budget, risks have also been identified. It is anticipated that these risks can be managed using contingencies and if necessary, reserves.
- 11 The budget has been the subject of consultation and challenge. Corporate Directors have worked with Cabinet Members and members of the Overview and Scrutiny Committee. The Citizens Panel, Trade Unions and the representatives of the National Non-domestic Rate-payers have also had the opportunity to comment on and challenge the proposals in a series of consultation meetings.
- 12 Whilst more work will be done to refine Service detailed proposals, all practical steps have been taken as far as possible to identify and make provisions for the County Council's commitments in 2009/10 and prepare a robust budget.
- 13 In my view, the robustness of the estimates has been achieved by the budget process, which has enabled all practical steps to be taken to identify and make provision for the County Council's commitments in 2009/10.

- 14 It is accepted that work for the years 2010/11 and 2011/12 has yet to begin in earnest.

Adequacy of Reserves

- 15 The CIPFA Local Authority Accounting Panel (LAAP) has issued a guidance note on Local Authority Reserves and Balances (LAAP Bulletin 77) to assist local authorities in this process. This guidance is not statutory, but compliance is recommended in CIPFA's Statement on the Role of the Finance Director in Local Government. It would be best practice to follow this guidance.
- 16 The guidance however, states that no case has yet been made to set a statutory minimum level of reserves, either as an absolute amount or a percentage of budget. Each local authority should take advice from its Chief Financial Officer and base its judgement on local circumstances. A well run authority, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves.
- 17 Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - A means of building up funds, earmarked reserves, to meet known or predicted requirements.
- 18 The most recent bulletin, published in November 2008 highlights a range of factors, in addition to cash flow requirements that Council's should consider; these include the treatment of inflation, the treatment of demand led pressures, efficiency savings, partnerships and the general financial climate, including the impact on investment income. The bulletin also refers to reserves being deployed to fund recurring expenditure and indicates that this is not a long-term option. If members choose to use reserves as part of this budget process appropriate action will need to be factored into the medium term financial plan to ensure that this is addressed over time.
- 19 The risk management process has identified a number of key risks which could impact on the County Council's resources. In particular a number are likely to impact in the short-term.
- 20 The setting of the level of reserves is an important decision not only in the budget for 2009/10, but also in the formulation of the medium term financial strategy.
- 21 The County Council has adopted a policy for reserves as follows:

‘that the County Council will -

- Set aside sufficient sums in earmarked reserves as it considers prudent to do so. The Corporate Director Resources will be authorised to establish such reserves as are required, to review them for both adequacy and purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.
- Aim to maintain, broadly, general reserve levels of between 3.5% and 4.5% of the budget requirement or about £16m to £20m.

22 Earmarked reserves have been established to provide resources for specific purposes. Of these reserves, the use of schools balances is outside of the control of County Council but the Insurance and other reserves will be used as required.

23 In my view, if the County Council were to accept the Cabinet’s recommended increase in council tax, funding for unavoidable service pressures and investments, proposals for savings and for capital then the level of risks identified in the budget process, alongside the authority’s financial management arrangements suggest that the level of reserves is adequate.

Recommendation

24 It is recommended that:

- a) Members have regard to this report when approving the budget and the level of council tax for 2009/10.

Contact: Stuart Crowe Tel: 0191 383 3550

Annex 1: Implications

Local Government Reorganisation

(Does the decision impact upon a future Unitary Council?)

Yes – the MTFP and the budget year strategy will impact onto the new Authority.

Finance

This paper is the basis of the County Council's budget and MTFP

Staffing

Budget decisions will have consequences on this area.

Equality and Diversity

None

Accommodation

Budget decisions will have consequences on this area.

Crime and disorder

Budget decisions will have consequences on this area.

Sustainability

Budget decisions will have consequences on this area.

Human rights

None

Localities and Rurality

Budget decisions will have consequences on this area.

Young people

Budget decisions will have consequences on this area.

Consultation

Widespread consultation on budget proposals.

Health

Budget decisions will have consequences on this area.

County Council

27th February 2009

Budget 2009/10

Key Decision No. Corp/TR/01/09



Report of Cabinet

[Councillor Simon Henig, Leader of the County Council]

Purpose of the Report

- 1 The purpose of the report is to detail the recommendations of Cabinet.
- 2 The report deals with the County Council's budget for 2009/10 and the recommendations are referenced to the appropriate page, section, paragraph or appendix of the Budget document unless otherwise identified.
- 3 It also incorporates the level of council tax increase and the utilisation of available resources.
- 4 In accordance with statutory requirements, the report details the information to set the council tax for the Council's area.

Summary of Recommendations

- 5 It is recommended that:

Section B Priorities

- 6 Members note the priorities around which the budget proposals are made.

Section C - Consultation responses

- 7 Responses from consultees are considered as Members determine the budget.

Section D - Local Government Finance Settlement

- 8 Members note the Settlement.

Section E – Risk

9 Members note the Risks.

Section F - Area Based Grants

10 Members note the flexibility in the use of Area Based Grants.

Section G - Housing Revenue Account and other associated issues

Mortgage Interest Rate

11 The mortgage rates as displayed in Section G, paragraph 9, coupled with a combined rate for other districts of 5.02%, are implemented from the 1st April 2009, to be reviewed at six monthly intervals.

Housing Revenue Account (HRA)

12 For the Housing Revenue Account:

- The Housing Revenue Account Budget set out in Annex G1 be approved.
- Rent increases be applied as follows:

Durham City area	-	Average rent increase 6.22%
Easington area	-	Average rent increase 5.88%
Wear Valley area	-	Average rent increase 6.03%
- Garage rents and other charges be increased by 5%.
- ALMO management fees be inflated in accordance with existing contracts:

East Durham Homes	-	2%
Dale and Valley Homes	-	1%
- Service charges are implemented from 1 April 2009 as suggested by East Durham Homes for costs associated with communal areas of flat blocks managed by the Company
- Other key service charges are reviewed across the County during 2009/10

Housing Land Sales

13 With immediate effect, all capital receipts from housing land sales be applied to projects falling within the following definitions of affordable housing and/or regeneration where:

- i) affordable housing is outlined as ‘the provision of dwellings to meet the housing needs as identified by the local authority, of persons on low incomes, whether provided by the local authority or a registered local landlord’
- and
- ii) where ‘regeneration’ is defined as ‘any project for the carrying out of works or activities on any land where:
 - ◆ the land, or a building on the land is vacant, unused, under-used, ineffectively used, contaminated or derelict, and
 - ◆ the works or activities are carried out in order to secure that the land or building will be brought into effective use.

Section H - Revenue Budget

Revised Revenue Budget 2008/09

- 14 Members note the 2008/09 budget position.
- 15 The Corporate Director of Resources be authorised to make any proper accounting transactions that would be in the interests of the County Council in relation to the accounts for 2008/09.

Revenue Budget 2009/10

- 16 For the year ended 31st March 2010;
 - a) The Budget Requirement for the County Council be £420,154,810
 - b) The County Council agrees a basic council tax at Band D of £1,258.92.

(The average increase in the level of the council tax for the year ended 31st March 2010 is 2.9%, ranging from an increase of 4.75% to a reduction of 1%)

(The statutory recommendations for Durham County Council, as a Billing Authority, are set out in paragraph 42 of this report.)
- 17 In determining the budget requirement, the County Council:
 - a) Notes the Corporate Director of Resources’ comments on the robustness of the estimates and the adequacy of reserves and the risks in the budget.
 - b) Set aside sufficient sums in earmarked reserves as it considers prudent to do so. The Corporate Director of Resources will be authorised to establish such reserves as are required, to review them for both adequacy and

purpose on a regular basis reporting appropriately to the Cabinet Portfolio Member for Resources and to Cabinet.

- c) Aims to maintain, broadly, a level of general reserves between 3.5% and 4.5% of the budget requirement or about £16m to £20m.
 - d) Agrees to the fund the investments as set out in Section H, in Annex H2.
 - e) Agrees to the proposals for savings as set out in Annex H3 and the use of reserves as set out in Annex H4.
- 18 The total budget requirement for 2009/10 is £431,731,607. This figure includes parish precepts of £11,576,797.
- 19 The Government has announced the level of grant support for 2009/10 and notified the County Council that the Revenue Support Grant will be £42,037,356 and Redistributed Business Rates will be £182,127,409, a total Formula Grant for 2009/10 of £224,165,765.

Section I - Capital Budget

- 20 A small group of Members be established to review existing proposals and make recommendations for new projects to be accommodated within existing resources.

Section J - Prudential Code and Treasury Management

- 21 Each of the following six key elements are approved:
- The Prudential Indicators and Limits for 2009/10 to 2011/12 contained within Annex J1.
 - The Minimum Revenue Provision (MRP) Statement contained within Annex J1 which sets out the Council's policy on MRP.
 - Adoption of four key clauses of CIPFA's Code of Practice for Treasury Management Services, set out in Annex J2; and the Treasury Management Policy Statement in Annex J3.
 - The Treasury Management Strategy 2009/10 to 2011/12, the treasury Prudential Indicators contained within Annex J4.
 - The Authorised Limit Prudential Indicator (Annex J4).
 - The Investment Strategy 2009/10 contained in the treasury management strategy (Annex J4), and the detailed criteria included in Annex J5.

Section K - Dedicated Schools Grant

- 21 Members note the position of the Dedicated Schools Grant, and note the proposed distribution of DSG as shown in Section K.

Section L – The Charter Trustees for the City of Durham

- 22 A Council Tax of £5.00 at Band D be approved for the Charter Trustees for the City of Durham with a total expenditure of £132,155 being anticipated, using a tax base for the former City of Durham District of 26,431.0.

Section M - Council Tax and other issues

Council Tax Levels

- 23 The Local Government Finance Act 1992 and subsequent amendments (referred to as 'The Act' in this report) require the County Council to set its council tax before 11th March 2009.
- 24 In setting the council tax, the County Council is required to make certain calculations and to approve a number of resolutions in accordance with the Act. The detailed calculations are set out in Annex 2 to 5. The recommended basic council tax at Band D including Fire and Police precepts is £1,491.84. County Durham and Darlington Fire and Rescue Authority have set a band D council tax of £85.41. The Durham Police Authority has set a band D council tax of £147.51. There will also be an additional council tax in any parish area when a precept has been issued and in the former City of Durham District Council area, an additional sum for the Charter Trustees for the City of Durham.
- 25 The Act requires authorities to calculate their net budget requirement for the coming financial year and to determine the demand on the Collection Fund, from which council tax levels are calculated. The details are set out in Annex 2.

Estimated Collection Fund Surplus / (Deficit)

- 26 The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2009. The Act requires authorities to transfer the surplus or deficit to the General Fund and to include it in the calculation of the council tax. District Treasurers have estimated collection fund surpluses for 2009/10 based on their experience of collection rates in their respective areas.

27 The table below shows the aggregate position for the County:

	2009/10
	£
Collection Fund Surplus / (Deficit)	2,816,324

28 The estimated surplus or deficit for the council tax is shared between the County Council, the Fire Authority and the Police Authority in proportion to the 2008/09 demands/precepts. This is allocated across precepting authorities as follows:

	2009/10
	£
Durham County Council	2,400,000
Durham Police Authority	265,257
Fire Authority	151,067

29 The County Council's demand on the Collection Fund for council tax purposes for 2009/10, as calculated in accordance with Section 32 of the Act, is £205,166,842.

Council Tax Calculations

Basic Council Tax

30 The County Council's Cabinet set its tax base at 153,774.70 at its meeting on 29th January 2009 along with the tax bases for various town and parish councils. These are shown at Annex 3 (column 2).

31 The basic council tax must be calculated by dividing the demand on the Collection Fund by the approved tax base as follows:

$$\frac{\underline{\pounds 205,166,842}}{153,774.70} = \pounds 1,334.20$$

32 From this the parish precepts, which are referred to as special items in the Act, are deducted:

$$\frac{\underline{\pounds 11,576,797}}{153,774.70} = \pounds 75.28$$

33 The basic council tax for those areas of the County Council where there are no special items is £1,258.92 (£1,334.20 - £75.28). This excludes the Fire Authority and Police Authority precepts. It represents an average increase of £35.98 or 2.9% compared with 2008/09.

34 The calculation of the additional tax for areas where special items, parish precepts, apply is based on the precepts submitted by each

parish council and divided by the tax base approved at the Cabinet meeting on 29th January 2009. The council tax in relation to parish precepts is shown in Annex 3 (column 4). When added to the basic council tax, as calculated in paragraph 31, this provides the Billing Authority's council tax for each parish area (Annex 3, column 6)

- 35 Separate arrangements are needed for the Charter Trustees for the City of Durham because the precept will apply across the whole of the area covered by the former City of Durham District Council. A precept of £132,155 has been submitted, this is shown in Annex 3. The following council tax at Band D is £5.00 and will be added to the County Council's council tax.
- 36 Section 30(1) of the Act requires a council tax to be set for each category of dwelling for its area. The council tax bands and the ratio of each band is as follows:

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

- 37 The council tax set will relate to a Band D which is 9/9 or 1. For other bands proportions will apply. For example, Band A properties will be charged 6/9 of two-thirds of a Band D property.
- 38 The Billing Authority's council taxes for each band of property are shown in Annex 4.

Fire and Police Authority Council Taxes

- 39 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. The council tax has increased by £2.79 or 3.4% compared with 2008/09 and this was confirmed on 17th February 2009:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	56.94	66.43	75.92	85.41	104.39	123.37	142.35	170.82

- 40 Durham Police Authority is a separate body responsible for its own financial affairs. The council tax has increased by £5.04 or 3.5% compared with 2008/09 and this was confirmed on 26th February 2009:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	98.34	114.73	131.12	147.51	180.29	213.07	245.85	295.02

- 41 The total council tax for each of the parish areas and the remaining area of the County is calculated by adding the charges for the Billing

Authority to those of the Fire Authority and Police Authority. The overall council tax for each category of dwelling in each parish area and the remaining areas where there are no parish precepts is set out in Annex 5. The overall increase in council tax for a Band D property is £43.81 or 3.0% as set out below:

	£	%
Durham County Council	35.98	2.9
County Durham and Darlington Fire and Rescue Authority	2.79	3.4
Durham Police Authority	5.04	3.5
Total	43.81	3.0

Council Tax Calculations - Recommendations

42 The County Council is recommended to approve:

- (i) That the following amounts be calculated by the County Council for 2009/10 in accordance with sections 32 to 36 of the Act and relevant regulations:
 - i) the aggregate amount which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act: (total expenditure including Parish Precepts): £1,229,958,702.
 - ii) the aggregate amount that the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act : (total income raised in the year plus the movement on revenue balances): £798,227,095.
 - iii) the amount by which the aggregate at (a) i) above exceeds the aggregate at (a) ii) above, calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year: £431,731,607
 - iv) the aggregate of the sums that the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant and surplus on the Collection Fund: £226,564,765
 - v) the basic amount of council tax for the year, calculated by the Council in accordance with Section 33 of the Act: £1,334.20
 - vi) the aggregate amount of all special items referred to in Section 34 (1) of the Act: (total of all Parish precepts including Charter Trustees): £11,576,797
 - vii) the basic amount of council tax for those parts of the area that have no parish precepts or other special items

calculated in accordance with Section 34 (2) of the Act:
£1,258.92

- viii) the basic council tax for 2009/10 calculated in accordance with Section 34 (3) of the Act for dwellings in those areas with parish precepts be as set out in Annex 3, column 6.
- ix) The amounts of council tax at items (a) vii) and viii) multiplied by the proportion set out in paragraph 35 which is applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in Annex 4.
- (j) That Members note that for 2009/10 County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	56.94	66.43	75.92	85.41	104.39	123.37	142.35	170.82

- (k) That Members note that for 2009/10 Durham Police Authority has stated the following amounts in the precept issued to the County Council, in accordance with Section 40 of the Act, as shown:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	98.34	114.73	131.12	147.51	180.29	213.07	245.85	295.02

- (l) That the County Council, in accordance with Section 30 (2) of the Act sets the amounts set out in Annex 5 as the amounts of council tax for 2009/10 for each of the categories of dwellings.
- (m) That the Corporate Director of Resources be authorised to incorporate any necessary adjustments for publication of the Budget Book.
- (n) That the Chief Executive be instructed to publish a notice in accordance with Section 38 (2) of the Act, relating to the amounts of council tax set.

- (o) That the County Council, in accordance with Section 11A (3) of the Act sets a 10% discount for Second and Empty Homes for 2009/10 as confirmed by Cabinet on 20th November 2008.
- (p) That the Chief Executive be instructed to publish a notice in accordance with Section 11A (6) of the Act, relating to the discount set.

Contact: Stuart Crowe Tel: 0191 383 3550

Annex 1: Implications

Local Government Reorganisation

(Does the decision impact upon a future Unitary Council?)

Yes – the MTFP and the budget year strategy will impact onto the new Authority.

Finance

This paper is the basis of the County Council's budget and MTFP

Staffing

Budget decisions will have consequences on this area.

Equality and Diversity

None

Accommodation

Budget decisions will have consequences on this area.

Crime and disorder

Budget decisions will have consequences on this area.

Sustainability

Budget decisions will have consequences on this area.

Human rights

None

Localities and Rurality

Budget decisions will have consequences on this area.

Young people

Budget decisions will have consequences on this area.

Consultation

Widespread consultation on budget proposals.

Health

Budget decisions will have consequences on this area.

Annex 2: Demand on the Collection Fund 2009/10

	£
County Council's net spending	420,154,810
Add: Parish Precepts	11,576,797
Net Budget Requirement	<u>431,731,607</u>
Less:	
Revenue Support Grant	42,037,356
Redistributed Business Rates	182,127,409
Estimated Surplus on the Collection Fund	2,400,000
Demand on the Collection Fund	<u>205,166,842</u>

Annex 3: Schedule of Council Tax by Parish and Town Council within Durham County Council 2009/10

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Barforth	31.60	NIL	0.00	1,258.92	1,258.92
Barnard Castle	1,913.70	122,520.00	64.02	1,258.92	1,322.94
Barningham	78.20	800.00	10.23	1,258.92	1,269.15
Bearpark	629.30	14,300.00	22.72	1,258.92	1,281.64
Belmont	3,029.40	65,000.00	21.46	1,258.92	1,280.38
Bishop Auckland	4,921.80	97,815.00	19.87	1,258.92	1,278.79
Bishop Middleham	436.80	42,583.00	97.49	1,258.92	1,356.41
Bolam	42.80	NIL	0.00	1,258.92	1,258.92
Bournmoor	685.00	13,000.00	18.98	1,258.92	1,277.90
Boldron	52.10	300.00	5.76	1,258.92	1,264.68
Bowes	153.90	3,388.00	22.01	1,258.92	1,280.93
Bradbury	56.00	1,287.75	23.00	1,258.92	1,281.92
Brancepeth	216.60	6,800.00	31.39	1,258.92	1,290.31
Brandon and Byshtotles	5,504.20	140,635.00	25.55	1,258.92	1,284.47
Burnhope	453.30	4,983.00	10.99	1,258.92	1,269.91
Cassop-cum-Quarrington	1,422.40	24,875.00	17.49	1,258.92	1,276.41
Castle Eden	306.70	5,500.00	17.93	1,258.92	1,276.85
Chilton	1,103.90	191,757.75	173.71	1,258.92	1,432.63
Cleatlam	37.70	NIL	0.00	1,258.92	1,258.92
Cockfield	486.10	10,000.00	20.57	1,258.92	1,279.49
Cornforth	742.80	86,000.00	115.78	1,258.92	1,374.70
Cornsay	319.30	10,000.00	31.32	1,258.92	1,290.24
Cotherstone	248.70	4,750.00	19.10	1,258.92	1,278.02
Coxhoe	1,299.70	35,000.00	26.93	1,258.92	1,285.85
Croxdale and Hett	319.60	8,000.00	25.03	1,258.92	1,283.95
Dalton-le-Dale	519.00	12,280.00	23.66	1,258.92	1,282.58
Dene Valley	780.40	9,774.00	12.52	1,258.92	1,271.44
Easington Colliery	1,425.90	345,000.00	241.95	1,258.92	1,500.87
Easington Village	738.50	104,730.00	141.81	1,258.92	1,400.73
Edmondsley	178.70	2,300.00	12.87	1,258.92	1,271.79
Eggleston	187.00	3,500.00	18.72	1,258.92	1,277.64
Eldon	114.50	9,000.00	78.60	1,258.92	1,337.52
Esh	1,479.10	37,837.00	25.58	1,258.92	1,284.50
Etherley	699.40	16,927.00	24.20	1,258.92	1,283.12
Evenwood and Barony	753.00	14,000.00	18.59	1,258.92	1,277.51
Ferryhill	2,992.40	594,030.00	198.51	1,258.92	1,457.43
Fishburn	744.70	66,000.00	88.63	1,258.92	1,347.55
Forest and Frith	56.20	1,400.00	24.91	1,258.92	1,283.83
Framwellgate Moor	1,620.70	42,000.00	25.91	1,258.92	1,284.83
Gainford and Langton	508.40	13,073.00	25.71	1,258.92	1,284.63
Gilmonby	15.80	NIL	0.00	1,258.92	1,258.92
Great Aycliffe	7,886.20	1,625,500.00	206.12	1,258.92	1,465.04
Great Lumley	1,212.70	20,000.00	16.49	1,258.92	1,275.41
Greater Willington	2,131.40	59,500.00	27.92	1,258.92	1,286.84
Greencroft	80.10	2,309.00	28.83	1,258.92	1,287.75
Hamsterley	179.90	2,500.00	13.90	1,258.92	1,272.82
Haswell	560.10	46,675.00	83.33	1,258.92	1,342.25
Hawthorn	197.50	3,184.00	16.12	1,258.92	1,275.04
Headlam	18.90	NIL	0.00	1,258.92	1,258.92
Healeyfield	526.40	5,753.00	10.93	1,258.92	1,269.85
Hedleyhope	60.00	2,017.00	33.62	1,258.92	1,292.54
Hilton	18.50	NIL	0.00	1,258.92	1,258.92
Holwick	35.10	NIL	0.00	1,258.92	1,258.92
Hope	7.90	NIL	0.00	1,258.92	1,258.92
Horden	2,270.80	448,489.00	197.50	1,258.92	1,456.42
Hunderthwaite	45.70	NIL	0.00	1,258.92	1,258.92
Hutton Henry	500.00	45,000.00	90.00	1,258.92	1,348.92
Hutton Magna	46.10	200.00	4.34	1,258.92	1,263.26

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Ingleton	184.80	3,800.00	20.56	1,258.92	1,279.48
Kelloe	408.60	9,500.00	23.25	1,258.92	1,282.17
Kimbleworth and Plawsworth	499.80	13,000.00	26.01	1,258.92	1,284.93
Lanchester	1,522.40	46,870.50	30.79	1,258.92	1,289.71
Langleydale	23.30	NIL	0.00	1,258.92	1,258.92
Lartington	58.90	750.00	12.73	1,258.92	1,271.65
Little Lumley	522.20	7,000.00	13.40	1,258.92	1,272.32
Lunedale	39.70	150.00	3.78	1,258.92	1,262.70
Lynesack and Softley	412.00	5,000.00	12.14	1,258.92	1,271.06
Marwood	200.70	650.00	3.24	1,258.92	1,262.16
Mickleton	166.00	6,200.00	37.35	1,258.92	1,296.27
Middleton-in-Teesdale and Newbiggin-in-Teesdale	488.10	8,932.00	18.30	1,258.92	1,277.22
Midldridge	130.90	6,000.00	45.84	1,258.92	1,304.76
Monk Hesleden	1,705.70	246,788.00	144.68	1,258.92	1,403.60
Mordon	108.10	1,674.00	15.49	1,258.92	1,274.41
Morton Tinmouth	4.40	NIL	0.00	1,258.92	1,258.92
Muggleswick	42.70	1,200.00	28.10	1,258.92	1,287.02
Murton	1,994.50	304,500.00	152.67	1,258.92	1,411.59
North Lodge	912.80	18,000.00	19.72	1,258.92	1,278.64
Ouston	912.40	10,000.00	10.96	1,258.92	1,269.88
Ovington	65.50	160.00	2.44	1,258.92	1,261.36
Pelton	1,823.40	70,000.00	38.39	1,258.92	1,297.31
Peterlee	5,735.90	1,325,498.00	231.09	1,258.92	1,490.01
Pittington	506.90	13,200.00	26.04	1,258.92	1,284.96
Raby with Keverstone	30.40	NIL	0.00	1,258.92	1,258.92
Rokeby, Brignall and Eggleston Abbey	67.40	1,350.00	20.03	1,258.92	1,278.95
Romaldkirk	86.20	2,100.00	24.36	1,258.92	1,283.28
Sacriston	1,405.50	40,000.00	28.46	1,258.92	1,287.38
Satley	105.90	2,435.70	23.00	1,258.92	1,281.92
Scargill	12.80	NIL	0.00	1,258.92	1,258.92
Seaham	5,535.10	1,068,935.00	193.12	1,258.92	1,452.04
Seaton with Slingley	428.30	10,000.00	23.35	1,258.92	1,282.27
Sedgefield	1,943.90	229,000.00	117.80	1,258.92	1,376.72
Shadforth	636.70	14,000.00	21.99	1,258.92	1,280.91
Sherburn	964.40	26,500.00	27.48	1,258.92	1,286.40
Shildon	2,880.00	628,210.00	218.13	1,258.92	1,477.05
Shincliffe	703.40	11,000.00	15.64	1,258.92	1,274.56
Shotton	1,183.60	98,000.00	82.80	1,258.92	1,341.72
South Bedburn	76.90	750.00	9.75	1,258.92	1,268.67
South Hetton	803.40	87,000.00	108.29	1,258.92	1,367.21
Spennymoor	5,989.40	1,170,181.00	195.38	1,258.92	1,454.30
Staindrop	479.60	12,300.00	25.65	1,258.92	1,284.57
Stainton and Streatlam	162.30	3,200.00	19.72	1,258.92	1,278.64
Stanhope	1,676.30	26,250.00	15.66	1,258.92	1,274.58
Stanley Town Council	9,215.50	800,000.00	86.81	1,258.92	1,345.73
Startforth	353.00	6,000.00	17.00	1,258.92	1,275.92
Thornley	676.80	110,558.00	163.35	1,258.92	1,422.27
Tow Law	573.00	20,390.00	35.58	1,258.92	1,294.50
Trimdon	1,337.10	125,000.00	93.49	1,258.92	1,352.41
Trimdon Foundry	402.90	62,528.00	155.19	1,258.92	1,414.11
Urpeth	1,119.70	29,000.00	25.90	1,258.92	1,284.82
Wackerfield	19.80	NIL	0.00	1,258.92	1,258.92
Waldridge	1,489.00	25,000.00	16.79	1,258.92	1,275.71
West Auckland	742.00	22,000.00	29.65	1,258.92	1,288.57
West Rainton and Leamside	761.80	26,000.00	34.13	1,258.92	1,293.05
Wheatley Hill	880.70	102,289.00	116.15	1,258.92	1,375.07
Whorlton and Westwick	103.50	2,700.00	26.09	1,258.92	1,285.01
Windlestone	105.00	600.00	5.71	1,258.92	1,264.63

(1)	Tax Base For Council Tax Purpose (2)	Precept (3) £	Parish Council Tax - Band D (4) £	Basic Council Tax (5) £	Billing Authority's Council Tax (6) £
Wingate	1,175.70	100,000.00	85.06	1,258.92	1,343.98
Winston	195.90	3,950.00	20.16	1,258.92	1,279.08
Witton Gilbert	801.70	29,500.00	36.80	1,258.92	1,295.72
Witton le Wear	270.60	4,000.00	14.78	1,258.92	1,273.70
Wolsingham	993.40	21,670.00	21.81	1,258.92	1,280.73
Woodland	81.00	1,100.00	13.58	1,258.92	1,272.50
Wycliffe-with-Thorpe	46.40	NIL	0.00	1,258.92	1,258.92
The Charter Trustees for the City of Durham	0.00	132,155.00	5.00	1,258.92	1,263.92

Annex 4: Billing Authority's Council Tax for each property Band 2009/10

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Barnard Castle	881.96	1,028.96	1,175.95	1,322.94	1,616.93	1,910.92	2,204.90	2,645.89
Barningham	846.10	987.12	1,128.13	1,269.15	1,551.18	1,833.22	2,115.25	2,538.30
Bearpark*	857.76	1,000.72	1,143.68	1,286.64	1,572.56	1,858.49	2,144.41	2,573.29
Belmont*	856.92	999.74	1,142.56	1,285.38	1,571.02	1,856.65	2,142.29	2,570.75
Bishop Auckland	852.53	994.62	1,136.71	1,278.79	1,562.97	1,847.15	2,131.32	2,557.59
Bishop Middleham	904.27	1,054.98	1,205.70	1,356.41	1,657.83	1,959.26	2,260.68	2,712.82
Bolam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Bournmoor	851.93	993.92	1,135.91	1,277.90	1,561.88	1,845.85	2,129.83	2,555.80
Boldron	843.12	983.64	1,124.16	1,264.68	1,545.72	1,826.76	2,107.80	2,529.36
Bowes	853.96	996.28	1,138.61	1,280.93	1,565.59	1,850.24	2,134.89	2,561.87
Bradbury	854.61	997.05	1,139.48	1,281.92	1,566.79	1,851.66	2,136.53	2,563.83
Brancepeth*	863.54	1,007.47	1,151.39	1,295.31	1,583.16	1,871.01	2,158.86	2,590.63
Brandon & Byshottles*	859.65	1,002.92	1,146.20	1,289.47	1,576.02	1,862.57	2,149.12	2,578.94
Burnhope	846.61	987.71	1,128.81	1,269.91	1,552.12	1,834.32	2,116.52	2,539.83
Cassop-cum-Quarrington*	854.27	996.65	1,139.03	1,281.41	1,566.17	1,850.92	2,135.68	2,562.82
Castle Eden	851.24	993.11	1,134.98	1,276.85	1,560.60	1,844.34	2,128.09	2,553.71
Chilton	955.09	1,114.27	1,273.45	1,432.63	1,750.99	2,069.35	2,387.72	2,865.26
Cleatlam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Cockfield	852.99	995.16	1,137.33	1,279.49	1,563.82	1,848.15	2,132.49	2,558.98
Cornforth	916.47	1,069.21	1,221.95	1,374.70	1,680.19	1,985.68	2,291.16	2,749.40
Cornsay	860.16	1,003.52	1,146.88	1,290.24	1,576.96	1,863.68	2,150.40	2,580.48
Cotherstone	852.01	994.02	1,136.02	1,278.02	1,562.02	1,846.03	2,130.03	2,556.04
Coxhoe*	860.57	1,003.99	1,147.42	1,290.85	1,577.70	1,864.56	2,151.42	2,581.70

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	859.30	1,002.52	1,145.73	1,288.95	1,575.38	1,861.82	2,148.25	2,577.90
Dalton-le-Dale	855.05	997.56	1,140.07	1,282.58	1,567.60	1,852.62	2,137.63	2,565.16
Dene Valley	847.63	988.90	1,130.17	1,271.44	1,553.99	1,836.53	2,119.07	2,542.89
Easington Colliery	1,000.58	1,167.35	1,334.11	1,500.87	1,834.40	2,167.93	2,501.45	3,001.74
Easington Village	933.82	1,089.46	1,245.10	1,400.73	1,712.01	2,023.28	2,334.56	2,801.47
Edmondsley	847.86	989.17	1,130.48	1,271.79	1,554.41	1,837.03	2,119.65	2,543.58
Eggleston	851.76	993.72	1,135.68	1,277.64	1,561.56	1,845.48	2,129.39	2,555.27
Eldon	891.68	1,040.30	1,188.91	1,337.52	1,634.75	1,931.98	2,229.20	2,675.05
Esh	856.33	999.06	1,141.78	1,284.50	1,569.95	1,855.39	2,140.84	2,569.00
Etherley	855.41	997.98	1,140.55	1,283.12	1,568.26	1,853.40	2,138.54	2,566.24
Evenwood and Barony	851.67	993.62	1,135.57	1,277.51	1,561.40	1,845.30	2,129.19	2,555.02
Ferryhill	971.62	1,133.56	1,295.50	1,457.43	1,781.31	2,105.18	2,429.05	2,914.87
Fishburn	898.36	1,048.09	1,197.82	1,347.55	1,647.00	1,946.46	2,245.91	2,695.09
Forest and Frith	855.89	998.54	1,141.18	1,283.83	1,569.13	1,854.42	2,139.72	2,567.66
Framwellgate Moor*	859.89	1,003.20	1,146.52	1,289.83	1,576.46	1,863.09	2,149.72	2,579.67
Gainford and Langton	856.42	999.16	1,141.90	1,284.63	1,570.11	1,855.58	2,141.06	2,569.27
Gilmonby	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Great Aycliffe	976.69	1,139.48	1,302.26	1,465.04	1,790.60	2,116.17	2,441.73	2,930.08
Great Lumley	850.27	991.99	1,133.70	1,275.41	1,558.84	1,842.26	2,125.69	2,550.82
Greater Willington	857.89	1,000.87	1,143.85	1,286.84	1,572.80	1,858.76	2,144.73	2,573.67
Greencroft	858.50	1,001.58	1,144.66	1,287.75	1,573.91	1,860.08	2,146.24	2,575.49
Hamsterley	848.54	989.97	1,131.39	1,272.82	1,555.66	1,838.51	2,121.36	2,545.63
Haswell	894.84	1,043.97	1,193.11	1,342.25	1,640.53	1,938.81	2,237.09	2,684.51
Hawthorn	850.03	991.70	1,133.37	1,275.04	1,558.38	1,841.73	2,125.07	2,550.08
Headlam	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Healeyfield	846.57	987.66	1,128.75	1,269.85	1,552.04	1,834.23	2,116.41	2,539.70
Hedleyhope	861.69	1,005.31	1,148.92	1,292.54	1,579.77	1,867.00	2,154.23	2,585.07
Hilton	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Hope	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Horden	970.95	1,132.77	1,294.60	1,456.42	1,780.07	2,103.72	2,427.37	2,912.85
Hunderthwaite	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Hutton Henry	899.28	1,049.16	1,199.04	1,348.92	1,648.68	1,948.44	2,248.20	2,697.84
Hutton Magna	842.17	982.53	1,122.90	1,263.26	1,543.98	1,824.71	2,105.43	2,526.52
Ingleton	852.99	995.15	1,137.32	1,279.48	1,563.81	1,848.14	2,132.47	2,558.97
Kelloe*	858.11	1,001.13	1,144.15	1,287.17	1,573.21	1,859.25	2,145.28	2,574.34
Kimbleworth and Plawsworth	856.62	999.39	1,142.16	1,284.93	1,570.47	1,856.01	2,141.55	2,569.86
Lanchester	859.80	1,003.11	1,146.41	1,289.71	1,576.31	1,862.91	2,149.51	2,579.41
Langleydale	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Lartington	847.77	989.06	1,130.36	1,271.65	1,554.24	1,836.83	2,119.42	2,543.31
Little Lumley	848.22	989.59	1,130.96	1,272.32	1,555.06	1,837.80	2,120.54	2,544.65
Lunedale	841.80	982.10	1,122.40	1,262.70	1,543.30	1,823.90	2,104.50	2,525.40
Lynesack and Softley	847.37	988.60	1,129.83	1,271.06	1,553.51	1,835.97	2,118.43	2,542.11
Marwood	841.44	981.68	1,121.92	1,262.16	1,542.64	1,823.12	2,103.60	2,524.32
Mickleton	864.18	1,008.21	1,152.24	1,296.27	1,584.33	1,872.39	2,160.45	2,592.54
Middleton-in-Teesdale and Newbiggin-in-Teesdale	851.48	993.39	1,135.31	1,277.22	1,561.05	1,844.87	2,128.70	2,554.44
Middridge	869.84	1,014.81	1,159.78	1,304.76	1,594.70	1,884.65	2,174.59	2,609.51
Monk Hesleden	935.74	1,091.69	1,247.65	1,403.60	1,715.52	2,027.43	2,339.34	2,807.21
Mordon	849.60	991.20	1,132.81	1,274.41	1,557.61	1,840.81	2,124.01	2,548.81
Morton Tinmouth	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Muggleswick	858.02	1,001.02	1,144.02	1,287.02	1,573.03	1,859.03	2,145.04	2,574.05
Murton	941.06	1,097.90	1,254.75	1,411.59	1,725.28	2,038.96	2,352.65	2,823.18
North Lodge	852.43	994.50	1,136.57	1,278.64	1,562.78	1,846.92	2,131.07	2,557.28
Ouston	846.59	987.68	1,128.78	1,269.88	1,552.08	1,834.27	2,116.47	2,539.76
Ovington	840.91	981.06	1,121.21	1,261.36	1,541.67	1,821.97	2,102.27	2,522.73

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	864.87	1,009.02	1,153.16	1,297.31	1,585.60	1,873.89	2,162.18	2,594.62
Peterlee	993.34	1,158.90	1,324.45	1,490.01	1,821.12	2,152.23	2,483.35	2,980.02
Pittington*	859.97	1,003.30	1,146.63	1,289.96	1,576.62	1,863.28	2,149.93	2,579.92
Raby with Keverstone	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Rokeyby, Brignall and Eggleston Abbey	852.63	994.74	1,136.84	1,278.95	1,563.16	1,847.37	2,131.58	2,557.90
Romaldkirk	855.52	998.11	1,140.70	1,283.28	1,568.46	1,853.63	2,138.80	2,566.56
Sacriston	858.25	1,001.30	1,144.34	1,287.38	1,573.46	1,859.55	2,145.63	2,574.76
Satley	854.61	997.05	1,139.48	1,281.92	1,566.79	1,851.66	2,136.53	2,563.84
Scargill	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Seaham	968.03	1,129.36	1,290.70	1,452.04	1,774.71	2,097.39	2,420.07	2,904.08
Seaton with Slingley	854.85	997.32	1,139.79	1,282.27	1,567.22	1,852.17	2,137.11	2,564.54
Sedgefield	917.82	1,070.79	1,223.76	1,376.72	1,682.66	1,988.60	2,294.54	2,753.45
Shadforth*	857.27	1,000.15	1,143.03	1,285.91	1,571.67	1,857.42	2,143.18	2,571.82
Sherburn*	860.93	1,004.42	1,147.91	1,291.40	1,578.38	1,865.35	2,152.33	2,582.80
Shildon	984.70	1,148.82	1,312.93	1,477.05	1,805.28	2,133.51	2,461.75	2,954.10
Shincliffe*	853.04	995.21	1,137.39	1,279.56	1,563.90	1,848.25	2,132.60	2,559.12
Shotton	894.48	1,043.56	1,192.64	1,341.72	1,639.88	1,938.04	2,236.20	2,683.44
South Bedburn	845.78	986.75	1,127.71	1,268.67	1,550.60	1,832.53	2,114.45	2,537.35
South Hetton	911.47	1,063.39	1,215.30	1,367.21	1,671.03	1,974.86	2,278.68	2,734.42
Spennymoor	969.53	1,131.12	1,292.71	1,454.30	1,777.47	2,100.65	2,423.83	2,908.59
Staindrop	856.38	999.11	1,141.84	1,284.57	1,570.03	1,855.48	2,140.94	2,569.13
Stainton and Streatlam	852.42	994.50	1,136.57	1,278.64	1,562.78	1,846.92	2,131.06	2,557.27
Stanhope	849.72	991.34	1,132.96	1,274.58	1,557.82	1,841.06	2,124.30	2,549.16
Stanley Town Council	897.15	1,046.68	1,196.20	1,345.73	1,644.78	1,943.83	2,242.88	2,691.46
Startforth	850.61	992.38	1,134.15	1,275.92	1,559.45	1,842.99	2,126.53	2,551.83
Thornley	948.18	1,106.21	1,264.24	1,422.27	1,738.33	2,054.40	2,370.46	2,844.55
Tow Law	863.00	1,006.84	1,150.67	1,294.50	1,582.17	1,869.84	2,157.51	2,589.01

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	901.60	1,051.87	1,202.14	1,352.41	1,652.94	1,953.48	2,254.01	2,704.81
Trimdon Foundry	942.74	1,099.87	1,256.99	1,414.11	1,728.36	2,042.61	2,356.86	2,828.23
Urpeth	856.55	999.30	1,142.06	1,284.82	1,570.34	1,855.85	2,141.37	2,569.64
Wackerfield	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Waldridge	850.47	992.22	1,133.96	1,275.71	1,559.20	1,842.69	2,126.18	2,551.42
West Auckland	859.05	1,002.22	1,145.40	1,288.57	1,574.92	1,861.27	2,147.62	2,577.14
West Rainton and Leamside*	865.37	1,009.59	1,153.82	1,298.05	1,586.51	1,874.96	2,163.42	2,596.10
Wheatley Hill	916.71	1,069.50	1,222.28	1,375.07	1,680.64	1,986.21	2,291.78	2,750.13
Whorlton and Westwick	856.67	999.45	1,142.23	1,285.01	1,570.57	1,856.13	2,141.68	2,570.02
Windlestone	843.09	983.60	1,124.12	1,264.63	1,545.66	1,826.69	2,107.72	2,529.27
Wingate	895.98	1,045.31	1,194.65	1,343.98	1,642.64	1,941.30	2,239.96	2,687.95
Winston	852.72	994.84	1,136.96	1,279.08	1,563.32	1,847.56	2,131.81	2,558.17
Witton Gilbert*	867.14	1,011.67	1,156.19	1,300.72	1,589.76	1,878.81	2,167.86	2,601.43
Witton le Wear	849.13	990.66	1,132.18	1,273.70	1,556.75	1,839.79	2,122.84	2,547.40
Wolsingham	853.82	996.13	1,138.43	1,280.73	1,565.34	1,849.95	2,134.56	2,561.47
Woodland	848.33	989.72	1,131.11	1,272.50	1,555.28	1,838.06	2,120.83	2,545.00
Wycliffe-with-Thorpe	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Unparished Areas	839.28	979.16	1,119.04	1,258.92	1,538.68	1,818.44	2,098.20	2,517.84
Unparished Areas in the former City of Durham Area*	842.61	983.05	1,123.48	1,263.92	1,544.79	1,825.66	2,106.53	2,527.84
* these areas include a precept for the Charter Trustees for the City of Durham								
The Charter Trustees for the City of Durham	3.33	3.89	4.44	5.00	6.11	7.22	8.33	10.00

Annex 5: Overall Council Tax for each property Band 2009/10

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Barnard Castle	1,037.24	1,210.12	1,382.99	1,555.86	1,901.61	2,247.36	2,593.10	3,111.73
Barningham	1,001.38	1,168.28	1,335.17	1,502.07	1,835.86	2,169.66	2,503.45	3,004.14
Bearpark*	1,013.04	1,181.88	1,350.72	1,519.56	1,857.24	2,194.93	2,532.61	3,039.13
Belmont*	1,012.20	1,180.90	1,349.60	1,518.30	1,855.70	2,193.09	2,530.49	3,036.59
Bishop Auckland	1,007.81	1,175.78	1,343.75	1,511.71	1,847.65	2,183.59	2,519.52	3,023.43
Bishop Middleham	1,059.55	1,236.14	1,412.74	1,589.33	1,942.51	2,295.70	2,648.88	3,178.66
Bolam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Bournmoor	1,007.21	1,175.08	1,342.95	1,510.82	1,846.56	2,182.29	2,518.03	3,021.64
Boldron	998.40	1,164.80	1,331.20	1,497.60	1,830.40	2,163.20	2,496.00	2,995.20
Bowes	1,009.24	1,177.44	1,345.65	1,513.85	1,850.27	2,186.68	2,523.09	3,027.71
Bradbury	1,009.89	1,178.21	1,346.52	1,514.84	1,851.47	2,188.10	2,524.73	3,029.67
Brancepeth*	1,018.82	1,188.63	1,358.43	1,528.23	1,867.84	2,207.45	2,547.06	3,056.47
Brandon & Byshottles*	1,014.93	1,184.08	1,353.24	1,522.39	1,860.70	2,199.01	2,537.32	3,044.78
Burnhope	1,001.89	1,168.87	1,335.85	1,502.83	1,836.80	2,170.76	2,504.72	3,005.67
Cassop-cum-Quarrington*	1,009.55	1,177.81	1,346.07	1,514.33	1,850.85	2,187.36	2,523.88	3,028.66
Castle Eden	1,006.52	1,174.27	1,342.02	1,509.77	1,845.28	2,180.78	2,516.29	3,019.55
Chilton	1,110.37	1,295.43	1,480.49	1,665.55	2,035.67	2,405.79	2,775.92	3,331.10
Cleatlam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Cockfield	1,008.27	1,176.32	1,344.37	1,512.41	1,848.50	2,184.59	2,520.69	3,024.82
Cornforth	1,071.75	1,250.37	1,428.99	1,607.62	1,964.87	2,322.12	2,679.36	3,215.24
Cornsay	1,015.44	1,184.68	1,353.92	1,523.16	1,861.64	2,200.12	2,538.60	3,046.32
Cotherstone	1,007.29	1,175.18	1,343.06	1,510.94	1,846.70	2,182.47	2,518.23	3,021.88
Coxhoe*	1,015.85	1,185.15	1,354.46	1,523.77	1,862.38	2,201.00	2,539.62	3,047.54

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	1,014.58	1,183.68	1,352.77	1,521.87	1,860.06	2,198.26	2,536.45	3,043.74
Dalton-le-Dale	1,010.33	1,178.72	1,347.11	1,515.50	1,852.28	2,189.06	2,525.83	3,031.00
Dene Valley	1,002.91	1,170.06	1,337.21	1,504.36	1,838.67	2,172.97	2,507.27	3,008.73
Easington Colliery	1,155.86	1,348.51	1,541.15	1,733.79	2,119.08	2,504.37	2,889.65	3,467.58
Easington Village	1,089.10	1,270.62	1,452.14	1,633.65	1,996.69	2,359.72	2,722.76	3,267.31
Edmondsley	1,003.14	1,170.33	1,337.52	1,504.71	1,839.09	2,173.47	2,507.85	3,009.42
Eggleston	1,007.04	1,174.88	1,342.72	1,510.56	1,846.24	2,181.92	2,517.59	3,021.11
Eldon	1,046.96	1,221.46	1,395.95	1,570.44	1,919.43	2,268.42	2,617.40	3,140.89
Esh	1,011.61	1,180.22	1,348.82	1,517.42	1,854.63	2,191.83	2,529.04	3,034.84
Etherley	1,010.69	1,179.14	1,347.59	1,516.04	1,852.94	2,189.84	2,526.74	3,032.08
Evenwood and Barony	1,006.95	1,174.78	1,342.61	1,510.43	1,846.08	2,181.74	2,517.39	3,020.86
Ferryhill	1,126.90	1,314.72	1,502.54	1,690.35	2,065.99	2,441.62	2,817.25	3,380.71
Fishburn	1,053.64	1,229.25	1,404.86	1,580.47	1,931.68	2,282.90	2,634.11	3,160.93
Forest and Frith	1,011.17	1,179.70	1,348.22	1,516.75	1,853.81	2,190.86	2,527.92	3,033.50
Framwellgate Moor*	1,015.17	1,184.36	1,353.56	1,522.75	1,861.14	2,199.53	2,537.92	3,045.51
Gainford and Langton	1,011.70	1,180.32	1,348.94	1,517.55	1,854.79	2,192.02	2,529.26	3,035.11
Gilmonby	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Great Aycliffe	1,131.97	1,320.64	1,509.30	1,697.96	2,075.28	2,452.61	2,829.93	3,395.92
Great Lumley	1,005.55	1,173.15	1,340.74	1,508.33	1,843.52	2,178.70	2,513.89	3,016.66
Greater Willington	1,013.17	1,182.03	1,350.89	1,519.76	1,857.48	2,195.20	2,532.93	3,039.51
Greencroft	1,013.78	1,182.74	1,351.70	1,520.67	1,858.59	2,196.52	2,534.44	3,041.33
Hamsterley	1,003.82	1,171.13	1,338.43	1,505.74	1,840.34	2,174.95	2,509.56	3,011.47
Haswell	1,050.12	1,225.13	1,400.15	1,575.17	1,925.21	2,275.25	2,625.29	3,150.35
Hawthorn	1,005.31	1,172.86	1,340.41	1,507.96	1,843.06	2,178.17	2,513.27	3,015.92
Headlam	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Healeyfield	1,001.85	1,168.82	1,335.79	1,502.77	1,836.72	2,170.67	2,504.61	3,005.54
Hedleyhope	1,016.97	1,186.47	1,355.96	1,525.46	1,864.45	2,203.44	2,542.43	3,050.91
Hilton	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Hope	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Horden	1,126.23	1,313.93	1,501.64	1,689.34	2,064.75	2,440.16	2,815.57	3,378.69
Hunderthwaite	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Hutton Henry	1,054.56	1,230.32	1,406.08	1,581.84	1,933.36	2,284.88	2,636.40	3,163.68
Hutton Magna	997.45	1,163.69	1,329.94	1,496.18	1,828.66	2,161.15	2,493.63	2,992.36
Ingleton	1,008.27	1,176.31	1,344.36	1,512.40	1,848.49	2,184.58	2,520.67	3,024.81
Kelloe*	1,013.39	1,182.29	1,351.19	1,520.09	1,857.89	2,195.69	2,533.48	3,040.18
Kimbleworth and Plawsworth	1,011.90	1,180.55	1,349.20	1,517.85	1,855.15	2,192.45	2,529.75	3,035.70
Lanchester	1,015.08	1,184.27	1,353.45	1,522.63	1,860.99	2,199.35	2,537.71	3,045.25
Langleydale	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Lartington	1,003.05	1,170.22	1,337.40	1,504.57	1,838.92	2,173.27	2,507.62	3,009.15
Little Lumley	1,003.50	1,170.75	1,338.00	1,505.24	1,839.74	2,174.24	2,508.74	3,010.49
Lunedale	997.08	1,163.26	1,329.44	1,495.62	1,827.98	2,160.34	2,492.70	2,991.24
Lynesack and Softley	1,002.65	1,169.76	1,336.87	1,503.98	1,838.19	2,172.41	2,506.63	3,007.95
Marwood	996.72	1,162.84	1,328.96	1,495.08	1,827.32	2,159.56	2,491.80	2,990.16
Mickleton	1,019.46	1,189.37	1,359.28	1,529.19	1,869.01	2,208.83	2,548.65	3,058.38
Middleton-in-Teesdale and Newbiggin-in-Teesdale	1,006.76	1,174.55	1,342.35	1,510.14	1,845.73	2,181.31	2,516.90	3,020.28
Middridge	1,025.12	1,195.97	1,366.82	1,537.68	1,879.38	2,221.09	2,562.79	3,075.35
Monk Hesleden	1,091.02	1,272.85	1,454.69	1,636.52	2,000.20	2,363.87	2,727.54	3,273.05
Mordon	1,004.88	1,172.36	1,339.85	1,507.33	1,842.29	2,177.25	2,512.21	3,014.65
Morton Tinmouth	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Muggleswick	1,013.30	1,182.18	1,351.06	1,519.94	1,857.71	2,195.47	2,533.24	3,039.89
Murton	1,096.34	1,279.06	1,461.79	1,644.51	2,009.96	2,375.40	2,740.85	3,289.02
North Lodge	1,007.71	1,175.66	1,343.61	1,511.56	1,847.46	2,183.36	2,519.27	3,023.12
Ouston	1,001.87	1,168.84	1,335.82	1,502.80	1,836.76	2,170.71	2,504.67	3,005.60
Ovington	996.19	1,162.22	1,328.25	1,494.28	1,826.35	2,158.41	2,490.47	2,988.57

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	1,020.15	1,190.18	1,360.20	1,530.23	1,870.28	2,210.33	2,550.38	3,060.46
Peterlee	1,148.62	1,340.06	1,531.49	1,722.93	2,105.80	2,488.67	2,871.55	3,445.86
Pittington*	1,015.25	1,184.46	1,353.67	1,522.88	1,861.30	2,199.72	2,538.13	3,045.76
Raby with Keeverstone	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Rokeby, Brignall and Eggleston Abbey	1,007.91	1,175.90	1,343.88	1,511.87	1,847.84	2,183.81	2,519.78	3,023.74
Romaldkirk	1,010.80	1,179.27	1,347.74	1,516.20	1,853.14	2,190.07	2,527.00	3,032.40
Sacriston	1,013.53	1,182.46	1,351.38	1,520.30	1,858.14	2,195.99	2,533.83	3,040.60
Satley	1,009.89	1,178.21	1,346.52	1,514.84	1,851.47	2,188.10	2,524.73	3,029.68
Scargill	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Seaham	1,123.31	1,310.52	1,497.74	1,684.96	2,059.39	2,433.83	2,808.27	3,369.92
Seaton with Slingley	1,010.13	1,178.48	1,346.83	1,515.19	1,851.90	2,188.61	2,525.31	3,030.38
Sedgefield	1,073.10	1,251.95	1,430.80	1,609.64	1,967.34	2,325.04	2,682.74	3,219.29
Shadforth*	1,012.55	1,181.31	1,350.07	1,518.83	1,856.35	2,193.86	2,531.38	3,037.66
Sherburn*	1,016.21	1,185.58	1,354.95	1,524.32	1,863.06	2,201.79	2,540.53	3,048.64
Shildon	1,139.98	1,329.98	1,519.97	1,709.97	2,089.96	2,469.95	2,849.95	3,419.94
Shincliffe*	1,008.32	1,176.37	1,344.43	1,512.48	1,848.58	2,184.69	2,520.80	3,024.96
Shotton	1,049.76	1,224.72	1,399.68	1,574.64	1,924.56	2,274.48	2,624.40	3,149.28
South Bedburn	1,001.06	1,167.91	1,334.75	1,501.59	1,835.28	2,168.97	2,502.65	3,003.19
South Hetton	1,066.75	1,244.55	1,422.34	1,600.13	1,955.71	2,311.30	2,666.88	3,200.26
Spennymoor	1,124.81	1,312.28	1,499.75	1,687.22	2,062.15	2,437.09	2,812.03	3,374.43
Staindrop	1,011.66	1,180.27	1,348.88	1,517.49	1,854.71	2,191.92	2,529.14	3,034.97
Stainton and Streatlam	1,007.70	1,175.66	1,343.61	1,511.56	1,847.46	2,183.36	2,519.26	3,023.11
Stanhope	1,005.00	1,172.50	1,340.00	1,507.50	1,842.50	2,177.50	2,512.50	3,015.00
Stanley Town Council	1,052.43	1,227.84	1,403.24	1,578.65	1,929.46	2,280.27	2,631.08	3,157.30
Startforth	1,005.89	1,173.54	1,341.19	1,508.84	1,844.13	2,179.43	2,514.73	3,017.67
Thornley	1,103.46	1,287.37	1,471.28	1,655.19	2,023.01	2,390.84	2,758.66	3,310.39
Tow Law	1,018.28	1,188.00	1,357.71	1,527.42	1,866.85	2,206.28	2,545.71	3,054.85

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	1,056.88	1,233.03	1,409.18	1,585.33	1,937.62	2,289.92	2,642.21	3,170.65
Trimdon Foundry	1,098.02	1,281.03	1,464.03	1,647.03	2,013.04	2,379.05	2,745.06	3,294.07
Urpeth	1,011.83	1,180.46	1,349.10	1,517.74	1,855.02	2,192.29	2,529.57	3,035.48
Wackerfield	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Waldrige	1,005.75	1,173.38	1,341.00	1,508.63	1,843.88	2,179.13	2,514.38	3,017.26
West Auckland	1,014.33	1,183.38	1,352.44	1,521.49	1,859.60	2,197.71	2,535.82	3,042.98
West Rainton and Leamside*	1,020.65	1,190.75	1,360.86	1,530.97	1,871.19	2,211.40	2,551.62	3,061.94
Wheatley Hill	1,071.99	1,250.66	1,429.32	1,607.99	1,965.32	2,322.65	2,679.98	3,215.97
Whorlton and Westwick	1,011.95	1,180.61	1,349.27	1,517.93	1,855.25	2,192.57	2,529.88	3,035.86
Windlestone	998.37	1,164.76	1,331.16	1,497.55	1,830.34	2,163.13	2,495.92	2,995.11
Wingate	1,051.26	1,226.47	1,401.69	1,576.90	1,927.32	2,277.74	2,628.16	3,153.79
Winston	1,008.00	1,176.00	1,344.00	1,512.00	1,848.00	2,184.00	2,520.01	3,024.01
Witton Gilbert*	1,022.42	1,192.83	1,363.23	1,533.64	1,874.44	2,215.25	2,556.06	3,067.27
Witton le Wear	1,004.41	1,171.82	1,339.22	1,506.62	1,841.43	2,176.23	2,511.04	3,013.24
Wolsingham	1,009.10	1,177.29	1,345.47	1,513.65	1,850.02	2,186.39	2,522.76	3,027.31
Woodland	1,003.61	1,170.88	1,338.15	1,505.42	1,839.96	2,174.50	2,509.03	3,010.84
Wycliffe-with-Thorpe	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Unparished Areas	994.56	1,160.32	1,326.08	1,491.84	1,823.36	2,154.88	2,486.40	2,983.68
Unparished Areas in the former City of Durham Area*	997.89	1,164.21	1,330.52	1,496.84	1,829.47	2,162.10	2,494.73	2,993.68
* these areas include a precept for the Charter Trustees for the City of Durham								
The Charter Trustees for the City of Durham	3.33	3.89	4.44	5.00	6.11	7.22	8.33	10.00

Appendix 3: Glossary Of Terms

Aggregate external finance

The total level of revenue support the Government provides to local authorities. This is made up of specific grants of which the main element is **Dedicated Schools Grant**, and general grant comprising **the Non-Domestic Rate** and the **Revenue Support Grant**.

Amortisation

Used by the County Council to write down the values of **intangible assets** carried in the balance sheet, by means of a charge to revenue. These charges are offset by an appropriation adjustment and do not increase the Council's **budget requirement**. Amortisation is the equivalent of depreciation for intangible assets.

Basic council tax

The total precept divided by the aggregate of the council tax bases of the District Councils in the County.

Borrowing

Loans from the Public Works Loans Board and the money markets that finance the capital programme of the County Council.

Budget

The County Council's plans and policies for the period concerned, expressed in financial terms.

Budget requirement

An authority's planned spending for the year, after deducting estimated income and application of reserves, but before deducting income from **non domestic rates** and **revenue support grant** and adjusting for the Council's share of the net surplus/deficit on collection funds.

Building Schools for the Future

Government investment programme with the aim of rebuilding or renewing every secondary school in England over a 10-15 year period.

Business Rates See **Non-Domestic Rate**.

Capital charge

A charge to Service revenue accounts to reflect the cost of fixed assets used in the provision of services. The charge comprises the annual provision for depreciation. To ensure that these notional charges do not impact on local taxation they are reversed out in the Statement of Movement on the General Fund Balance.

Capital Expenditure

Expenditure on the acquisition or construction of fixed assets that have a value to the County Council for more than one year, or expenditure which adds to and not merely maintains the value of existing fixed assets.

Capital receipts

The proceeds from the sale of capital assets such as land and buildings. These sums can be used to finance capital expenditure.

Capitalised Structural Maintenance

Maintenance of buildings that enhances the value of buildings by extending their useful lives.

Capping

The imposition by the Government of a limit on an authority's **budget requirement**, and hence its **council tax**.

Chartered Institute of Public Finance and Accountancy (CIPFA)

The principal accountancy body dealing with Local Government Finance.

Collection fund

A fund maintained by each district council, separately from its own accounts. The main items are:

Expenditure

- Precepts
- Payments to non-domestic rating pool
- District's own requirements

Income

- Council tax collected
- Non-domestic rates collected

Each district's surplus/deficit is shared between it, the County Council, Police Authority and the Fire and Rescue Authority in proportion to their demands on the fund.

Contingency provision

An amount set aside in the budget to provide for unknown or unquantifiable future events.

Council tax

A local tax on domestic property set by local authorities in order to meet the budget requirement.

Council tax base

The measure of a local authority area's taxable capacity. It consists of the number of dwellings in the area, weighted in accordance with their distribution over the various **valuation bands**, e.g. one band H property is equivalent to two band D properties.

Council tax bands See **Valuation Bands**.

Dedicated Schools Grant (DSG)

A ring-fenced grant which supports most schools funding.

Depreciation

The writing down of the value of an asset over its useful life, as recorded in the financial records, due to wear and tear, age and obsolescence.

Direct Revenue Financing

The cost of capital projects that is financed directly from the annual revenue budget.

Fixed assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year. Tangible fixed assets have physical substance, for example land, buildings and vehicles. Intangible fixed assets do not have physical substance but are identifiable and controlled by the authority through custody or legal rights, for example software licences.

Floors

A method by which stability in funding is protected by limiting the effect of wide variations in grant increases. A **floor** guarantees a fixed level of increase in grant. The grant increases of authorities who are above the floor are scaled back by a fixed proportion to help pay for the floor.

Formula Grant

The general government grant paid to local authorities. It comprises **Revenue Support Grant** and redistributed **Non-Domestic Rates**.

Government Grants

Assistance by Government and inter-government agencies etc., whether local, national or international, in the form of cash or transfer of assets, towards the activities of the County Council.

Government Grants Deferred

Grants and other external contributions towards capital expenditure are written off to the revenue account as the assets to which they relate are depreciated. The balance on the Government Grants deferred account represent grants not yet written off.

Gross expenditure

The total estimated expenditure of a local authority, before deducting income.

Impairment

Impairment of an asset is caused either by a consumption of economic benefits e.g. physical damage (e.g. fire at a building) or deterioration in the quality of the service provided by the asset (e.g. a school closing and becoming a storage facility). A general fall in prices of a particular asset or type of asset is treated as a revaluation.

Infrastructure Assets

Fixed assets such as roads and bridges.

Intangible Assets

These are assets that do not have a physical substance but continue to provide an economic benefit to the Council e.g. long-term software licences and maintenance agreements. Intangible assets are initially carried in the balance sheet at cost and are financed from capital resources.

Local Authority Business Growth Incentive Grant (LABGI)

A reward for promoting growth in local businesses.

Local Government Finance Settlement

The annual determination of formula grant distribution as made by the Government and debated by Parliament. It includes:

- Totals for formula grant
- How the grant will be distributed between local authorities; and
- The support given to certain other local government bodies.

Local Public Service Agreement Performance Reward Grant (LPSA)

A reward for achieving more demanding performance in the delivery of local services.

Minimum Revenue Provision (MRP)

Currently MRP is the minimum amount, which must be charged to revenue in the year for the repayment of debt (credit liabilities and credit arrangements). The formula for calculating this amount is specified in legislation and requires authorities to make an annual provision of 4% of its underlying need to borrow. In addition, authorities can choose to make additional provision, known as a voluntary set-aside. Regulations are due to be issued before the end of 2007/08 that will revoke current MRP requirements and replace them with more flexible statutory guidance.

Net Cost of Service

The actual cost of a service to the County Council after taking account of all income charged for services provided. The net cost of service reflects capital charges and credits for government grants deferred made to services to reflect the cost of employing fixed assets.

Net Expenditure

The actual cost of a service to the County Council after taking account of all income charged for services provided.

Net Realisable Value

The expected sale price of stock, in the condition in which it is expected to be sold. This may be less than cost due to deterioration, obsolescence or changes in demand.

Non-Operational Assets

The value of surplus assets held for disposal or the accumulated cost of assets under construction for which there is no valuation and which are not yet operational.

Non-Domestic Rate

The means by which local businesses contribute to the cost of providing local authority services. The rates are paid into a central pool which is divided between all authorities as part of Formula Grant.

Operating Lease

A lease where the asset concerned is returned to the lessor at the end of the period of the lease.

Operational Assets

Fixed assets held and occupied, used or consumed by the authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Outturn

Actual expenditure within a particular year.

Precept

The amount of Council Tax income the County Council needs from the seven district councils, in proportion to their **council tax bases**, in order to finance its net expenditure, i.e. **budget requirement** less income from **non-domestic rates** and **revenue support grant**.

Precepting Authority

This is an authority which sets a precept to be collected by the district council (billing authority) through the council tax bill. The County Council, Durham Police Authority and County Durham and Darlington Fire and Rescue Authority, town and parish councils are all precepting authorities.

Provisions

Provisions represent sums set aside to meet any specific future liabilities or losses arising from contractual obligations or as a result of past events. These events are likely or certain to be incurred and a reliable estimate can be made of the amount of the obligation.

Prudential Borrowing

An alternative term for **unsupported borrowing**.

Prudential Code

The Government removed capital controls on borrowing and credit arrangements with effect from 1st April 2004 and replaced them with a Prudential Code under which each local authority determines its own affordable level of borrowing. The Prudential Code requires authorities to set specific prudential indicators on an annual basis.

The key objectives of the Prudential Code are to ensure that the capital plans of local authorities are affordable, prudent and sustainable.

Public Works Loans Board (PWLB)

A government agency providing long and short-term loans to local authorities at interest rates only slightly higher than those at which Government itself can borrow.

Relative Needs Formulae (RNF)

These are the first stage in the calculation the Government uses to distribute Formula Grant. They are designed to measure need relative to other local authorities.

Reserves

Sums set aside to fund future events. Reserves set aside for stated purposes are referred to as 'earmarked reserves'.

Resource Equalisation

The way in which the formula grant distribution system takes account of councils' relative ability to raise council tax.

Revenue Contributions

See 'Direct Revenue Financing'

Revenue Expenditure and Income

Expenditure and income arising from the day-to-day operation of the County Council's services, such as salaries, wages, utility costs, repairs and maintenance.

Revenue Support Grant (RSG)

A Government grant that can be used to finance expenditure on any service.

Ring-fenced Grant

A grant paid to local authorities which has conditions attached to it, which restrict the purposes for which it may be spent.

Specific Grant

Grants paid under various specific powers, but excluding Formula Grant or Area Based Grant. Some specific grants are ring-fenced.

Supported Capital Expenditure (SCE(C))

Government supported capital expenditure financed by capital grants.

Supported Capital Expenditure (SCE(R))

Government supported capital expenditure financed by borrowing. Support is given in the form of an addition to the **Relative Needs Formula** to cover the cost of borrowing (repayments of principal, and interest).

Surplus

Arises when income exceeds expenditure or when expenditure is less than available budget.

Tangible Assets

Tangible fixed assets have physical substance, for example land, buildings and vehicles.

Targeted Grant

A grant which is distributed outside the general formula, but has no conditions applied.

Treasury Management Policy and Strategy

A plan outlining the County Council's approach to treasury management activities. This includes setting borrowing and investment limits to be followed for the following year.

Unsupported borrowing

Borrowing for which no central government support is provided. Councils can only undertake unsupported borrowing in compliance with the **Prudential Code** for Capital Finance in Local Authorities, which is issued by **CIPFA**.

Voluntary set-aside

This is an additional provision for the repayment of external debt in respect of the financing of capital expenditure, over and above the statutory **minimum revenue provision (MRP)**.

Valuation bands

The allocation of dwellings into categories for the calculation of the council tax payable. The bands are:

Band	Value of dwelling estimated at April 1991	Tax as fraction of Band D rate
A	Up to £40,000	6/9
B	£40,001 - £52,000	7/9
C	£52,001 - £68,000	8/9
D	£68,001 - £88,000	9/9
E	£88,001 - £120,000	11/9
F	£120,001 - £160,000	13/9
G	£160,001 - £320,000	15/9
H	Over £320,000	18/9