



# Revenue and Capital Budgets

2010/2011

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including

Medium Term Financial Plan

2010/2011 to 2012/2013



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## Introduction and Key Features

- 1 This is the second budget of the new Unitary Durham County Council. The budget is set against a background of national uncertainty about public finances over the medium term. At the same time, the Council, working with partners and local communities, has refocused the vision and priorities for the County and the Authority to reflect the renewed ambition and opportunities unitary status makes possible.
- 2 The document sets out:
  - The priorities the Council has used to focus investment and savings.
  - The resources the Council has allocated to Service spending on Revenue and Capital expenditure.
  - Plans for investment and savings in 2010/11.
  - Plans for the Housing Revenue Account (HRA) including rent increases
  - A Reserves policy.
  - A Prudential Code and Treasury Management Policy.
  - Plans for a council tax increase of 1.9%.

## Priorities

- 3 The Council has built its priorities as described in Section B of this report. Since becoming a unitary authority, the Council has refocused its vision and priorities in liaison with partners and in consultation with local people and Area Action Partnerships. The proposals in the report reflect Council priorities.

## Grant Settlement

- 4 The key elements of the settlement are:
  - **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 Council's contribution towards the floor to support other Shire Unitaries has not been calculated by Government.

- 5 The Dedicated Schools Grant (DSG) will be finalised after the budget has been agreed by the Council and depends on pupil numbers. It has been assumed, for planning purposes, that the DSG will be £288.38m.

### Revenue Budget

- 6 The following assumptions have been used in the Medium Term Financial Plan.

	2010/11	2011/12	2012/13
	%	%	%
Inflation	0.0	1.0	1.0
Council Tax Increase	1.9	0.0	0.0
Grant Settlement	3.2	- 3.0	- 3.0

- 7 To present a balanced budget with a 0% council tax; savings in the order of £23.45m in 2011/12 and £19.35m in 2012/13 will need to be identified and achieved.
- 8 Each 1% increase in council tax generates around £1.95m.

### 2010/11 Proposals

- 9 Revenue investments of £36.17m, including £6.30m in Adult, Wellbeing and Health (AWH), £3.94m in Children and Young People's Services (CYPS), £5.95m in Neighbourhood Services and revenue financing of £8.1m for the capital programme.
- 10 Savings of £15.27m, including £6.77m of LGR savings.
- 11 Detailed in Section F, Appendices F1, F2 and F3 are proposals of revenue investment and savings.
- 12 Detailed in Section G, Appendix G5 are proposals for capital investments.
- 13 Council Tax – recommended by Cabinet – an increase of 1.9%.
- 14 A Band D council tax would then be £1,282.86, an increase of £23.94 p.a. or 46p per week.
- 15 A Band A council tax would increase by £15.96 p.a. or 31p per week.

## Capital Budget

- 16 The following General Fund capital programme is recommended for 2010/11 and 2011/12 on non-HRA schemes.

	2010/11	2011/12	TOTAL
	£m	£m	£m
Programme – Non HRA	128.03	74.23	202.26

### Financed by:

	2010/11	2011/12	TOTAL
	£m	£m	£m
Borrowing	47.48	41.61	89.09
Borrowing – Supported by Revenue Contributions	4.54	12.84	17.38
Government Grant	67.57	16.78	84.35
Revenue Contribution – DSG	3.59	0.00	3.59
Capital Receipts	3.00	3.00	6.00
Earmarked Reserves	1.85	0.00	1.85
<b>TOTAL</b>	<b>128.03</b>	<b>74.23</b>	<b>202.26</b>

- 17 In addition, the recommended capital programme for the HRA is as follows:

2010/11 - £34.10m  
2011/12 - £18.70m  
2012/13 - £17.70m

- 18 The HRA figures for 2011/12 and 2012/13 are indicative only.

## Consultation

- 19 The budget consultation process has involved meetings with the Trade Unions, National Non-Domestic Ratepayers, Overview and Scrutiny, the Schools Form, Area Action Partnerships and a Members' Seminar.

### If you have any comments

- 20 We hope that the 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.

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

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## Section A – Executive Summary and Background

### Executive Summary

- 1 Previous reports have described the development of the new Council's Medium Term Financial Plan (MTFP) and noted that this is a particularly challenging time to complete such work. The national uncertainty over the medium term has been well-documented with the postponement of the Comprehensive Spending Review (CSR) and impending general election making it necessary to base the MTFP on assumptions about grant levels beyond 2010/11. All political parties and all commentators are in agreement that public sector expenditure will be reduced during the lifetime of the MTFP. The MTFP has therefore been developed against that backdrop.
- 2 At the same time, the Council, working with partners and local communities, has refocused the vision and priorities for the County and the Authority to reflect the renewed ambition and opportunities that unitary status makes possible. The development of the Sustainable Community Strategy, Council Plan and Service Improvement Plans are well advanced. The MTFP is fully in line with this strategic direction with revenue and capital investment in all five priority areas. The main revenue investments are:
  - **Altogether wealthier:** £10.62m including expansion of the cultural offer and future commitment towards the City of Culture programme if shortlisted; improving housing performance, particularly in Durham City; and expansion of concessionary fares in response to greater take-up. In addition, at this stage, the MTFP contains options of up to £8.1m of revenue funding to finance borrowing to support an overall capital programme of £202.26m. A significant element of the revenue support is required to invest in regeneration and economic development schemes;
  - **Altogether healthier:** £5.41m supporting the social care needs of an increased number of older people; services for growing numbers of adults with a learning disability; and improvements to mental health care provision;
  - **Altogether safer:** £1.09m comprising increased investment for winter maintenance, improved domestic abuse services; performance improvements to Social Care Direct to reflect the increased volume and complexity of enquiries to this service and improved public safety arrangements in line with legislation;
  - **Altogether better for children and young people:** £3.89m comprising support for children with disabilities; and to meet the increased demand on services for looked after children and child protection following the Baby Peter case;



- **Altogether greener:** £3.77m comprising improvements to street cleaning, grounds maintenance and gully clearing; expansion of recycling and to meet requirements on landfill tax.

3 It has always been acknowledged that the first year of operation of the new council would involve identifying all of the issues arising from Local Government Reorganisation (LGR) and from the eight former councils and adjusting the budgets of the new service groupings so that all start from a known base at the beginning of the MTFP period. The MTFP incorporates these adjustments.

4 In order to fund the investment outlined above in a challenging financial climate, it is essential that all opportunities to identify and realise efficiencies are made across all the Council's activities. The Council is fortunate in having opportunities through LGR and modernisation which are not available to all authorities and these are grounds for optimism over the medium term. Taking into account the assumptions made on future government settlements, headroom for investment, base budget pressures, inflation levels and for planning purposes assuming no council tax increases, savings are required over the MTFP period. This would require the Authority to reduce expenditure as detailed below:

2010/11	2.0%
2011/12	5.4%
2012/13	4.4%

5 Firm proposals for savings in 2010/11 are presented with further work required during that year to develop plans for future years.

6 Service Groupings have focussed on efficiency savings and protecting frontline service provision. The following are examples of key savings areas:

- i. Utilising efficiency opportunities afforded by LGR.
- ii. Service reviews which maintain/improve Services provision and generate efficiencies.
- iii. Procurement reviews leading to efficiencies.
- iv. Active management of staff vacancy levels.
- v. Maximisation of income streams.

## **Background**

7 An initial report on the MTFP and the 2010/11 Budget was presented to Cabinet on 18 November 2009. The key messages at that point were:

- A new approach to the MTFP was being implemented which included the introduction of a degree of financial flexibility for Service Groupings across financial years and fixed annual cash limits.
  - Government Grant reductions of 3% per annum for 2011/12 and 2012/13 were assumed.
  - For planning purposes, £5m of revenue headroom for further investment was assumed for each year of the MTFP to enable investment in priorities.
  - Savings of up to £58.4m could be required across the three-year MTFP.
  - For planning purposes, no increase in Council Tax was being assumed for the three-year period of the MTFP.
- 8 The Local Government Finance Settlement for 2010/11 was confirmed on 20 January 2010 and Area Based Grant (ABG) allocations for 2010/11 are also confirmed. Overall, the announcements are in line with expectations.
- 9 Service Groupings have firmed up proposals for savings for 2010/11 and have begun to develop options to achieve savings across the MTFP period.
- 10 The original planning assumption for council tax was based upon 0% increase across the MTFP period. More up-to-date financial information is now available and Members have an opportunity to reflect on planning assumptions and make final recommendations to the County Council.
- 11 The consultation process has involved stakeholders and partners and meetings with Area Action Partnerships, the Trades Unions, National Non-Domestic Ratepayers, Overview & Scrutiny, the Schools Forum and presentations to Members' Seminars.
- 12 Risks across the medium term have been identified and considered. To support the risk assessment process Equality and Diversity impact assessments are being completed in relation to savings plans.

## Section B - Priorities

The MTFP is the way in which the Council resources its strategic priorities as set out in the Sustainable Community Strategy and Council Plan. Since becoming a unitary authority, the Council has refocused its vision and priorities in liaison with partners and in consultation with local people and Area Action Partnerships (AAPs).

In developing an interim Sustainable Community Strategy (SCS), the Council used a wide range of evidence and thorough consultation. This included utilising former District and County Sustainable Community Strategies, statutory assessments, performance indicators, citizens' panels and workshops held with a wide range of stakeholders from statutory, voluntary and business organisations and existing partnerships. The Audit Commission praised the Council for identifying the things that mattered most to local people. They reported that partners share a reliable picture of social, economic and environmental challenges derived from data sharing, demographic analysis and consultation and local priorities are in line with community needs. In developing a draft SCS, the Council sought to capture more clearly the sense of realistic optimism in a simplified vision and priorities. These were based on a refreshed Joint Strategic Needs Assessment (JSNA), new economic narrative and collaborative working across all thematic partnerships of the County Durham Partnership, the board and the forum containing representatives from all 14 AAPs and local councils.

The Council has developed a new vision to reflect the views and aspirations of the community and opportunities for improvement. This is focused around an **Altogether Better Durham**. This vision comprises of two components being to have an **Altogether Better Place** which is **Altogether Better for People**.

The vision helps to provide a framework which guides all of our detailed plans and programmes which will turn our vision into a reality. This is achieved through organising our improvement actions into a structure comprised of five priority themes:

**Altogether wealthier** – focusing on creating a vibrant economy and putting regeneration and economic development at the heart of all our plans;

**Altogether healthier** – improving health and wellbeing;

**Altogether safer** – creating a safer and more cohesive County.

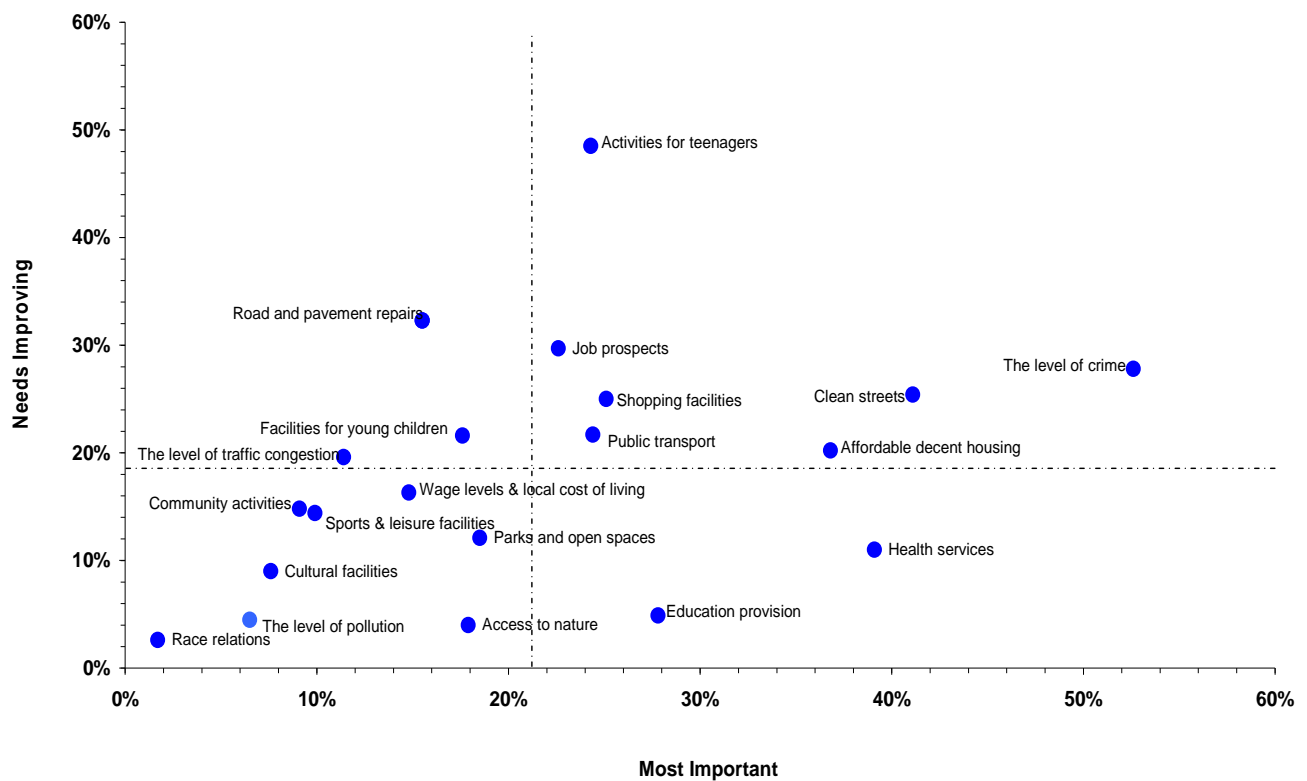
**Altogether better for children and young people** – enabling children and young people to develop and achieve their aspirations, and to maximise their potential in line with Every Child Matters;

**Altogether greener** – ensuring an attractive and ‘liveable’ local environment, and contributing to tackling global environmental challenges;

This vision has captured the views of the residents. An analysis of the Place Survey results illustrates that those issues identified by respondents as being important correspond to the five priority themes from the Council’s vision; a vision that is shared by the County Durham Partnership.

- Job prospects, shopping facilities, public transport, affordable decent housing (altogether wealthier).
- Activities for teenagers (altogether better for children and young people).
- The level of crime (altogether safer).
- Clean streets (altogether greener).

### Priorities Identified in the 2008 Place Survey



A framework of objectives has been developed to support the Council’s vision which addresses the needs and aspirations of the community that have been identified after considering a range of data including consultation results, key strategic assessments and performance information.

The Council Plan is the overarching high level plan for the County Council which is updated annually. It sets out in broad terms how we will deliver our corporate priorities for improvement and the key actions that the Council will take in support of delivering the longer term goals in the Sustainable Community Strategy, the targets in the Local Area Agreement and the Council's own improvement agenda. The Council Plan is structured around the five priority themes. A sixth priority theme of an Altogether Better Council has been developed to capture corporate improvements that the Council has identified that it wants to make. The Council Plan is underpinned by a suite of Service Improvement Plans at service grouping level. These plans provide a more detailed picture of the improvement activity that each service is undertaking over the next three years to support delivery of the Council's priorities and promote improvement within their own services.

<b>Priority Theme</b>	<b>Objectives</b>
Altogether wealthier	Thriving Durham city
	Vibrant and successful towns
	Competitive and successful people
	Sustainable neighbourhoods and rural communities
	A top location for business
Altogether better for children and young people	Being healthy
	Staying safe
	Enjoy and achieve
	Making a positive contribution
	Achieve economic wellbeing
Altogether healthier	Improve life expectancy
	Reduce health inequalities
	Improve mental health and wellbeing of the population
	Enable adults with social care needs to live independently
Altogether greener	Mitigate the impact of and adapt to Climate Change
	Promote pride in our communities to deliver a cleaner, greener County Durham
	Enhance, preserve and maximise the value of Durham's natural environment for the benefit of all
	Enhance, preserve and promote Durham's built environment
	Deliver sustainable waste management solutions

Altogether safer	Reduce anti-social behaviour
	Protect vulnerable people from harm
	Reduce incidents of re-offending
	Reduce harm from alcohol and substance misuse
	Reduce serious crime
	Counter terrorism and prevention of violent extremism
	Casualty reduction
Altogether better council	A Council that achieves value for money in delivering services to people
	A Council that engages effectively with its communities
	A Council that satisfies customer needs and expectations
	A highly performing Council
	A 'one council' approach

## Section C – Consultation

The past year has been characterised by development of new plans, systems and programmes. It has seen the development of the MTFP process for the new Authority, it marked the agreement of a revised vision and priorities; it was the first year of our Corporate Improvement Programme which seeks to build integrated core support services on which our aspirations for service improvements will depend and it saw the Authority take part as a national pilot in the main policy initiative to develop improved efficiencies and effectiveness, namely Total Place.

Our approach to consultation on the MTFP was designed within this context and focused on:

- Boosting our place survey so that we had a statistically representative summary of residents' aspirations and needs;
- Ensuring that residents' views were used to develop our revised vision and priorities;
- MTFP consultation with AAPs:
  - To identify local priorities for action;
  - To test strategic priorities at local level;
  - To seek innovative ideas from local people along a Total Place model about how we could realise efficiencies by working more closely with our partners;
- Seeking residents' views in the area covered by our Total Place pilot;
- Consulting effectively with children and young people (TellUs3 survey, AAP Young People 'Have your Say' Event);
- Using feedback from consultation at a service level to improve performance.
- The Place Survey is also used to measure key satisfaction indicators. Some of these indicators form part of the County Durham Local Area Agreement (LAA). Results from the Survey were fed into the process for the development of an LAA Delivery Plan.
- Area Action Partnerships (AAPs):
  - AAP forum launch events were used to identify what the priorities are for local areas. The top ten priorities across the county were identified as:
    - Activities for young people
    - Environment and street cleansing
    - Support to the voluntary and community sector
    - Transport
    - Employment
    - Crime and community safety
    - Healthy lifestyles
    - Town centre regeneration (Newton Aycliffe, Chester-le-Street, Stanley, Spennymoor and Durham)
    - Education and lifelong learning
    - Traffic management

- A survey carried out at initial AAP forum meetings showed that 78% felt that they were very useful and 57% felt that they could help shape the future;
- The Total Place project involves engagement with stakeholders to capture views on areas for change. Engagement is through a high level reference group consisting of local stakeholders (LSP partners, private sector developers and housing providers), regional stakeholders (One North East, Government Office, Housing and Communities Agency) and national stakeholders like Department for Communities and Local Government. A stakeholder day was also organised where over 100 members of the public from the three pilot areas of Stanley, Seaham and Durham attended. Feedback from engagement was used to shape the overall design of the pilot project through selection of the subject matter of the six change workstreams.
- Throughout the year Services, for example the Adults, Wellbeing and Health Service consult and set up events to ensure that service users and carers are involved in the decision making process about how services are planned and delivered. In 2009 there have been a number of events held with key client groups to help plan and be involved in the design, delivery and evaluation of local services.
- Meetings with Overview and Scrutiny Management Board.
- Meetings with Trade Unions and National Non-Domestic Ratepayers representatives.
- Presentations to Members Seminars on priorities and MTFP.



## Section D – Local Government Finance Settlement

- 1 The Provisional 2010/11 Local Government Finance Settlement was originally announced on 6 December 2007 as part of the first three-year settlement along with the Provisional 2008/09 and 2009/10 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 noted that the average Band D Council Tax increase was 3.0% in 2009/10 and said the Government *“expects to see it fall further next year while authorities protect and improve front line services. We expect the average Band D Council Tax increase in England to fall to a 16 year low in 2010/11”*.
- 4 The headlines are as follows:
  - No change for any authority in Formula Grant allocations, between the 2010/11 settlement announced in January 2009;
  - 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 2009/10 baseline; and
  - No Amending Report issues.
- 5 The change between the Final 2010/11 and the Final 2009/10 settlements is an average increase in Formula Grant of 2.65% across England.
- 6 The key elements of the settlement are:
  - **Formula Grant 2010/11 £231.34m** - This is a cash increase of £7.18m over 2009/10 or 3.2%. When 2009/10 has been adjusted to reflect changes in specific grants this shows an increase of £7.24m 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 20 January 2010, and no changes to the figures contained in the Provisional Settlement were made.

## **SECTION E – Housing Revenue Account (HRA)**

### **Background**

- 1 The HRA is 'ring fenced' landlord account through which the Council manages and maintains 19,000 social housing dwellings. The main features of the HRA are:
  - it is primarily a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities (under the powers and duties conferred on them in Part II of the Housing Act 1985 and certain provisions of earlier legislation);
  - the main items of expenditure included in the account are management and maintenance (M&M) costs, loan charges and depreciation costs;
  - the main items of income are from tenants in the form of rents, garage and shop rentals and where applicable service charges and housing subsidy;
  - the real items of income and expenditure are mirrored by notional items of expenditure and income as part of a national housing subsidy system, under which resources are redistributed between housing authorities and central government.

### **HRA for 2009/10**

- 2 The construction of the Council's first HRA effective from 1 April 2009 was produced on the following basis:-
  - The Government treated 2009/10 as a transitional year for Housing Subsidy purposes and issued three separate Housing Subsidy determinations for Durham City, Easington and Wear Valley.
  - This allowed budgets for the former authorities to be prepared in a relatively straightforward manner. Essentially, the base budgets for 2008/09 for each of the former authorities were used and updated for rent increases and other changes in income and expenditure, including housing subsidy.
  - Existing commitments, made by each of the three district Councils within HRA Business Plans for both capital and revenue expenditure, were honoured.

## **Challenges for 2010/11 and beyond**

- 3 The Government has issued a single Housing Subsidy Determination for 2010/11 covering all three former district areas, which means that separate accounts for each area will no longer be maintained and the overall HRA can no longer be prepared by simply adding former area budgets together.
- 4 Furthermore, the former budgets reflected the organisational and structural arrangements in place at the demised authorities prior to local government reorganisation. The HRA budget for 2010/11 and beyond must instead reflect the structural arrangements of the new unitary council. This has implications in the way that certain income, costs, and recharges are calculated and reflected in the HRA.
- 5 The impact of the above two factors is that the construction of the HRA for 2010/11 has been more complex. Appendix E1 contains a summary of the proposed Housing Revenue Account for 2010/11.

## **Opportunities**

- 6 Despite the challenges, there are considerable benefits and opportunities as a result of preparing and consolidating a single HRA and the bringing together of the management and maintenance of the housing stock of the three former authorities.
- 7 The Council is now the largest single landlord throughout the County enabling it to play a key role in meeting the County's social housing objectives. The unitary authority is better placed to fulfil its strategic role in the management and maintenance of social housing with one common set of priorities and objectives.
- 8 Furthermore, there is a real opportunity for all three service providers to work together to generate efficiencies to release resources into frontline services for tenants.
- 9 Detailed work will be undertaken by the Council to identify the investment needs of the stock over the next 30 years and the resources available to deliver them. The creation of a single HRA will assist in this process.
- 10 The Government has recently undertaken a consultation exercise on the reform of council housing finance and it is expected to announce proposed changes to the Council Housing Finance System before 31 March 2010. The proposals are not expected to apply for 2010/11, so will not affect any decisions made in next year's budget.

## HRA Income

### Dwelling Rent Income

- 11 Government intends that similar social housing properties in the same area should have similar rents regardless of who the landlord is. The aim is to deliver more consistent rents, greater transparency and choice for tenants. This policy is generally referred to as rent restructuring or convergence.
- 12 This means that properties with lower/higher rents than a Government set formula will have to progressively increase/decrease each year to achieve the Government's target. It was originally anticipated that authorities would have moved rents onto target levels by 2011/12 but this timescale has since been extended on several occasions.
- 13 Each year Government sets a guideline increase or decrease for each authority based on the Retail Price Index (RPI) in the previous September and the extent to which rents need to move to meet convergence targets. The housing subsidy system assumes that local authorities follow this guideline. Where they do not, authorities are required to meet any funding gap without further government support. Where rents need to increase to hit targets, the subsidy system assumes that authorities limit their increases to RPI + 0.5% + £2 to minimise the impact on tenants. It is recommended that the Council adopts the Government guideline as its formal rent setting policy.
- 14 The final HRA Subsidy Determination for 2010/11 was announced on 3 February 2010 and it is recommended that the Government guideline be applied to actual rents. **This results in an overall average increase of 2.1%.** The following table shows the impact on the average rent levels by applying the guideline increases proposed by Government.

#### Average Rents

	Durham City		Easington		Wear Valley		Total	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
	£	£	£	£	£	£	£	£
Average Rent	55.35	56.78	53.32	54.28	54.95	56.11	54.35	55.50
Maximum Rent	69.02	70.40	68.91	69.73	65.82	67.23	69.02	70.40
Minimum Rent	31.04	32.76	41.47	43.10	22.01	22.81	22.01	22.81

## Average Changes in Rent 2009-10 and 2010-11

	Durham City		Easington		Wear Valley		Total	
	%	£	%	£	%	£	%	£
Average Increase	2.58	1.43	1.80	0.96	2.11	1.16	2.12	1.15

### Other Rental Income

- 15 The HRA includes responsibility for managing and maintaining around 3,500 garages which generate income to the account. **It is proposed to increase garage rents by 3% in 2010/11.**
- 16 Also included in the HRA are certain commercial properties such as shops. Rents from such properties are subject to periodic rent reviews and those properties that are subject for a rent review in 2010/11 will be considered in light of prevailing market rates.

### Service Charges

- 17 In addition to their rent, tenants may also be required to pay service charges. Service charges usually relate to additional services provided to specific tenants. Different tenants may receive different types of service reflecting their housing circumstances. Local authorities have discretion to decide what services to charge for separately, and what services should be included within the rent.
- 18 It is expected that local authorities set reasonable and transparent service charges which closely reflect what is being provided to tenants. As there is no specific detailed guidance it is inevitable that different authorities will adopt different approaches and there will be inconsistencies between them. This has been highlighted in the reorganisation as the three providers each have had their own approach. In some instances service charges have been separately identified and some have been included in the general rent pooled across all tenants.
- 19 Local authorities are expected to use their discretion on charging for services to avoid situations in which anomalies are created. In particular, Ministers do not think it appropriate to levy service charges on services such as lifts that are essential to high rise flats any more than it would be appropriate to charge tenants of certain system-built houses extra amounts to reflect the high costs of maintaining their homes. These costs are inevitable for the properties concerned: neither tenant nor landlord has any discretion over them. For other services, drawing a clear line between those that should be explicitly charged for and those that should not is not easy.
- 20 Officers of both the Council and ALMOs are continuing to work together to examine service charges to ensure a consistent and

harmonised approach across all three providers. The process of reviewing service charges will continue with a view to introducing harmonised charges from 1 April 2011.

- 21 For 2010/11 changes to existing service charges proposed by the three service providers will be approved subject to the agreement of the Head of Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance.

### **Housing Subsidy Determination 2010-11**

- 22 An authority's entitlement to HRA subsidy is calculated on the basis of a notional HRA. The HRA subsidy calculation is based on annual assumptions covering the rents each authority will charge (guideline rents), allowances for major repairs, management and maintenance (M&M), the HRA's share of debt financing and management costs, calculated in accordance with a formula, and other specific items of expenditure and income.
- 23 The national housing subsidy system calculates a notional level of income and expenditure that it assumes authorities will incur in managing their housing stock. Where this notional calculation indicates that a surplus is generated, the authority must pay this amount into a national pool. Where this notional calculation indicates that a deficit is generated, the Council receives money from the national pool to fund the deficit.
- 24 These entries are calculated in accordance with the annual HRA subsidy determination and differ in important respects from the corresponding entries in the authority's **actual** HRA.
- 25 The final Housing Subsidy Determination for 2010/11 was issued on 3 February 2010 for Durham Unitary Authority. The impact is that housing subsidy payable into the national pool will increase by **£0.31m** in 2010/11 (from £0.467m in 2009/10 to £0.774m in 2010/11). This additional payment to Government will be offset by increased rent income and reduced capital financing costs.

### **HRA Expenditure**

#### **Housing Management Costs**

- 26 This reflects the costs of managing tenancies and includes rent collection and debt recovery. For both Easington and Wear Valley authorities, separate Arms Length Management Organisations (ALMOS) have been set up to perform the day to day delivery of these functions on behalf of the Council (East Durham Homes and Dale and Valley Homes respectively). These companies are wholly owned by the Council. Durham City Homes is an in-house function which manages former Durham City's housing stock.

- 27 Both of the ALMOs have in place a management agreement with the Council setting out the functions devolved to them in return for a fee from the Council. The fee is negotiated each year by officers from both the ALMO and Council and covers both management costs and repairs and maintenance budgets. For 2010/11 it is **recommended** that management fees be increased by 1% for both ALMOs.
- 28 The Council must endeavour to deliver a consistent standard of service across all three areas in line with the Tenants Services Authority Standards. In November 2009 Members considered a report detailing the problems associated with poor performance in Durham City Homes. The report recommended additional investment to bring the service up to required standards. The former authorities had previously invested heavily in both the ALMOs to provide resources to improve standards, and investment is now required in Durham City Homes.

### **Repairs and Maintenance**

- 29 This reflects the cost of day to day responsive, planned and cyclical repairs to tenanted properties. The budgets for the above are incorporated in the ALMO management fee for East Durham Homes and Dale and Valley Homes. Durham City Homes provides the above in-house for Durham City housing stock.
- 30 As mentioned in paragraph 26, the budgets for the 2 ALMOs are incorporated within the management fee. For Durham City Homes, additional resources will be needed to bring the service up to the required standards.

### **Charges for Capital**

- 31 These reflect the cost of borrowing to support the decent homes programme, regeneration and other capital programmes. These charges also include depreciation costs which are matched to the annual MRA allowance from Government through the housing subsidy system. The budget also reflects the HRA's share of the Council's debt redemption premium and discounts, from previous restructuring of debt.
- 32 The move to a single HRA means that there will be a reduction in the level of interest borne by the HRA purely due to a difference in the average interest rate being paid on loans - known as the Consolidated Rate of Interest or CRI. When all the individual loan portfolios of the districts and the county are brought together, the CRI is 5.34% and this will be the rate applied for 2010/11 in the single HRA. The rates being used in the current year, whilst separate HRAs are being maintained are 7.96%, 6.79% and 5.05% for the three former authorities.
- 33 As a consequence of the reduced CRI, all other things being equal, the charge to the single HRA will change and housing subsidy receivable

from Government to support capital charges will fall to reflect the reduced CRI rate.

## **Capital Programme**

- 34 The condition of the Council's housing stock is maintained through its annual repairs and maintenance budget and improved and refurbished through its capital programme. The size of the capital programme depends on the balance between the need of the Council to improve its stock and the availability of funds to finance the improvements.
- 35 The major sources of financing of the capital programme available to the Council are summarised below:
- Major Repairs Allowance
  - Supported Borrowing
  - ALMO Supported Borrowing
  - Capital Receipts
  - Grants and Contributions
  - Unsupported Borrowing
  - Direct Revenue Financing
- 36 The Major Repairs Allowance is the main source of funding for the capital programme and amounts to £632 per property, resulting in £11.944m for 2010/11.
- 37 Supported Borrowing is received through a Supported Capital Expenditure Allowance (SCE(R)) - This is the equivalent of the former Basic Credit Approval in that it is notional permission to borrow, and the resultant revenue costs (interest payments on debt) of those funds are supported via Housing Subsidy. The SCE(R) for 2010/11 is £2,048,000.
- 38 ALMO Supported Borrowing is received through Supported Capital Expenditure for Decent Homes (ALMO Funding) which works in a similar way to SCE(R). This applies to the 2 ALMOs which upon achievement of 2 star rating on housing inspection, can access additional funding to finance capital improvements for decent homes. Government has undertaken to pay for the cost of borrowing these funds and support is given through the subsidy system.
- Wear Valley - Government allocated £29m over 5 yrs to support the delivery of the decent homes programme for Wear Valley. Wear Valley's ALMO funding will cease in 2011/12 on completion of the Decent Homes Programme. The vast majority of these resources have been utilised with remaining funding of £4.5m and £5.0m assumed for 2010/11 and 2011/12 respectively.



- Easington – Easington recently achieved 2 star status and the Government has confirmed funding of £116m over the next 5-6 years. £4.9m has been confirmed for 2009/10 and £10m financing for 2010/11.

- 39 Capital receipts arising from the sale of Council dwellings and other land and property have in recent years been a rich source of finance to support investment in housing and regeneration initiatives. The current economic climate has significantly reduced this source of income. No significant reliance has been placed on this source of finance at this point in time and an element of unsupported borrowing has been assumed, in accordance with the prudential framework and subject to affordability and sustainability requirements being met.
- 40 A revenue contribution to capital programmes of £2.78m has been assumed, which is significantly higher than historic levels in recent years.
- 41 The capital programme is detailed below including how investment is planned to be financed. The figures for 2011/12 and 2012/13 are indicative only, based on the current base position and have not been adjusted for changes in stock numbers. Furthermore, future funding streams, including supported borrowing, are not confirmed and may not be available to support the programme which means spending levels will need to be adjusted to fit within the available resources.

<b>Programme:</b>	<b>2010-11 £m</b>	<b>2011-12 £m</b>	<b>2012-13 £m</b>	<b>Total £m</b>
Durham City	6.685	6.400	6.500	19.585
East Durham Homes	16.750	6.500	6.500	29.750
Dale and Valley Homes	8.918	4.300	3.700	16.918
Housing Regeneration	1.750	1.500	1.000	4.250
<b>Total Programme Spend</b>	<b>34.103</b>	<b>18.700</b>	<b>17.700</b>	<b>70.503</b>
<b>Financed by:</b>				
Major Repairs Allowance	11.944	11.944	11.944	35.832
Supported Borrowing	2.048	2.048	2.048	6.144
ALMO Supported Borrowing	14.500	-	-	14.500
Direct Revenue Financing	2.781	2.750	2.750	8.281
MRA Reserves	1.023	0.865	0.000	1.888
Other (Borrowing / Housing Receipt)	1.807	1.093	958	3.858
<b>Total Financing</b>	<b>34.103</b>	<b>18.700</b>	<b>17.700</b>	<b>70.503</b>

- 42 There are a number of family homes and units of specialist accommodation where it is not considered cost effective to bring them up to the Decent Homes standard. Others are unpopular and extremely difficult to let.

- 43 A capital allocation of £4.25m over the next three years has been earmarked to facilitate planned demolition of these units. This will result in a net saving to the Decent Homes budget and will assist in reducing rental income lost through empty properties.
- 44 The recovered land will also assist in facilitating regeneration, including the re-provision of new housing for sale and for rent.

### **HRA Level of Balances**

- 45 Combined HRA balances for the 3 geographical areas are forecast to reach £6.20m by 31 March 2010, equivalent to around £330 per dwelling.

### **Mortgage Interest Rate**

- 46 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 Durham County Council inherited a mortgage portfolio of just 48 mortgagees with a balance outstanding of £160,000.

- 47 Local authority mortgage interest rates are set on the basis of prevailing market rates, and the cost to authorities of their own borrowing. Section 438 and Schedule 16 of the Housing Act 1985 require local authorities to charge their borrowers the **higher** of:

- The **Standard National Rate** – a rate declared by the Secretary of State after taking into account interest rates charged by building societies in the United Kingdom, and any movement in those rates. The current Standard National Rate is **3.13%**.
- The **Local Average Rate** – a rate declared by each local authority every six months, and calculated in a manner determined by the Secretary of State as follows:

*"the local average rate shall be the average annual rate of interest (expressed as a percentage), 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, plus 0.25%."*

- a. The Local Average Rate for Durham County Council has been calculated as **5.60%** in line with the above guidance.

- 48 It is necessary for the County Council to agree the mortgage interest rate to be charged from 1 April 2010. As the Local Average Rate (5.60%) is higher than the Standard National Rate (3.13%), it is recommended that the mortgage interest rate to be charged from 1 April 2010 be 5.60%.
- 49 The new rate will be communicated to mortgage holders and reviewed at six month intervals.

## Appendix E1: HOUSING REVENUE ACCOUNT

	<b>2009-10 Original Budget (Restated)</b>	<b>2009-10 Projected Outturn Position</b>	<b>2010-11 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
ALMO Management Fee	18,632	18,632	18,294
Repairs and Maintenance	4,118	4,690	4,806
Supervision and Management – General	5,759	5,259	5,053
Supervision and Management – Special	3,163	3,041	1,400
Rent, Rates, Taxes and Other Charges	101	31	42
HRA Subsidy Payable to CLG	2,356	2,421	774
Bad Debt Provision	250	260	250
Capital Financing Charges	21,236	20,391	22,460
Corporate and Other Costs	1,618	1,650	1,085
<b>EXPENDITURE</b>	<b>57,233</b>	<b>56,375</b>	<b>54,164</b>
Dwelling Rents	52,400	52,437	53,324
Non Dwelling Rents	872	889	766
Charges for Services – General	82	100	20
Charges for Services – Special	1,990	1,596	54
HRA Subsidy Receivable from CLG	1,889	1,777	0
<b>INCOME</b>	<b>57,233</b>	<b>56,799</b>	<b>54,164</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>-424</b>	<b>0</b>

## **SECTION F – Revenue Budget**

### **Forecast Outturn for 2009/10**

- 1 Projected Outturn figures for the Council based upon information as at 30 November 2009 indicates a potential overspend of £3m. The overspend is principally within Neighbourhood Services, Children & Young Peoples Services and Resources. In addition, LGR transition costs are forecast to be at least £5m although this sum could increase dependent on further Early Retirement/Voluntary Redundancies (ER/VR) before 31 March 2010. Corporate Directors are reviewing expenditure with a view to reducing the potential overspend by 31 March 2010.
- 2 It is assumed that Council General Reserves will reduce to £34.5m by 31 March 2010. It should be noted that £4.15m of General Reserves is set aside for investment in the Consett Sports Project.
- 3 After taking into account the above and the continuing impact of the ongoing costs of ER/VR, General Reserves are forecast to reduce to £21m over the MTFP period.
- 4 During the preparation of the Statement of Accounts for 2009/10 various accounting decisions will need to be made.

### **Revenue Budget for 2010/11**

#### **Introduction**

- 5 The report to Cabinet on 18 November 2009 provided details of the revised approach to the MTFP process. The key features of the MTFP were to be as follows:
  - (a) The plan will cover a 3-year period from 2010/11 to 2012/13.
  - (b) The plan will need to be clearly focussed upon priorities.
  - (c) The plan will need to reflect both known and estimated levels of grant and Government support.
  - (d) The plan will include both revenue and capital and cover the General Fund and Housing Revenue Account.
  - (e) Dedicated Schools Grant increases to continue to be used for education-related services.
  - (f) Service Groupings will develop 3-year revenue budgets based upon agreed cash limits e.g. current year budget plus or minus a set percentage for each year of the 3-year plan. Service Groupings will need to develop robust savings plans to balance budgets.

- (g) Service Groupings will be given a degree of budget flexibility across financial years. Defined flexibility will apply to transfer “over” and “underspends” across financial years.
- 6 By adopting this approach the following benefits will be derived:
- (a) Members will be able to focus spending consideration on key priority areas.
  - (b) The focus on 3 years will enable Members to take a strategic view of financial planning making clearer links between Council plans and the allocation of resources.
  - (c) As a result of greater flexibility budget managers will be able to plan effectively across longer timeframes.
  - (d) Budget managers are encouraged to achieve greater efficiency savings. Savings realised, within an agreed framework will be retained in the Service Grouping.

### **Current Position**

- 7 Further detailed work has been carried out in recent weeks, the Local Government Finance Settlement was being confirmed on 20 January 2010 and Area Based Grant (ABG) allocations for 2010/11 have been confirmed. The additional funding available to support the MTFP is as follows:
- (i) Formula Grant  
The settlement for 2010/11 proposes an increase in Formula Grant of £7.24m (3.2%).
  - (ii) Area Based Grants  
The ABG allocations for 2010/11 are now confirmed and a sum of £8.95m is available to support the MTFP.
  - (iii) LGR Savings  
The second tranche of LGR savings to be realised in 2010/11 is £6.77m. Originally, it was expected that these savings would be used to replenish Reserves but it is now assumed that the savings will be used in the current MTFP to support expenditure.

(iv) Council Tax Base

The Council Tax Base in the County has increased by 0.75% in 2009/10, when compared with initial estimates. The Council Tax yield is expected to increase by £1.03m in 2010/11.

(v) Council Tax Levels

For planning purposes, no increase in Council Tax was assumed across the MTFP. A 1% Council Tax increase realises £1.95m of additional income.

- 8 The table below identifies the funding available over the next three years, using the assumption of 3% reductions in Government support in 2011/12 and 2012/13 and 0% Council Tax increases:

<b>FUNDING</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Increase</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Decrease (-)</b>			
Formula Grant	7.24	- 6.90	- 6.70
ABG	8.95	- 1.80	- 1.80
LGR savings	6.77	0.00	0.00
Council Tax Base	1.03	0.00	0.00
Council Tax Level	0.00	0.00	0.00
<b>TOTAL</b>	<b>23.99</b>	<b>- 8.70</b>	<b>- 8.50</b>

### 2010/11 Base Budget Pressures

- 9 Base budget adjustments are detailed below:

<b>Investment required</b>	<b>£m</b>
Funding utilised to support the 2009/10 Budget	7.71
Additional revenue to finance 2009/10 Capital Programme	1.20
HRA adjustments to enable investment in housing services	3.00
Reduction in resources needed for pay award	(1.30)
<b>Net Total Corporate Investments</b>	<b>10.61</b>

### Service Investments – based upon 2009/10 Activity

- 10 Service Groupings are facing a range of pressures in budgets in 2009/10 which need to be addressed as part of the MTFP. Appendix F1 provides detail of the investments required.

- 11 Investing in these areas will enable the Council to continue to deliver services across the County in line with priorities. The table overleaf summarises the total Service Investment required:

<b>Service Grouping</b>	<b>Investment</b>
	<b>£m</b>
Adults, Wellbeing & Health (AWH)	3.94
Children & Young Peoples Services (CYPS)	3.18
Neighbourhoods	4.76
Regeneration & Economic Development (RED)	1.00
Resources	0.30
<b>TOTAL INVESTMENT</b>	<b>13.18</b>

### **Revenue Investments for 2010/11**

- 12 The table below summarises the priorities identified for 2010/11. Appendix F2 provides further detail:

<b>Service Grouping</b>	<b>Investment</b>
	<b>£m</b>
AWH	2.36
CYPS	0.74
Neighbourhoods	1.18
<b>TOTAL</b>	<b>4.28</b>

### **Revenue Financing to Fund Capital**

- 13 The Member Officer Working Group (MOWG) considered bids submitted by Service Groupings. The MOWG noted the availability of £84.34m funding, mainly in the form of Government Grant to finance specific programmes in 2010/11 and 2011/12.
- 14 The MOWG also noted self financing schemes of £19.23m for 2010/11 and 2011/12. These schemes are a mixture of the following:
- (i) Invest to Save schemes e.g. SALIX Energy Efficiency;
  - (ii) Programme funded from 'Earmarked Reserves' - Assets to Communities;
  - (iii) Programmes where debt repayments are financed from Service Grouping revenue budgets or external contributions e.g. Durham Crematorium.



- 15 After considering bids submitted and overall priorities the MOWG would wish to support an additional £90.00m capital programme for 2010/11 and 2011/12 to be financed from borrowing.
- 16 Further detail of the Capital budget is provided in Section G.

### Savings

- 17 Previous report to Cabinet detailed the introduction of a 'cash limit' model for the MTFP. To balance the MTFP across the three-year period there will be a need to reduce the cash limit of Service Groupings. This will require Service Groupings to realise savings.
- 18 Service Groupings have developed savings plans for 2010/11 based on a 2% reduction in the cash limit. Service Groupings have also recognised that pay awards, price inflation, pension contribution increases have to be met from within the cash limit and have developed additional savings plans (up to an additional 1%) to cover these costs, which can vary between Service Groupings.
- 19 The savings plans developed by Service Groupings are detailed in Appendix F3. A 2% reduction in the cash limit amounts to savings of £8.50m. All Service Groupings have included savings to achieve this target. If additional savings are required then the target reductions will need to increase.
- 20 Neighbourhood Services have produced a savings programme to achieve both MTFP and LGR savings. On that basis, the savings detailed in Appendix F3 for Neighbourhood Services contain £1.95m of LGR savings.
- 21 Equality and Diversity impact assessments are being carried out on all proposed savings to aid the decision-making process.

### Summary

- 22 The table below provides a summary of the recommended investments and savings:

	<b>£m</b>
Base Budget Pressures	10.61
Service Investments – 2009/10 Activity	13.18
Service Investments – 2010/11 Priorities	4.28
Revenue Support to bring capital programme to £90m	8.10
<b>TOTAL INVESTMENT</b>	<b>36.17</b>
Less Funding Available	(23.99)
<b>Funding Shortfall</b>	<b>12.18</b>

23 A summary of the Revenue estimates can be found in Appendices F4 and F5 as follows:

- Appendix F4 - Income and Expenditure Account
- Appendix F5 - Executive Summary of Service Expenditure

24 The shortfall is to be financed as follows:

	<b>£m</b>
Cash Limit Reduction of 2%	8.50
Council Tax Increases of 1.9%	3.68
<b>Residual Shortfall</b>	<b>12.18</b>

### **Medium Term Financial Plan – 2011/12 and 2012/13**

25 National political parties and all commentators are in agreement that public sector expenditure will need to reduce across at least the next three years. At this stage, the MTFP has estimated that the reduction in Government funding will be 3% per annum. The following assumptions are utilised in developing plans for 2011/12 and 2012/13:

- (i) Annual revenue headroom of £5m per annum to invest in corporate priorities.
- (ii) Service Groupings manage budget pressures within Cash Limits.
- (iii) Base budget pressures identified in relation to Landfill Tax and the possible need to support budgets previously financed by former District Council Earmarked Reserves are included.
- (iv) Inflation is assumed as 1% for both 2011/12 and 2012/13. (Any inflation amounts above this level will need to be met from within Service Grouping Cash Limits).
- (v) Council Tax increases assumed to be 0%.

The impact of these assumptions upon the MTFP are detailed below:

	<b>2011/12</b>	<b>2012/13</b>
<b>Funding Required</b>	<b>£m</b>	<b>£m</b>
Revenue Headroom	5.00	5.00
Base Budget Pressures	5.25	1.20
Inflation at 1%	4.50	4.60
<b>Sub-Total</b>	<b>14.75</b>	<b>10.80</b>
Add Loss of Government Funding	8.70	8.50
<b>Shortfall Required from Cash Limit</b>	<b>23.45</b>	<b>19.35</b>
<b>Annual Savings Target</b>	<b>5.4%</b>	<b>4.4%</b>

- 26 The savings targets for 2011/12 and 2012/13 are significant and will require detailed option appraisals. This work has already begun and will be developed further in the coming months.

### **Financial Reserves**

- 27 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.

- 28 The 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 between 3.5% - 4.5% of the budget requirement or £16m-£20m.

- 29 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.

- 30 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”.
- 31 This 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.
- 32 The setting of the level of reserves is an important decision not only in the budget for 2010/11, but also in the formulation of the medium term financial strategy.
- 33 The table below forecasts the position as at 31 March 2010 on General Reserves:

	<b>£m</b>
General Reserves as at 1/4/2009	42.55
Less Estimated LGR Transition Costs in 2009/10	(5.00)
Less Forecast Overspend in 2009/10	(3.00)
<b>Estimated General Reserve as at 31/3/2010</b>	<b>34.55</b>

- 34 In addition to the above, the following should be noted:
- (i) Further ER/VR costs are expected before the end of the financial year.
  - (ii) A sum of £4.15m is set aside to support the Consett Sports Project Capital scheme.
  - (iii) The costs of added years awarded as part of ER/VR packages in LGR are charged over a five-year period. These costs will be charged to Reserves over the next four years. The current estimate is £1.76m per annum but, again, this will increase if there are further ER/VRs agreed before the end of the financial year. In addition, it is estimated that there will be £1.26m of further LGR Transition Costs during 2010/11 relating to the rationalisation of a wide range of IT systems and work relating to the Pay and Reward project.

- 35 After taking the above into account General Reserves are forecast to reduce to £21m by the end of the MTFP period.
- 36 Bearing in mind the current levels of general reserves and the risks facing the Council, it is suggested that the Council adopts 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 £16m to £20m.
- 37 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.

**SERVICE INVESTMENTS – 2009/10 ACTIVITY**

The final column below identifies the link with the County Council's Corporate Priorities. The prefix in the column is explained below:

**Prefix Corporate Priority**

- W - Altogether Wealthier
- H - Altogether Healthier
- S - Altogether Safer
- CYP - Altogether better for Children and Young People
- G - Altogether Greener

<b>SERVICE AREA</b>	<b>COMMENTARY</b>	<b>AMOUNT £</b>	<b>PRIORITY</b>
<b>AWH</b>	<p><b>1. Older People – Demographic Pressures</b> Demographic trends in respect of older people are well documented and are now clearly impacting on spend within the Adult Care budget. There continues to be an increase in both the number of older people requiring care and in the complexity of individuals' care needs. This pressure relates to those people already in the care system in the current year. It is estimated that a similar level of demand will arise in future years and those pressures have been included as unavoidable standstill pressure elsewhere in the report.</p>	1,600,000	H
	<p><b>2. Learning Disability Care Provision (Older Carers/Aging Population/Transition cases)</b> Demographic trends in respect of people with Learning Disabilities are also well documented. This includes an increase in young people with learning disabilities moving into adulthood, issues related to older carers and increasing carers needs. This pressure relates to those people already in the care system in the current year. It is estimated that a similar level of demand will arise in future years and those pressures have been included as unavoidable standstill pressure elsewhere in the report.</p>	800,000	H

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
AWH (cont)	<p><b>3. Mental Health Care Provision (increasing numbers and complexity of cases including people with Aspergers)</b></p> <p>There are significant budget pressures resulting from a higher number of complex cases coming through the mental health service than anticipated. There has been an increase in the number of people with Aspergers in particular. This pressure relates to those people already in the care system in the current year. It is estimated that a similar level of demand will arise in future years and those pressures have been included as unavoidable standstill pressure elsewhere in the report.</p>	700,000	H
	<p><b>4. Domestic Abuse</b></p> <p>Domestic abuse is one of the key priorities in improving community safety in County Durham, highlighted in the Council Plan. The roll-out of the multi-agency risk assessment conference (MARAC) approach is underway, along with the delivery of perpetrator programmes. The various domestic abuse services in the County have largely been funded through a combination of non-recurring sources, including charitable funds. These services include the refuges, outreach workers, MARAC staff, awareness training and perpetrator programmes. It is essential that the base budget is corrected to ensure these services continue to be provided on an ongoing basis.</p>	250,000	S
	<p><b>5.Safeguarding</b></p> <p>Additional resources have been made available to meet the increasing needs of safeguarding vulnerable adults. This has been funded to date through non-recurring partner contributions. This is a significant risk area for the service and is a high priority in inspection ratings. It is essential that the resource level is maintained to reduce this high risk area.</p>	150,000	H

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
<b>AWH (cont)</b>	<p><b>6. Social Care Direct</b> Responsive and effective front of house Social Care is critical to good service provision and has been a key focus in recent national high profile cases. Since April 2009 following an audit which raised serious concerns immediate steps were taken to improve training, professional referral systems and access to and capacity of experienced staff. This has created an ongoing base budget pressure for the service.</p>	110,000	S
	<p><b>7. Libraries, Learning and Cultures – Inherited Services budget shortfall</b> The service has inherited a number of services from the former District, such as the Locomotion Museum and the Apollo Pavilion for which there are base budget shortfalls.</p>	130,000	W
	<p><b>8. Home Equipment Loans Service</b> Increased demand/demographics and reductions in partner funding.</p>	100,000	H
	<p><b>9. Transport Charges</b> Increased charges from ITU due to additional journeys and higher costs.</p>	100,000	H
	<b>TOTAL FOR AWH</b>	<b>3,940,000</b>	
<b>CYPS</b>	<p><b>1. Direct Payments</b> (to parents who choose to care for a child with disabilities in a home setting).</p> <p>The demand on this part of the budget has been a regular feature of recent years budget plans and since 2005/06 has gone up by about 54% per annum. The predicted net spend in 2009/10 is £1.242m which will exceed budget by about £300,000. It is expected a similar level of rising demand will be experienced in 2010/11 and this has been shown as a budget pressure for the cash limit.</p>	260,000	CYP



SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
CYP (cont)	<p><b>2. Agency Placements – Disabled &amp; Complex</b></p> <p>Significant improvement in the survival rate of babies with complex needs and an increased level of autism diagnosis has brought huge pressures on this part of the budget, despite considerable financial contributions from NHS County Durham. In 2004 we were spending £0.45m on children in costly long term placements in residential special schools and independent children's homes. By the end of the current financial year spending is predicted to be up to over £1.05m which is £0.64m over the current budget. The needs of these children are so specialist that it cannot reasonably be met from current in house provision. We are already predicting a further 2 places will be needed by the end of the financial year and this is at an average cost of £72,000 per year. The trends suggest escalating pressures here over the timeframe of the Council's next 3 year plan. £640,000 features as a base budget pressure up to March 2010 and further sums feature.</p>	640,000	CYP
	<p><b>3. LAC – Independent Fostering</b></p> <p><b>4. LAC – Transport</b></p> <p><b>5. LAC – Legal Fees</b></p> <p>Between 2004 and the end of 2008 Durham had a maximum of 400 looked after children at any one time. By the end of August 2009 there were 468 children and young people looked after by Durham County Council and the unprecedented number of children with a child protection plan (400, compared to 200 last year) suggests that demand for this statutory support will continue to rise. The Council's in house Fostering Service can not cope with this level of demand.</p>	1,800,000 300,000 150,000	CYP

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
CYPS (cont)	<p>Independent Foster Care is costly at an average £937 per week, and in some cases we use independent special schools. Over the last 5 months placements have gone from 75 to 91 (+21%) and we are currently spending £81,500 per week. Predicting the duration of this type of care is difficult but the latest view of spend against 2009/10 budget would suggest an overspend of about £1.8m. This therefore features as a Base Budget pressure &amp; the expectation is this will continue to produce a volume pressure on the cash limit.</p> <p>Allied with the increased number of Looked After Children the costs of transport to allow children to continue to attend the same school ,parental visits prescribed by courts &amp; court hearings has risen considerably and the current budget is expected to be exceeded by about £300,000. The same volume increases and an increasing number of lengthy complex cases as also raised the Service spends on Legal Fees which by March 2009 are expected to be £150,000 over budget.</p>		
	<p><b>6. Social Care Direct</b></p> <p>Responsive and effective front of house Social Care is critical to good service provision and has been a key focus in recent national high profile cases. Since April 2009 following an audit which rose serious concerns immediate steps were taken to improve training, professional referral systems and access to and capacity of experienced staff. By the end of 2009/10 it is estimated around £250,000 will have been spent to maintain standards and cope with the level of referrals. Current numbers are running at 300 calls per day. A joint solution for Children's &amp; Adults Services is in the process of being formulated and this is an essential high profile aspect of the work of the County Council.</p>	150,000	S

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
CYPS (cont)	<b>7. Initial Assessment &amp; CIN Teams</b> The level of referrals and active case loads now operating within CYPS has necessitated the employment of Agency staff in 2009/10 against no budget. There are currently 68 sets of care proceedings underway involving 111 children and Children's Social Workers have 1383 active cases. Lord Laming made very robust expectations about social worker caseloads and it is essential this is addressed.	200,000	CYP
	<b>8. Insurance Saving</b> CYPS will benefit from an additional Insurance saving linked to LGR.	(320,000)	CYP
	<b>TOTAL FOR CYPS</b>	<b>3,180,000</b>	

N'hoods	<b>1. Income Adj. - Building Design Services</b> Historic unachievable income, relating to building design. The income budget has remained static at £4m for a number of years, however the volume of chargeable work undertaken has been consistently below that level for the last 3 years, this is again a feature in 2009/10. The income budget needs re-aligning to a more realistic level and whilst income achieved covers the gross cost of the service, a full review is to be undertaken of this service. This features as a budget pressure in 2009/10 Outturn.	800,000	W
	<b>2. Loss of Income - Highways Design Services</b> Section 278 "Developers" income unachievable due to general downturn in market resulting in fewer schemes. Impacting on 2009/10 outturn and little / no expectation that the economic circumstances will improve in the medium term. This features as a budget pressure in 2009/10 Outturn.	180,000	W

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
N'hoods (cont)	<p><b>3. Income Adj. - Customer Services</b> Sedgefield Borough Homes have a Service Level agreement with DCC for Customer Services. This was due to expire in March 2010 however the contract has been extended to 30 September 2010. Whilst there are deferred TUPE issues that are associated with this service which will be dealt with within the Cash Limit, there is an underlying budget issue in that the income in the 2009/10 budget relates to the former recharge to the HRA, whilst the actual SLA with Sedgefield Borough Homes is less than this figure. This features as a budget pressure in 2009/10 Outturn.</p>	65,000	W
	<p><b>4. Landfill Tax</b> Landfill Tax escalator = £8 per tonne year on year. These additional costs are imposed by Government and are unavoidable budget pressures that cannot be met from within the Neighbourhoods Cash Limit. The required base budget provision is based on 162,500 Tonnes of Waste at £8 per Tonne.</p>	1,300,000	G
	<p><b>5. Income Adj. - Strategic Waste</b> The 2009/10 budgets include a £200,000 budget for "Tipping Income". This is a historic budget provision that has not been met for a number of years. Only the basic initial rental is now being received due to the maximum capacity having being met (as per agreement with Premier). Total achievable income is only £126,000 therefore base budget is currently overstated and needs to be realigned. This features as a budget pressure in 2009/10 Outturn.</p>	74,000	G
	<p><b>6. Income Adj. - Scientific Services</b> Historic unachievable income. The income budget has remained static at £500K for a number of years, however the volume of income received has been consistently below that level for the last 3 years, this is again a feature in 2009/10. The income budget needs re-aligning to a more realistic level and a full review undertaken of this service. This features as a budget pressure in 2009/10 Outturn.</p>	150,000	W

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
N'hoods (cont)	<p><b>7. Safety Advisory Groups (SAG)</b> The new structures build in provision for 3 SAG Coordinators, under the Head of Environment, Health and Consumer Protection. This team co-ordinates and supports the activities of the SAG. The gross costs of the team are £114K, with £50K being found from within existing resources. The adjustment required provides funding for the remaining unsupported costs.</p>	64,000	S
	<p><b>8. Recycling Services – Former Greencycle/ Green Waste Extension</b> Budget shortfall in current year following the bringing in-house of the kerbside recycling service in 4 of the former District areas following the collapse of GreenCycle. Plus the net additional costs from the Green Waste Extension. Total additional collection costs = circa £2.2M, however, savings in waste disposal charges (from waste diversion) offset these costs. Net additional costs = £1m. This features as a budget pressure in 2009/10 Outturn.</p>	1,000,000	G
	<p><b>9. Loss of Income - Neighbourhood Wardens</b> Budget shortfall due to termination of agreement with Great Aycliffe Town Council, who previously made a financial contribution to the Wardens Service in the former Sedgefield BC area. This income has been withdrawn and this features as a budget pressure in 2009/10 Outturn.</p>	67,300	S
	<p><b>10. Income Adj. – Grounds Maintenance</b> One-off capital recharges for grounds maintenance works that should have been removed in 2009/10 as part of the LGR budget consolidation exercise. This income has been withdrawn and this features as a budget pressure in 2009/10 Outturn.</p>	230,000	G

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
N'hoods (cont)	<p><b>11. Income Adj. - Grounds Maintenance</b> Loss of income re former Easington DC for works undertaken for east Durham Homes ALMO, now contracted to an external contractor (Morrison). This income has been withdrawn and should have been removed as part of the LGR budget consolidation in 2009/10. This features as a budget pressure in 2009/10 Outturn.</p>	38,000	G
	<p><b>12. Income Adj. - Depot Rental Income</b> Budget shortfall as there is no External Income recharge to Mears for the occupation of Chilton Depot. (Rent Loss = £175,450). The depot space previously occupied by Mears is now to be allocated to the integrated transport unit and scientific services, however, the net operating costs of the depot have increased through the loss of rental income. In addition, there is no external income from space occupied formerly by Bishop Auckland Technical College (£75,730). This space is now available to be allocated to DCC Internal Services and will not generate external income, again, increasing the operating costs of this facility for all users. This features as a budget pressure in 2009/10 Outturn.</p>	251,180	W
	<p><b>13. Income Adj. - Building Services Recharges</b> The budget includes income from a recharge to the democratic core division for efficiency savings. This recharge will not be generated and indeed the expenditure line to charge this to no longer exists. This recharge has been superseded by turnover efficiencies built into the base budget for 2009/10 and should have been removed in preparing the 2009/10 budgets. This features as a budget pressure in 2009/10 Outturn.</p>	342,500	W
	<p><b>14. Income Adj. - Gully Cleaning (Rech to DCC)</b> Relates to duplicated and unrealised income within the 2008/09 base budgets of the former Derwentside DC. This features as a budget pressure in 2009/10 Outturn.</p>	122,430	G

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
N'hoods (cont)	<b>15. Income Adj. - Grounds Maintenance</b> Income shortfall relates to former Chester-le-Street HRA recharges from Chester-le-Street DC following the LSVT to Cestria House (the RSL created when Chester-le-Street DC transferred its Housing stock). Cestria took the grounds maintenance in-house in 2008/09 but the budget was not realigned to reflect the loss of external income. There was no TUPE involved in this element of the transfer. Proposed service remodelling has reduced the potential shortfall of resources from £130,000 to £80,000.	80,000	G
	<b>TOTAL FOR NEIGHBOURHOOD SERVICES</b>	<b>4,765,000</b>	
RED	<b>1. Concessionary Fares</b> The revised Concessionary Fares policy has resulted in significantly higher demand than the aggregated District Council budgets. A base budget increase is required to finance the current level of activity.	500,000	W
	<b>2. Planning fees/Building Regulation Fees</b> The recession has significantly impacted the fee income received. A base budget increase is required to enable an income target to be set which equates to a 'normal' years activity.	500,000	W
	<b>TOTAL RED</b>	<b>1,000,000</b>	
Resources	<b>1. Income Adjustment</b> A number of income budgets have been included in the aggregated budgets which are no longer received. A base budget adjustment is necessary to provide a firm foundation.	300,000	W
	<b>TOTAL RESOURCES</b>	<b>300,000</b>	

**SERVICE GROUPING 2010/11 INVESTMENT PRIORITIES**

The final column below identifies the link with the County Council's Corporate Priorities. The prefix in the column is explained below:

**Prefix Corporate Priority**

- W - Altogether Wealthier  
 H - Altogether Healthier  
 S - Altogether Safer  
 CYP - Altogether better for Children and Young People  
 G - Altogether Greener

<b>SERVICE AREA</b>	<b>COMMENTARY</b>	<b>AMOUNT £</b>	<b>PRIORITY</b>
<b>AWH</b>	<b>1. Cultural Activities and Events</b> A growth in cultural activities is required to ensure culture plays its full part in delivering regeneration and social inclusion.	400,000	W
	<b>2. Older People – Demographic Pressures</b> Demographic trends in respect of older people are well documented and are now clearly impacting on spend within the Adult Care budget. There continues to be an increase in both the number of older people requiring care and in the complexity of individuals' care needs. This pressure relates to the continuing demand anticipated to arise in 2010/11.	900,000	H
	<b>3. Learning Disability Care Provision (Older Carers/Aging Population/Transition Costs)</b> Demographic trends in respect of people with Learning Disabilities are also well documented. This includes an increase in young people with learning disabilities moving into adulthood, issues related to older carers and increasing carers needs. This pressure relates to those people identified as entering the adult care system in 2010/11.	810,000	H
	<b>4. Mental Health Care Provision (increasing numbers and complexity of cases including people with Aspergers)</b> The number of people entering the mental health service and the complexity of their care needs continues to grow. This item relates to the unavoidable budget increase required to provide services for those people.	250,000	H
	<b>TOTAL AWH</b>	<b>2,360,000</b>	



SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
CYPS	<p><b>1. Social Care Direct</b> Additional costs required to provide the necessary level of Service.</p>	200,000	S
	<p><b>2. Direct Payments – support staff</b> In 2004/05 we were supporting 36 families, currently we are supporting 189. This has brought a major capacity problem for the staff who assess needs and review Care Plans. In 2010/11 approx £60,000 for support staff is required to deliver on this legislative duty, this appears as an Investment Priority.</p>	60,000	CYP
	<p><b>3. LAC – Independent Reviewing Officers</b> More Looked After Children also increases the call on <b>Independent Reviewing Officers</b> who have a statutory role to perform and an extra £80,000 budget will be needed in 2010/11. This is a statutory investment priority for 2010/11.</p>	80,000	CYP
	<p><b>4. Initial Assessment &amp; CIN Teams</b> Extra posts are needed in the Initial Assessment team &amp; Children in Need team. Existing resources will be redirected to create a court law work team to process the increasing number of complex documents required. Extra staff costs in 2010/11 will require additional budget investment of about £400,000, on top of the base budget costs in 2009/10.</p>	400,000	CYP
	<b>TOTAL CYPS</b>	<b>740,000</b>	

SERVICE AREA	COMMENTARY	AMOUNT £	PRIORITY
N'hoods	<p><b>1. Street Cleaning</b> Increase in gully cleansing operations to address flooding impacts. Currently undertaken annually, increased to twice per year.</p>	448,000	G
	<p><b>2. Street Cleaning</b> Increased frequency of weed spraying operations to address public and Member concerns over weed control and the use of more environmentally friendly but less effective herbicide in recent years.</p>	220,000	G
	<p><b>3. Grounds Maintenance</b> Additional funding to support the bringing in-house of the grounds maintenance contract in the former Wear Valley area with effect from 1 April 2010. The current contractor (Soanes) is providing the service with vehicles and plant procured with Capital Funds from Wear Valley, reducing the contract costs. The vehicle and plant is due for renewal in 2010/11 and this will increase the expenditure by £265,000 for leasing payments for the in-house service.</p>	265,000	G
	<p><b>4. Winter Maintenance</b> To provide additional capacity to treat priority footways in extreme weather conditions, utilising the specialist equipment procured in the current year and to assist with clear-up street cleansing activities following the heavy salting of carriageways and footpaths.</p>	250,000	S
	<b>TOTAL NEIGHBOURHOOD</b>	<b>1,183,000</b>	

**APPENDIX F3**

**SAVINGS IDENTIFIED BY SERVICE GROUPINGS TO MEET 2% CASH LIMIT REDUCTION**

**ADULTS, WELLBEING AND HEALTH SAVINGS 2010/11**

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
1	<b>Care Navigators</b>	Review of service in line with Personalisation agenda	£150,000
2	<b>In House Home Care</b>	Development of Reablement Service	£200,000
3	<b>In House Supported Living Schemes</b>	Reduction in portfolio in line with reduced placement levels	£30,000
4	<b>Home Independence Shops</b>	Review of Home Independence Shops	£150,000
5	<b>Personalisation</b>	Review of Services supported from Social Care Reform Grant	£250,000
6	<b>Supporting People</b>	Review of Supporting People Services	£200,000
7	<b>All Services - Eligibility Criteria</b>	Consistent and effective application of existing eligibility criteria	£600,000
8	<b>All care packages</b>	Review of Partner contributions to Care packages	£250,000
9	<b>All care packages</b>	Annual review of client contributions	£650,000
	<b>All - Adult Care &amp; Commissioning</b>		<b>£2,480,000</b>

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
10	<b>Finance</b>	Review of Staffing Structure across service	£17,000
11	<b>Finance</b>	Review of Budgets	£50,000
	<b>All - Finance</b>		<b>£67,000</b>
12	<b>Library Service</b>	Review of Library Provision	£73,000
13	<b>Library Service</b>	Reduce library materials fund for one year	£150,000
14	<b>General</b>	Management and staffing review across service	£190,000
15	<b>Learning and Marketing</b>	improve Durham Learning Resource income	£20,000
16	<b>Learning and Marketing</b>	Learning and Marketing review	£15,000
	<b>All - Libraries, Learning and Culture</b>		<b>£448,000</b>
17	<b>Policy, Performance and Planning</b>	Recommissioning of NVQ Service	£20,000
18	<b>Policy, Performance and Planning</b>	Reduce ICT Equipment Budget for one year	£18,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
19	<b>Policy, Performance and Planning</b>	Review of Practice Teaching fees	£10,000
20	<b>Policy, Performance and Planning</b>	Review of service provision	£20,000
21	<b>Policy, Performance and Planning</b>	Review of service provision	£30,000
22	<b>Policy, Performance and Planning</b>	Review of service provision	£44,000
	<b>All - Policy, Planning and Performance</b>		<b>£142,000</b>
23	<b>Social Inclusion</b>	Relocation of Community Safety team	£35,000
24	<b>Social Inclusion</b>	Review of Communities Safety Projects	£65,000
25	<b>Social Inclusion</b>	Review of management and service structures	£100,000
26	<b>Social Inclusion</b>	Review of Learning Disability Fund	£10,000
	<b>All - Social Inclusion</b>		<b>£210,000</b>
			<b>£3,347,000</b>

## ASSISTANT CHIEF EXECUTIVE

### SAVINGS 2010/11

Ref No.	Function	Proposal	Efficiency Saving Proposal
1	<b>Partnerships</b>	Premises Related Savings	£107,600
2	<b>All</b>	Management of Staff Vacancies	£273,600
			<b>£381,200</b>

**CHILDREN AND YOUNG PEOPLES SERVICES**  
**SAVINGS 2010/11**

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
	<b>Premises, Training and Supplies budget</b>		
1	<b>Extended Services</b>	Youth provision closed; need for caretaking at premise in Hare Law discontinued.	£10,000
2	<b>Extended Services</b>	Reduced fund of discretionary grants available to support Youth activity & projects.	£13,160
3	<b>Extended Services</b>	Positive Activities for Young People team reduction to budget available for routine supplies & services.	£2,000
4	<b>Achievement Service</b>	Music Service vacating rented accommodation at Kingsway Bishop Auckland and being housed in CYPS premises at Newton Aycliffe. Savings on utilities, caretaking, cleaning, rent.	£35,600
5	<b>Strategic Commissioning</b>	Investing in Children to relocate from rented accommodation at Moor Chambers , Framwellgate Moor. Reduced rental costs.	£20,000
6	<b>Extended Services</b>	Connexions office located at Millennium Place Durham City now in DCC ownership , internal rental charge discontinued.	£42,000
7	<b>Extended Services</b>	Youth Offending team reduction to budget available for routine supplies & services.	£7,000
8	<b>Safeguarding &amp; Specialist</b>	Reduced level of subscription payments within Safeguarding & Specialist teams, budget no longer required.	£7,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
9	<b>Safeguarding &amp; Specialist</b>	Children in Need Team- review of actual spend allows budget for recruitment, subsistence & payments to Social Work students to be reduced.	£31,000
10	<b>Safeguarding &amp; Specialist</b>	Review of Children's Services spend for teams located at Aycliffe allows reduced budget for Supplies, Conferences, Recruitment, Training and Telephones	£9,100
11	<b>Achievement Service</b>	School & Governor Support Service budgets for supplies, recruitment & conferences to be reduced	£2,000
12	<b>Achievement Service</b>	The centres at Westgate, Middleton & Earls Orchard are spending less than available on cleaning & catering and this allows a budget reduction	£15,000
13	<b>Safeguarding &amp; Specialist</b>	Lower numbers of children leaving care allows the budget for hardship and other transition allowances to be reduced	£50,000



<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
14	<b>Access &amp; Inclusion</b>	The budgets available to provide CCTV on scholars buses and to support awards events is to be reduced	£7,000
		<b>Sub Total</b>	<b>£250,860</b>
	<b>EXTRA INCOME</b>		
15	<b>Finance Team</b>	Provision for rental income from Derwentside College for the use of former school premises at Lanchester	£26,000
16	<b>Achievement Service</b>	5% rise on charges to attend DCC Outdoor provision with effect from Sept 2010	£4,270
17	<b>Achievement Service</b>	5% rise on charges to receive music tuition and hire an instrument & Service Level Agreements with schools, with effect from Sept 2010	£26,080
18	<b>Safeguarding &amp; Specialist</b>	Estimated increase in contributions from NHS County Durham towards Agency Placements for pupils with medical needs	£60,000
19	<b>Finance Team</b>	Estimated increase in income associated with CYPS activity purchased by schools	£40,000
20	<b>Safeguarding &amp; Specialist</b>	A system of Direct Payments can be accessed by parents of children with disabilities but refunds can apply if the levels of care evidenced is lower than expected. Greater numbers of Direct Payments suggest a higher level of refunds.	£65,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
21	<b>Access &amp; Inclusion</b>	The Education Welfare service undertakes court proceedings for persistent cases of non school attendance and extra income, compared to budget, from fines is expected.	£7,500
		<b>Sub Total</b>	<b>£228,850</b>
	<b>Staff Establishment Changes- non filling; variation of posts; efficiency review</b>		
22	<b>Achievement Service</b>	Staffing savings.	£73,000
23	<b>Achievement Service</b>	A sum was set aside to make staffing adjustments to accommodate a significant transfer of Post 16 responsibilities starting in April 2010. Transferring staff from LSC have been identified and it is planned to operate at this level without extra appointment.	£125,000
24	<b>Achievement Service</b>	A Music Instructor post that will become vacant from September 2010 will not be filled.	£15,000
25	<b>Finance Team</b>	Review cashiering function.	£30,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
26	<b>Finance Team</b>	The Student Awards function is gradually reducing and by April 2011 will be all transferred to the Student Loans Company. A staff transition plan provides for a smaller team from April 2010 and this is reflected in the Service budget.	£63,200
27	<b>Achievement Service</b>	The Manager of the Beyond expectations team has negotiated reduced working hours and this will be reflected on the operating cost of the team.	£42,440
28	<b>Strategic Commissioning</b>	An efficiency review of will bring together similar activities and generate some operational efficiencies beginning in the 2010/11 financial year.	£50,000
29	<b>Access &amp; Inclusion</b>	A part time teacher post in the Learning Support Service is vacant and the post is not being filled	£26,350
30	<b>Safeguarding &amp; Specialist</b>	A range of business support functions are managed by Adults Health & Well Being on behalf of CYPS and this was a practical arrangement when the two relatively new Services were first set up. Both Services are reviewing the extent of provision with a view to reducing costs.	£50,000
		<b>Sub Total</b>	<b>£474,640</b>
	<b>Deployment of Grants</b>		

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
31	<b>Achievement Service</b>	Functions can be set against a Workforce Development grant and this will release revenue funding.	£28,200
32	<b>Extended Services</b>	As a consequence of LGR an Early Years provision at Chesterle- Street (Selby Cottage) transferred over. The net operating costs are to be set against the Early years & Surestart grant.	£24,420
33	<b>Extended Services</b>	After analysing the workload of the Head of Extended Services part of the employment costs can be set against the Early years & Surestart grant	£12,000
34	<b>Access &amp; Inclusion</b>	An amount has been allocated to CYPS via Area Based Grant to meet anticipated costs of specific secondary pupils(Extended Transport Rights) choosing to attend other than their nearest secondary school. Take up of this new facility has not been high. Part	£150,000
35	<b>Safeguarding &amp; Specialist</b>	Part of a grant provided for Workforce Development can be redirected to generate a saving	£22,500
36	<b>Finance Team</b>	A sum was provided in addition to Dedicated Schools Grant to fund LG Pension costs in schools, post LGR. This is to be replaced in the DSG budget plan for 2010/2011.	£400,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
37	<b>Finance Team</b>	The County Council manages some activity within the Dedicated Schools Grant. Spending on Minor Improvements has diminished and this budget will be replaced by CYPS revenue budget for Redundancy Payments to school staff.	£40,000
38	<b>Finance Team</b>	A small number of Early Years teachers are charged to the part of Dedicated Schools Grant managed by the County Council. Their are to be transferred to the Early Years & Surestart grant thus freeing up DSG to accommodate existing CYPS revenue costs.	£154,000
		<b>Sub Total</b>	<b>£831,120</b>
	<b>Reduced Activity/Budget Provision</b>		
39	<b>Achievement Service</b>	Following LGR the Service took over a rewards scheme under the banner of "Spicetacular" which operated in parts of Derwentside. In view of the limited scope this is not seen as a priority and it is intended to discontinue the arrangements from April 2010	£47,700
40	<b>Finance Team</b>	A small budget exists to cover the costs of new school openings & other similar events. In future any costs will be managed within the service cash limit.	£5,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
41	<b>Access &amp; Inclusion</b>	In previous years the County Council has provided support to the Show Racism the red Card campaign but whilst this is worthwhile it is not suggested as a future budget priority.	£15,000
42	<b>Achievement Service</b>	The Achievement Service draws on funds to pump prime or support school improvement or curriculum initiatives within schools and a reduction is proposed.	£10,000
43	<b>Finance Team</b>	Some support staff in schools who are not in a Pension Scheme attract entitlement to a gratuity payment when they leave their post ,dependent on length of service. The number of payments is reducing and this allows the budget to be decreased.	£10,000
44	<b>Extended Services</b>	Several schools have formal shared use schemes that attract funding from the Service. One primary school has ceased to operate as a shared use school and this produces a budget saving.	£2,500
		<b>Sub Total</b>	<b>£90,200</b>
		<b>GRAND TOTAL</b>	<b>£1,875,670</b>

## NEIGHBOURHOOD SERVICES

### SAVINGS 2010/11

Ref No.	Function	Proposal	Efficiency Saving Proposal
1	<b>Finance</b>	Business Transformation in Finance Function	£56,010
2	<b>All Finance, HR and Business Support</b>	Reduction in Supplies and Services Expenditure	£3,000
3	<b>HR</b>	Removal of Recruitment Budgets from Neighbourhoods - utilise "free media" (DCC Internet/Recruitment Portal and Public Sector 1), with any other recruitment costs (Trade Mags, MJ etc.) being met by services, covered via efficiencies within that service	£46,760
4	<b>HR</b>	Business Transformation HR function	£54,599
5	<b>Business Support</b>	GMB Union Representative currently undertaking full time union duties (50% Funded by GMB) continues in current capacity, with arrangement formalised. Would be a permanent full time official funded 50/50 by NS's and GMB	£13,782
6	<b>Business Support</b>	Review of stores - stationery and materials at County Hall and Meadowfield	£9,292
7	<b>Business Support</b>	Business Transformation in Administrative support to Area Offices	£26,670

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
8	<b>Business Support</b>	Business Transformation in Administrative support to Technical Services in County Hall	£4,060
9	<b>Business Support</b>	Business Transformation in Administrative support to Design Services	£14,140
	<b>All - Finance HR and BS Efficiencies</b>		<b>£228,313</b>
10	<b>Fleet</b>	Business Transformation of Fleet Function	£32,729
11	<b>Fleet</b>	Reconfigure Vehicle Service Intervals	£13,604
12	<b>Fleet</b>	Defects Book Rationalisation - Reduction on printing and clerical costs	£16,480
13	<b>Fleet</b>	Rationalise Safety Inspections - Reduction in Inspections from 6 to 4	£17,845
14	<b>Fleet</b>	Fleet Rationalisation (Refuse Collection Service)	£90,000
15	<b>Fleet</b>	Hackworth Road Depot - Savings on Security	£7,514



<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
16	<b>Fleet</b>	Hackworth Road Depot - Savings on Security (Re-tendering)	£11,000
17	<b>Fleet</b>	Chilton Depot - Savings on Security	£6,000
18	<b>Fleet</b>	Depot Rationalisation - Peel Street Depot	£30,000
19	<b>Fleet</b>	Depot Rationalisation - Sacriston Depot	£83,379
20	<b>Streetscene</b>	Business Transformation of Kerbside function	£580,000
21	<b>Streetscene</b>	Business Transformation of Technical Projects function	£37,600
22	<b>Streetscene</b>	Reduction in waste disposal costs (potentially linked to green waste phase 4).	£150,000
23	<b>Buildings</b>	Additional Income surplus - Catering and Cleaning Division	£50,000
24	<b>Buildings</b>	Surplus Generated by introduction of 4 day week for lift maintenance	£4,000
25	<b>Buildings</b>	Surplus Generated from the use of electrical component supplies framework	£10,000
26	<b>Buildings</b>	Surplus Generated for undertaking Gas Boiler Installations - Dale & Valley Homes	£6,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
27	<b>Buildings</b>	Surplus for undertaking re-roofing works recharged to Durham City Homes	£3,000
28	<b>Buildings</b>	Reduction in Cleaning Costs- Employee costs/ working practices reduced SLA	£30,000
29	<b>Buildings</b>	Removal of duplication re Client : Contractor	£60,000
30	<b>Buildings</b>	Rationalisation of Gas Servicing - Dale Valley Homes Contract	£36,000
31	<b>Buildings</b>	Business Transformation of Asbestos Removal Function	£90,000
32	<b>Buildings</b>	Business Transformation of Business Development Function	£34,000
33	<b>Buildings</b>	Procurement Savings	£28,397
	<b>All - Direct Services Efficiencies</b>		<b>£1,427,548</b>
34	<b>Strategic Waste</b>	Less Waste to landfill - Waste Reduction Plan, Waste Minimisation campaigns and Increased Recycling performance	£1,050,000
35	<b>Customer Services</b>	Savings in Supplies, Services and Equipment purchases	£80,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
36	<b>Customer Services</b>	Savings in Training and Development	£19,000
37	<b>Policy and Performance</b>	Savings in design and printing	£2,630
	<b>All - PPP Efficiencies</b>		<b>£1,151,630</b>
38	<b>Strategic Highways</b>	Review of protection arrangements	£15,000
39	<b>Strategic Highways</b>	Business Transformation - Winter Maintenance stand by rota (reduction by 1 month)	£2,500
40	<b>Strategic Highways</b>	Savings on Agency Budgets	£10,000
41	<b>Strategic Highways</b>	Business Transformation of Southern Area Highways office	£16,200
42	<b>Strategic Highways</b>	Capitalisation of new signs and lines - Aids to movement (new element) budget removed	£30,000
43	<b>Strategic Highways</b>	Reduction (25%) in Integrated Route Management (cats eyes, materials etc)	£10,000
44	<b>Strategic Highways</b>	Decrease cleaning and inspection frequency from 3 to 4 years	£10,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
45	<b>Strategic Highways</b>	Driving on Business – Working with Private Companies. Increase in Income re new training provision	£3,000
46	<b>Strategic Highways</b>	Business Transformation in School Crossing Patrol service.	£10,000
47	<b>Strategic Highways</b>	Capitalisation of patching and minor repairs on "A" roads. Full budget removed.	£65,000
48	<b>Strategic Highways</b>	Rationalisation of Highways Survey Regime	£20,000
49	<b>Highways Operations</b>	Value engineering - street lighting column wall thickness (reduced from 5mm to 3mm in locations <1000)	£30,000
50	<b>Highways Operations</b>	Stop painting street lighting columns (non conservation/heritage areas)	£10,000
51	<b>Highways Operations</b>	Business Transformation in Street Lighting (electronic data capture for street lighting faults and future operations) - savings in mileage costs	£10,000
52	<b>Highways Operations</b>	Review of response times - increase in target from 3 to 5 days	£30,000
53	<b>Highways Operations</b>	Business Transformation in Highways Operations	£31,800
54	<b>Highways Operations</b>	Fuel savings through driver awareness / training / efficient driving	£5,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
55	<b>Highways Operations</b>	Removal of duplication re Client : Contractor and better integration of Highways Operational and Strategic Highways	£60,000
56	<b>Highways Operations</b>	Depot Rationalisation - Etherley Dene Depot	£25,000
57	<b>Highways Operations</b>	Fleet Rationalisation - Street Lighting Service	£18,000
58	<b>Highways Operations</b>	Procurement Savings - sub-contractor payments	£11,000
59	<b>Highways Operations</b>	Business Transformation - Client / Contractor. Removal of duplication and inefficiency	£180,000
60	<b>Design Services</b>	Savings in Equipment Costs	£5,000
61	<b>Design Services</b>	Business Transformation of Design Function	£13,123
62	<b>Design Services</b>	Business Transformation of Design Function	£15,052
63	<b>Design Services</b>	Increase external charge out rate by 5%	£10,000
64	<b>Design Services</b>	Business Transformation of Design Function	£28,189

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
65	<b>Design Services</b>	Increase external charge out rate by 5%	£15,000
66	<b>Design Services</b>	Business Transformation of Design Function	£7,127
67	<b>Design Services</b>	Business Transformation of Design Function	£27,443
68	<b>Design Services</b>	Business Transformation of Design Function	£84,338
69	<b>All - Technical Services</b>	Reduction on Supplies and Services and Training	£35,000
	<b>All - TS Efficiencies</b>		<b>£842,772</b>
70	<b>Health Protection</b>	Business Transformation of Health Protection Function	£44,809
71	<b>Public Safety</b>	Business Transformation of Public Safety Function	£57,000
72	<b>Economic Wellbeing</b>	Business Transformation of Economic Wellbeing Function	£12,000
73	<b>Scientific Services</b>	Business Transformation of Scientific Services Function	£21,800

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
74	<b>Scientific Services</b>	Business Transformation of Scientific Services Function	£20,000
75	<b>All EH&amp;CP</b>	Additional Turnover / Staff vacancy savings	£20,000
76	<b>Public Safety</b>	Licensing fees and charges 2.5% increase (in addition to 1% MTFP Increase)	£25,000
77	<b>Health Protection</b>	Scores on Doors - Revisit Charges	£1,500
78	<b>Economic Wellbeing</b>	Primary Authority Partnership	£1,000
79	<b>Health Protection</b>	Increase in number of Sampling fees - Swimming pools/ schools kitchens previously undertaken by external providers	£2,500
80	<b>All EH&amp;CP</b>	Housing Act Notices - HHSRS Administration fees / Inspection fees	£1,000
81	<b>All EH&amp;CP</b>	Supplies and Services Efficiency saving by LGR reorganisation, mobile working and applying Lean principles, reducing waste, paper, subscriptions etc.	£50,000
	<b>All - EH&amp;CP Efficiencies</b>		<b>£256,609</b>
82	<b>Countryside</b>	Countryside -Hardwick Park - Grounds Maintenance Efficiency savings	£70,000

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
83	<b>Countryside</b>	Business Transformation of Countryside Function	£55,829
84	<b>Facilities Management</b>	Contracted Services - Leisureworks, reduction in financial contribution by DCC	£100,000
85	<b>Facilities Management</b>	Contracted Services - Leisureconnections, reduction in financial contribution by DCC	£35,000
86	<b>All - Sports and Leisure</b>	Supplies and Services 5% reduction across Leisure	£100,000
87	<b>All - Sports and Leisure</b>	Price Increases (in addition to 1% implicit in MTFP)	£200,000
88	<b>All - Sports and Leisure</b>	Sales increases	£140,000
	<b>All - S&amp;L Efficiencies</b>		<b>£700,829</b>
			<b>£4,607,701</b>

NOTE: £1.95m of the savings total relates to LGR savings.



**REGENERATION AND ECONOMIC DEVELOPMENT  
SAVINGS 2010/11**

<b>Ref No.</b>	<b>Function</b>	<b>Proposal</b>	<b>Efficiency Saving Proposal</b>
1	All	Transport Related Savings	£12,400
2	All	Supplies and Services Savings	£333,300
3	<b>Economic Development</b>	Reduction in Contribution to CDDC	£45,000
4	All	Management of Staff Vacancies	£727,600
			<b>£1,118,300</b>

**RESOURCES  
SAVINGS 2010/11**

Ref. No.	Function	Proposal	Efficiency Saving Proposal
1	<b>Finance</b>	Management of staff vacancies	£151,000
2	<b>ICT</b>	Savings in Support, Equipment Maintenance & Equipment Replacement	£309,800
3	<b>HR</b>	Management of staff vacancies	£85,000
4	<b>Legal &amp; Democratic</b>	Reduction in Supplies and Services	£23,000
5	<b>Legal &amp; Democratic</b>	Management of staff vacancies	£89,000
6	<b>Procurement</b>	Income Generation	£110,000
7	<b>Assets</b>	Management of Staff Vacancies	£151,000
		<b>TOTAL FOR RESOURCES</b>	<b>£918,800</b>

## APPENDIX F4

2009/10 Revised Original Budget £000	2009/10 Forecast of Outturn £000		2010/11		
			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
14,193	13,038	Assistant Chief Executive	16,055	4,520	11,535
163,706	163,665	Adults, Well-being and Health	254,409	61,527	192,882
94,601	98,526	Children and Young People's Service	287,622	164,931	122,691
0	0	Schools	304,649	304,649	0
95,850	100,332	Neighbourhood Services	213,545	106,812	106,733
53,578	53,240	Regeneration and Development	62,713	21,993	40,720
43,482	47,367	Resources	241,570	231,818	9,752
1,884	2,013	Centrally Administered Costs	0		0
12,223	9,158	Contingencies	8,471		8,471
8,851	8,851	LGR Transition Costs	1,260		1,260
<b>488,368</b>	<b>496,190</b>	<b>NET COST OF SERVICES</b>	<b>1,390,294</b>	<b>896,250</b>	<b>494,044</b>
		Surplus on trading activities not included in Net Cost of Services			
-28,814	-28,869	Reversal of Capital Charges			-29,993
23,966	20,868	Interest payable and similar charges			34,827
-2,435	-2,078	Interest and investment income			-2,077
-46,533	-46,577	Area Based Grants			-61,222
<b>434,552</b>	<b>439,534</b>	<b>NET OPERATING EXPENDITURE</b>		<b>896,250</b>	<b>435,579</b>
-193,590	-193,590	AMOUNT REQUIRED FROM PRECEPTS			-198,813
-2,400	-2,400	Estimated net surplus on District Council Collection Funds			-1,924
-1,250	-1,250	LPSA Reward Grant			
-42,037	-42,037	Revenue Support Grant			-29,333
-182,128	-182,128	Re-distributed Non Domestic Rates			-202,007
<b>13,147</b>	<b>18,129</b>	<b>SURPLUS (-) / DEFICIT FOR THE YEAR</b>			<b>3,502</b>

## SUMMARY OF SERVICE EXPENDITURE

	2009/10 Revised Original Budget	2009/10 Forecast Outturn	2010/11 Original Budget
	£000	£000	£000
<b>Expenditure:</b>			
Employees	306,716	302,517	307,736
Premises	27,847	28,247	27,363
Transport	42,180	45,087	49,827
Supplies and Services	171,442	171,253	322,118
Agency and Contracted Services	220,435	221,768	215,402
Transfer Payments	12,840	15,617	71,351
Central Support	1,657	1,575	39,595
Other	12,140	12,346	12,529
Capital Charges	28,915	28,915	29,993
<b>GROSS EXPENDITURE</b>	<b>824,172</b>	<b>827,325</b>	<b>1,075,914</b>
<b>Income:</b>			
Recharges to other services	136,853	128,358	125,402
Other Income	221,909	222,799	466,199
<b>NET EXPENDITURE</b>	<b>465,410</b>	<b>476,168</b>	<b>484,313</b>
Contingencies	12,223	9,158	8,471
Centrally Administered Costs	1,884	2,013	0
LGR Transition Costs	8,851	8,851	1,260
<b>Net Cost of Services</b>	<b>488,368</b>	<b>496,190</b>	<b>494,044</b>
Less:			
Reversal of Capital Charges	-28,814	-28,869	-29,993
Interest payable and similar charges	23,966	20,868	34,827
Interest and investment income	-2,435	-2,078	-2,077
Area Based Grants	-46,533	-46,577	-61,222
<b>Net Operating Expenditure</b>	<b>434,552</b>	<b>439,534</b>	<b>435,579</b>
Less:			
Use of Reserves	-13,147	-18,129	-3,502
LPSA Reward Grant	-1,250	-1,250	0
<b>Net Budget Requirement</b>	<b>420,155</b>	<b>420,155</b>	<b>432,077</b>

## **SERVICE COMMENTARIES – REVENUE AND PERSONNEL**

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

### **Assistant Chief Executive's**

#### **Executive Summary**

- 1 The Assistant Chief Executive's Office (ACE) comprises of Planning and Performance, Policy and Communications, Overview and Scrutiny, Partnerships and Community Engagement and the Civil Contingencies Unit. The Partnerships and Community Engagement Service has responsibility for the Area Action Partnerships which includes Neighbourhood Budgets and Members' Initiative Funds.
- 2 ACE is responsible for developing and coordinating the Council's policy and performance management framework; communications; community engagement; equalities and diversity; information governance; support to Scrutiny and Emergency Planning. This is achieved through strategic planning, supporting partnership working and implementing performance management, and ensuring that the Council is responsive to the needs of the community through information, research and community engagement. The Service is also responsible for the development and management of the Council's Corporate Improvement Programme and is taking a leadership role in developing the Council's approach to organisational development and change. ACE supports the Chief Executive and Corporate Management Team in realising the County Council's vision and priorities as articulated in the Sustainable Community Strategy (SCS) and Council Plan.
- 3 The following table details the original base budget and forecast outturn for 2009/10 together with the 2010/11 budget:

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	7,232	7,165	7,238
Premises	66	30	67
Transport	185	192	184
Supplies and Services	5,418	4,661	5,666
Agency and Contracted Services	0	0	0
Transfer Payments	3,134	3,140	2,829
Central Support	0	0	71
Other			0
Capital Charges	43	43	0
<b>GROSS EXPENDITURE</b>	<b>16,078</b>	<b>15,231</b>	<b>16,055</b>
<b>Income:</b>			
Recharges to other services	1,885	2,193	3,209
Other Income	0	0	1,311
<b>NET EXPENDITURE</b>	<b>14,193</b>	<b>13,038</b>	<b>11,535</b>

## Investments

- 4 ACE has made no bids for service investment during the period covered by this plan reflecting the fact that this is a new Service area, which has already realised most of its LGR savings.

## Savings

- 5 The forecasts included within the current Medium Term Financial Plan contain challenging efficiency savings targets for ACE totalling £1.80m over the coming three years. The efficiency savings target in 2010/11 is £0.29m. This will be achieved through a combination of savings in premises costs, together with the management of staff vacancies.
- 6 In addition to efficiency savings, the Service has also had to find further LGR related staffing savings of £0.09m.

## **Variation Between Years**

- 7 The major variations between the 2009/10 original budget and the 2010/11 original budget are due to:
- Savings as detailed above;
  - The inclusion of central support charges (expenditure) in the 2010/11 original budget;
  - The inclusion of central support recharges (income) in the 2010/11 original budget;
  - A recalculation of the 2010/11 budget for other income to more accurately reflect the level of charge from the Service to the Housing Revenue Account.

## **Implications for the Service**

- 8 During the Medium Term Plan period ACE is facing the following challenges:
- Developing, steering and programme managing the new Council's transformation agenda to ensure that the Council is recognised as high performing
  - Ensuring strong customer focus is maintained and developed within the Authority
  - Embedding flexible and effective service delivery across the organisation
  - Leading on implementation and reviewing 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
  - Coordinating the audit and inspection work across the organisation
  - Developing new corporate systems and strategies for the organisation.
- 9 ACE is taking forward the 'Altogether Better' improvement programme and will deliver against robust Service Improvement Plans in all areas.

## **Risk**

- 10 The main risks are linked to the capacity of the ACE to deliver the challenges outlined in paragraph 8 above the delivery of which will be a key factor in the Comprehensive Area Assessment (CAA). As well as affecting the CAA assessment, failure to deliver could also cause reputational damage to the Authority.

## **Value for Money**

- 11 The achievement of value for money is a key factor in all of the Service's activities. ACE performs a key leadership role in overseeing the transformational change of the Authority over the coming years.

## **Partnership Links**

- 12 ACE 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. ACE has a direct link to Area Action Partnerships to enable local issues and concerns to be appropriately co-ordinated and improved.

## **Sustainability**

- 13 The Council is committed to the principles of sustainable development and the achievement of these principles is monitored through the work of the Service. There is a clear alignment between the activities of ACE and the priorities agreed in the Sustainable Community Strategy.

## **Equalities and Diversity Impact**

- 14 ACE 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.



## Personnel Summary

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 £000
	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	
Policy & Communications	31	2	33	31	2	32	1,382
Planning & Performance	39	3	42	36	3	38.1	1,389
Partnership & Community Engagement	84	1	85	77	1	77.88	2,948
Overview & Scrutiny	7	0	7	7	0	7	304
Civil Contingencies Unit	12	2	13	12	2	13	470
Management	4	0	4	4	0	4	745
<b>Total</b>	<b>179</b>	<b>8</b>	<b>187</b>	<b>167</b>	<b>8</b>	<b>172</b>	<b>7,238</b>

## Adult, Wellbeing and Health

### Executive Summary

- 1 Adult, Wellbeing and Health operate in an environment of significant risk both operationally and financially. The key financial risks in the medium term are detailed below:
  - Continued increase in demographic demand especially in older people and learning disability services.
  - A continuing increase in the intensity of services required to be provided as people's needs become more complex.
  - Impact of the Government policy of personalisation and choice
  - A growing need to invest in preventative services to enable people to remain as independent as possible.
  - Public expectation of the availability, quality and choice of services provided.
- 2 Against this background, the Service continually evaluates and challenge the costs of service provision in an increasingly competitive market for adult care. The Service is also ensuring that service users on a consistent basis, partners provide joint funding where necessary and that income is maximised wherever possible.
- 3 Investments have been targeted to key service developments and are focused upon County Council Priorities. At the same time, wherever possible, savings have been identified which do not impact upon front-line services.
- 4 The Service will continue to manage and monitor budgets robustly whilst focusing upon achieving Value for Money. The Value for Money theme is key within the savings proposals to ensure we manage the service within available budgets whilst ensuring we continue to meet statutory requirements to provide services to those people with assessed adult care needs.
- 5 These savings have been identified as part of the Service's programme of utilising benchmark and performance management information ensuring Value for Money is achieved where ever possible.
- 6 The 2010/11 Revenue budget will enable Adults, Wellbeing and Health to continue to provide high quality services against a background of improvement in performance. Budgets will be monitored and managed robustly with reports on key risks being channelled through to Corporate Management Team, Cabinet and Overview and Scrutiny Committees in line with the agreed timetable.

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	67,057	66,705	66,272
Premises	4,102	4,388	5,641
Transport	4,597	4,555	4,695
Supplies and Services	11,469	11,737	12,066
Agency and Contracted Services	142,356	142,789	141,934
Transfer Payments	5,829	8,374	11,829
Central Support	541	541	10,624
Other	15	112	33
Capital Charges	1,761	1,761	1,315
<b>GROSS EXPENDITURE</b>	<b>237,727</b>	<b>240,962</b>	<b>254,409</b>
<b>Income:</b>			
Recharges to other services	2,966	3,012	2,582
Other Income	71,055	74,285	58,945
<b>NET EXPENDITURE</b>	<b>163,706</b>	<b>163,665</b>	<b>192,882</b>

## Investments

- 7 In 2010/11 additional investment totalling £6.30m has been identified for Adults, Wellbeing and Health services. This investment comprises £3.94m to cover increased investment based on 2009/10 service activity and £2.36m to meet new investment priorities in 2010/11.
- 8 Additional investments are focused, in the main, upon the Council Improvement Priorities as detailed below:
- Altogether wealthier: £0.53m comprising increased cultural activities and events and maintenance of cultural assets.
  - Altogether healthier: £5.26m supporting the social care needs of an increased number of older people, services for the growing numbers of adults with learning disabilities and improvements to mental health care provision.
  - Altogether safer: £0.51m comprising increased investment for domestic abuse services, performance improvements to Social Care Direct and increased adult safeguarding requirements.

9 Details of the investments can be found below:

- An additional £1.61m for additional volume demands in the Learning Disabilities Service. This investment will cover the full-year impact of new clients entering the service in 2009/10 and anticipated new demand in 2010/11, provide preventative support to older carers, provide additional support to ageing learning disabilities clients and ensure that learning disability clients of school leaving age receive the required level of care.
- An additional £2.50m to ensure that additional volume demands arising in Older People's services are met. Demographic trends in respect of older people are well documented, there continues to be an increase in both the numbers of older people requiring care and in the complexity of individuals care needs. The investment will also maximise clients' ability to retain their independence.
- An additional £0.95m to support the number of people entering the mental health service often with more complex care needs. The increase in the number of people with Aspergers is beginning to significantly impact service needs.
- An additional £0.20m to cover the related impact of these demographic pressures on the Home Equipment Loan service and transport provision.
- Investing £0.25m to ensure that the County Council contributes sustainable funding to support domestic abuse services.
- £0.15m has been made available to meet the increasing needs of safeguarding vulnerable adults. This is a significant area of risk for the service with referrals increasing from 246 in 2006/07 to 726 in 2008/09.
- An additional £0.11m to improve the support the reconfiguration of the Social Care Direct service through improved management arrangements, and increased training and capacity of staff.
- An investment of £0.40m for a growth in cultural activities to ensure culture plays its full part in delivering regeneration and social inclusion. This investment will also provide significant support for the City of Culture bid.
- An additional £0.13m to ensure the ongoing maintenance of inherited Libraries, Learning and Culture services such as the Locomotion Museum and the Apollo Pavilion.

## **Savings**

- 10 The savings required to be achieved by the Adults, Wellbeing and Health in 2010/11 amount to £3.35m.
- 11 The next three years will be particularly challenging for the Service with savings being required whilst demand for services continues to increase. It is important for the Council and Adults, Wellbeing and Health to balance the needs of service users and carers and continue to improve performance whilst ensuring value for money and greater efficiencies. Key savings themes are as follows:
  - Procuring similar levels of service from alternative providers more efficiently where appropriate.
  - Consistent and effective application of existing eligibility criteria.
  - Maximising income and utilising additional grant funding.
  - Improving preventative and initial response services to increase independence and reduce longer term dependence on care provision.
  - Reviewing management and support structures to ensure these correctly support the changing requirements of the service.
  - Ensuring best value from existing budgets.

## **Variation between years**

- 12 The variation in budget between financial years relates in the main to additional investment, savings, the impact of Government Grant changes and the application of pay and price inflation.
- 13 The key changes other than the growth and savings identified above are detailed below:
  - The full year effect of Local Government Review savings
  - Transfers of services between Service Groupings to reflect revised LGR reporting responsibilities
  - Revised accounting arrangements for Government Grants

## **Implications for the Service**

- 14 The Medium Term Financial Plan clearly links with the County Council's Improvement Priorities. The focus of the Service is to secure positive outcomes for the community, and specifically to achieve the County Durham Partnership Vision of "Altogether Better Durham" themes. In particular those themes relevant to Adults, Wellbeing and Health are:

- Altogether Wealthier
  - Altogether Healthier
  - Altogether Safer
- 15 The Service Improvement Plan 2010-2013 is focused upon these outcomes with finance targeted to areas where improvement and investment is necessary.
- 16 The Medium Term Financial Plan also reflects the significant legislative changes and Government policy requirements which are impacting upon Adults, Wellbeing and Health services. These include the requirements of 'Our Health, Our Care, Our Say' and "Putting People First: A Shared Vision and Commitment to the Transformation of Adult Social Care".
- 17 The Governments White Paper on Adult Social Care, expected in 2010, will have a major implications on the way in which social care is provided in the future. The impact of this will be included in the continuing development of the MTFP.

## **Risk**

- 18 Risk Assessment is an integral element of the Service's approach to financial management. The financial pressures faced by the Service are volatile with robust budget monitoring and appropriate reporting required to ensure managers have timely information available on which to base operational decisions.
- 19 The key financial risks facing the Service over the medium term are detailed below:
- Demographic demands across all client types could be higher than forecast. It is extremely difficult to accurately forecast these demands especially in the Older People's and Learning Disabilities Services. Activity in all of the major commissioning areas is monitored on a monthly basis. This ensures that an early warning can be given for the County Council to take action.
  - The savings to be achieved in 2010/11 have been risk assessed with a range identified as being high risk. Action plans are being developed for these risks with progress being reported to management teams initially on a regular basis.
  - The impact of pay and reward is not yet known but could be a significant financial risk to both the Service and the County Council.
  - Our health partners continue to face significant financial pressures. The Service is reliant upon joint funding in a range of areas which is likely to come under increased pressure.

## **Value for Money**

- 20 The Service continues to make significant progress in driving performance improvement. Central to this has been the systematic and robust approach taken to performance management and target setting. This approach is built around national performance frameworks which apply throughout the service making full use of national and local indicators in particular with regard to service user/client satisfaction levels. It is proposed to further develop the focus on financial performance at these performance sessions to further embed value for money principles throughout the Service.

## **Partnership**

- 21 The Service works within a range of Partnerships, both formal and informal, to provide cost effective and high quality services. These include partnerships with Health, the Government via GONE and with the voluntary sector. Issues of particular note are as follows:

- The Service and the County Durham PCT have reviewed and are implementing integrated team arrangements for Older People's services.
- The Service and the Tees, Esk and Wear Valley Priority Services Trust have reviewed and are restructuring the integrated team arrangements for Learning Disability services.
- The Joint Strategic Needs Assessment produced with NHS County Durham identifies the health and wellbeing need of the people in County Durham
- Service developments are underpinned by joint commissioning strategies and operational activities with the PCT including micro-management and joint purchasing arrangements
- The Joint Strategic Intelligence Threat Assessment (Crime and Disorder) provides an accurate picture of the current and emerging trends in relation to tackling crime and disorder in conjunction with Durham Constabulary.

## **Sustainability**

- 22 The proposals included in the investment and savings proposals for Adults, Wellbeing and Health are key to the sustainability of services provided to our service users and to ensure those services are high quality and meet service user's needs.
- 23 The proposals identified will enable more personalised adult care services to be delivered which offer more choice and control to service users and carers. This will lead to significant changes in the way the workforce operates and build more flexible service delivery which is able to meet the changing needs of service users.

## **Equalities Impact**

- 24 The Service's 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.
  
- 25 Whilst the equality impact has been reviewed for savings proposals the implementation of these proposals will require further development, reporting to Members and consultation with clients and customers as appropriate. It is intended that more detailed assessments will be undertaken in the course of this development.



## Staffing Budget 2010/11

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 (*) £000
	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	
Strategic Finance/Service Strategy	53	39	76.4	53	39	76.4	2,889
Policy, Planning & Performance	198	116	256.4	174	116	232.4	6,972
Commissioning	33	3	35.2	33	3	35.2	2,173
Adult Care	826	1032	1392.8	813	1032	1379.8	43,350
Libraries, Learning and Culture	184	316	307.4	176	314	297.4	7,266
Social inclusion	116	309	217	114	309	215	3,622
<b>Total</b>	<b>1410</b>	<b>1815</b>	<b>2285.2</b>	<b>1363</b>	<b>1813</b>	<b>2236.2</b>	<b>66,272</b>

(\*) Note. Employee budget figures include Gross Pay, National Insurance and Pension Costs (where appropriate). They are inclusive of provision for any enhancements and allowances and casual staffing costs. All staff budgets are net of a 3% turnover / efficiency saving assumption, that is the budgeted costs relate to 97% of the total structure costs. The 3% efficiency saving assumption equates to £2.026m.

## Children and Young People's Service

### Executive Summary

- 1 The Children and Young People's Service (CYPS) has faced unprecedented budget demands during the 2009/2010 financial year, a situation that is reflected nationally, associated with the volume of child protection and safeguarding referrals. The spending pressures impact particularly on Initial Assessment and Independent Review Teams, fostering placements, transport costs and the level of care proceedings. In the same period, there has been an increase in the number of cases where children have complex disabilities, often with medical needs and this trend is expected to continue.
- 2 CYPS continues to be affected by major Government policy changes and from April 2010, Learning and Skill Councils cease to exist and the Council will begin to take over funding distribution and commissioning responsibilities for Post-16 Learning and Training in school sixth forms, FE colleges and with other providers across the County. In a full year this is expected to result in a transfer of ring fenced grant for CYPS to manage, of around £52.00m. Conversely, from the end of the 2010/2011 financial year the Council will cease to administer Student Awards and this function will transfer to the Student Loans Company. The school landscape is also changing in line with the DCSF drive for diversity of provision and before long we will have Community schools, Federated schools, Foundation/Trust schools, Academies and schools operating under PFI contracts.
- 3 The County Council was one of two Local Authorities in England whose bid was chosen from September 2009 to operate a 2-year Free School Meals Pilot, for primary age pupils. This initiative is funded via contributions from Department for Children, Schools and Families (DCSF), Department of Health (DoH), NHS County Durham and the County Council and its schools. The initiative has proved to be highly popular and in the first term, take up figures had risen from less than 50% to approaching 90%; some schools are reporting 100% take up. 2010/2011 will be the only financial year where there will be a full year cost and this will be provided for in the 2010/2011 budget plan, drawing on DSG balances that have been approved by DCC Schools Forum.
- 4 CYPS continues to look to continue to contribute towards school improvement as a top priority (at September 2009 – Durham was ranked 20<sup>th</sup> out of 149 Local Authorities, for the % of pupils achieving 5 or more GCSE passes at A\* to C and we have some very impressive value added statistics). Maintaining front line services is a key strategy and for 2010/2011 the Service will be operating for the first time within a “cash limit”. Almost £1.90m of savings have been identified that are not expected to have a major impact on provision or Service delivery. The way functions are undertaken and services are

provided across CYPS is under ongoing review to ensure things are done in the most cost effective manner. CYPS is pressing forward with an ambitious Integrated Services development that will see DCC and Health functions come together to operate more efficiently and importantly in a more seamless way for service users. This is backed up by a DCSF capital grant to meet the costs of co-location.

- 5 Funding for schools is provided via the Dedicated Schools Grant (DSG) and 2010/2011 is the third year of a 3-year DCSF funding cycle. Working with DCC Schools Forum, the latest budget plan for 2010/2011 allows some real budget growth, with an estimated DSG of £288.38m providing extra resources to fund pay and other inflation, more special school places, ongoing Pay and Reward costs, improvement at Key Stage 4 and Key Stage 1 and give more resources to those schools with the highest levels of social deprivation. (Fuller details are contained within Section I).
- 6 The BSF Programme in County Durham is now in full swing; Wave 3 is underway in the East of the County, Durham Johnston is complete and the budget plans for this first round of development in County Durham are affordable. The outline business case for the next phase of BSF to affect Durham (Wave 6) is in preparation and this could impact on 21 of our existing schools and see the creation of 3 academies.
- 7 The majority of CYPS capital expenditure is funded via DCSF grant and notably funds available in 2010/2011 will allow new primary schools to be completed at Brandon and Esh Winning and planning and design to progress for new schools at Kirk Merrington and South Moor Greenland. Council funding will allow adaptations to be made in schools to allow Access for pupils with disabilities and to provide extra capacity at local primary schools to meet demand (Basic Need). A contractor has recently been selected to construct a new Secure Unit at Acyliffe and most of the capital spend will occur during 2010/2011.

### **Summary Budget Information**

- 8 Set out below is information about the CYPS budget across the standard expenditure and income headings. The projected overspend in 2009/2010 is attributable to volume pressures on Safeguarding and Specialist Services and the planned levels of investment in 2010/2011 will look to address this position.
- 9 The budget plans for 2010/2011 across the headings shown may be subject to revision as more precise spending plans are developed or grant information is clarified but the net revenue budget for the Service will remain constant.

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn*</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Local Authority Expenditure</b>			
Employees	74,958	74,894	76,502
Premises	3,526	3,708	4,158
Transport	16,903	16,991	17,020
Supplies and Services	71,689	71,991	76,486
Agency and Contracted	11,421	15,559	13,801
Transfer Payments	3,877	3,897	56,693
Central Support	0	0	11,451
Other	10,964	11,064	10,375
Capital Charges	9,071	9,071	21,136
<b>GROSS EXPENDITURE</b>	<b>202,409</b>	<b>207,175</b>	<b>287,622</b>
<b>Income:</b>			
Recharges to Other Services	6,136	6,509	8,901
Other Income	101,672	102,140	156,030
<b>NET EXPENDITURE</b>	<b>94,601</b>	<b>98,526</b>	<b>122,691</b>

- 10 The original budget column for 2010/2011 includes an estimate for the impact of new post-16 Education and Training responsibilities transferring from the Learning and Skills Council (LSC), with effect from 1 April 2010. Detailed discussion is in progress with LSC and representatives of the REACT (Raising Expectations) programme, set up by DCSF, to facilitate the transfer. It is important to emphasise that these functions are funded wholly by ring fenced Government grant and will therefore have **no net impact on the CYPS revenue budget.**
- 11 Post-16 grant funding is allocated across academic years running from 1 August to 31 July and in the 2010/2011 financial year, we will be processing 4 months payments for the 2009/2010 academic year and the first 8 months of the academic year beginning 1 August 2010.
- 12 By looking at the level of funds being paid during the 2009/2010 academic year and latest 2010/2011 estimates from LSC, the following sums have been provided for in the original 2010/2011 financial year budget for the County Council:-

	£000
School post 16 provision	20,599
FE colleges	28,954
Other providers	1,748
Education Business Partnerships	253
Post 16 transport	122
Staff transfer (ABG)	390
<b>TOTAL</b>	<b>52,056</b>

### Investment 2010/2011

- 13 Full details of planned CYPS investments for the 2010/2011 financial year are shown in Appendices F1 and F2 of the report. Only the highest priorities have been taken forward and all of the proposals relate to volume pressures associated with the need to safeguard or make specialist provision for children. Additional investment included in 2010/2011 budget plans is set out below:-

	£000
<b>Direct Payments</b> (Increasing numbers of payments to parents who choose to care for a child with a disability in a home setting and extra assessment capacity.)	320
<b>Agency Placements – Disabled and Complex Cases</b> (Increased volume of placements.)	640
<b>Looked After Children (LAC)</b> (Increased numbers resulting in higher spend on fostering placements, transport costs, legal fees and the Independent Review process.)	2,330
<b>Social Care Direct</b> (Improved arrangements and increased capacity to manage volume of referrals.)	350
<b>Initial Assessment and Children in Need Teams</b> (Extra staff to manage increased referrals and caseloads.)	600
	<hr/>
	<b>4,240</b> <hr/>

(**Note:** The CYPS base budget benefits from £0.32m insurance premium savings as a consequence of LGR and this enables the cost of Service investment in 2010/2011 to be reduced accordingly.)

## **Savings 2010/2011**

- 14 The budget planning process introduced for 2010/2011 requires services to be managed within cash limited budgets. This has been set at minus 2% of base budget and CYPS is therefore required to identify enough savings and efficiencies to deliver a viable budget. For CYPS a 2% saving is valued at around £1.80m and a full schedule of savings, with a total value of £1.87m is shown at Appendix F3.
- 15 The CYPS Senior Leadership Team is undertaking an ongoing review of all service provision in an attempt to identify efficiencies or ways of reducing costs, at the same time ensuring spending is on the highest priorities. This process will continue during 2010/2011 as the intention is to identify efficiencies that can then contribute towards an anticipated larger base budget reduction for 2011/2012.
- 16 The range of measures being taken forward during 2010/2011 includes:-

Non-filling of staff vacancies and Service restructuring; reduced staff costs associated with transfer of function; a review of the data collection and analysis function; review of Business Support functions; deployment of grant funding; reduced premises, training and supplies and Services' budgets; some small scale reduction of provision and level of activity supported.

## **Variations Between Financial Years**

- 17 The summary information for CYPS budgets, shown earlier in this section of the report, includes some noticeable year on year changes. Clearly delivering £1.90m of savings will have an across the board impact but this will be more than countered by £3.92m Service investment. The latter will largely impact on Employees and Agency and Contracted Payments. However, the most significant budget change relates to the transfer in of functions from the Learning and Skills Council. The impact is visible at the expenditure line for Transfer Payments, which rises by £51.66m. Income increases by a similar amount.
- 18 The first new BSF schools, operating under a PFI agreement should be open by January 2011 and this will result in more income via PFI credits and unitary payments being paid to providers.
- 19 Employee budgets will rise by about £0.72m due to transfer of responsibility from other DCC Services i.e. Social Care Direct, informal management, child protection admin. Similarly £0.49m has been added to premises budgets for repairs and maintenance into CYPS from 2010/2011 and this increases the employees budget.

- 20 The budget for former school and college staff pension costs of £2.40m has been moved into the CYPS revenue budget for 2010/2011.

## **Risk**

- 21 During preparation of the Medium Term Financial Plan the Service is aware of demand led parts of the budget and particularly the range of provision that can be collectively regarded as contributing towards the safeguarding of vulnerable children and specialist provision. It is important that the referrals process, mainly via Social Care Direct, is maintained at a high standard as this is a Service that can be inspected at short notice and poor performance can cause problems for the Service and the wider organisation. High profile cases nationally have highlighted the reputational risks associated with negligence or ineffective systems associated with child care services.
- 22 Home to School and College Transport spending is a significant budget item (£14.00m approximately) and increased demand for pupils with SEN and post-16 students are unpredictable. Aligned with a transport inflator strongly linked to oil/fuel costs, then this part of the budget has a considerable risk element.
- 23 Looking forward to 2011/2012 there is no clarity about the future of significant Government grant streams and CYPS activity is largely dependent on this. Examples are Early Years Grant, Standards Fund and Area Based Grant. A review of Dedicated Schools Grant is also expected and this could impact on schools. As a Service with high grant reliance, then changes in Government priorities present significant risks.
- 24 There is a significant reputational risk on the Authority associated with the transfer of responsibilities for post-16 education and training, from the LSC, in April 2010. Further Education (FE) colleges and other providers will be looking to see that subsequent fund transfers are made on time and in accordance with grant schedules provided by the Young People's Learning Agency (YPLA).
- 25 The BSF programme is moving forward at a pace and the outline business case for Wave 6 covers 21 schools, and the creation of 3 academies. The affordability of the programme needs to be secure and there are organisational and educational risks for pupils if projects do not proceed and open as planned. The programme uses receipts from the sale of surplus land at BSF schools and this is subject to risk because of variable land values. The programme is also sensitive to movements in the index used to adjust funding for building inflation; this index does not always match changes in the prices for contracts of the size and nature of BSF.

- 26 A contract for the construction of a new Secure Unit at Aycliffe has been let and there are risks if this does not remain on timetable as it could impact on an extensive contract with the Youth Justice Board. The overall funding package for the project has links to land disposal and this has risk for the Council's overall capital budget.

### **Value for Money**

- 27 The theme of better value for money (VFM) runs through the Medium Term Budget strategy. 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).
- 28 A review of the Department for Children, Schools and Families (DSCF) Section 52 comparative data collected and analysed across the whole of CYPS should result in a more streamlined, cost effective Service.
- 29 Work is ongoing with Local Authorities in the region to secure best value from independent fostering agencies.
- 30 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.
- 31 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 due to high building cost inflation.
- 32 The County Council makes use of annual DCSF Section 52 statistics for benchmarking purposes. An indication of VFM is the fact that DCC has been one of the lowest spenders per pupil on "statutory and regulatory duties" since the data was first published; this position was maintained in 2009/2010 with spend at £32 per pupil, which in cash terms is £1.80m below the County Council's average of £50, £1.70m below the Unitary Authority average of £49 and lower than all, but one, of the Council's ten statistical neighbours.
- 33 Via its Integrated Services initiative, CYPS is expected to realise lower operating costs along with other agencies, such as NHS County Durham and also provide service improvements. The Service will also participate fully in the review of office accommodation, post LGR, and already has plans to vacate rented accommodation at Kingsway (Bishop Auckland), Moor Chambers (Framwellgate Moor) and Upper Beveridge Way (Newton Aycliffe).
- 34 In early 2009, the County Council made a successful bid to operate a Primary Free School Meals Pilot over the 2 academic years 2009/2010 and 2010/2011. This spans 3 financial years and attracts



a significant amount of grant and funding contribution from NHS County Durham. Schools are making contributions from their budgets and use is being made of existing DCSF Standards Fund grant. At a meal take up level of 80% the revenue cost to the County Council will be about £0.85m over 3 financial years, but the overall investment value is expected to be £16.50m. On top of this, over £3.00m is expected to be invested in delivering and improving school kitchens and dining areas, funded via DCSF grants, NHS County Durham and School Devolved Capital allocations. The whole project represents good VFM for service users in County Durham and will leave a legacy of much improved school catering facilities.

### **Partnership Links**

- 35 The principles of partnership and cross Service planning and discussion about budgetary and Service priorities are integral to many parts of CYPS. The DCC Schools Forum is regarded by DCSF as one of the most effective in the Country. This includes Head Teachers, School Governors, Trade Unions and Professional Associations, Early Years Providers, LSC and Diocesan representatives.
- 36 Other multi-agency groups are involved in Local Children's Boards, Strategic Commissioning, Integrated Service Developments, Family Pathfinder initiatives, Teenage Pregnancy and the Education and Business Links Organisation, 4 Real (a young people's drug and alcohol misuse service) and The Full Circle (an integrated mental health service). The Education Development Service has Beacon status and works in partnership with other Local Authorities and organisations.
- 37 One of the most high profile examples of partnership working in support of a current initiative, relates to the Primary Free School Meals Pilot, where there has been input from a broad range of stakeholders.

### **Sustainability**

- 38 New schools are being designed with specific features to improve efficiency and running costs. Recommendations included in the DCSF's Sustainable Schools Framework are included in design briefs for new schools.

### **Equality and Diversity Impact**

- 39 We are committed to ensuring that our services are accessible to all, whatever their circumstances.
- 40 The range of efficiency savings set out in 2010/2011 has been subject to an equality Impact Assessment to ensure we minimise unfairness and to not have a disproportionately, negative effect on different ethnic groups, disabled people and men and women.

**Personnel Summary  
Dedicated Schools Grant (DSG)**

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 (*) £000
	No Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	No. Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	
Schools (*)	4,340	6,320	7,500	4,340	6,320	7,500	279,000
Access and Inclusion Services	276	215	407	282	216	413	14,317
Achievement Services	224	60	260	238	65	277	11,712
Extended Services	248	210	354	247	213	354	15,542
Finance Services	57	6	63	55	10	63	2,393
School & College Support	7	0	7	14	1	15	778
Standards Fund	12	6	16	12	7	17	764
Safeguarding and Specialist Services	730	138	794	775	156	850	29,248
Strategic Commissioning	82	10	87	99	10	104	3,107
Sure Start	185	161	283	223	180	321	5,031
<b>Total</b>	<b>6,161</b>	<b>7,126</b>	<b>9,771</b>	<b>6,285</b>	<b>7,178</b>	<b>9,914</b>	<b>361,892</b>

Includes employees funded by CYPS Revenue Budget, Dedicated Schools Grant, other external grants and trading accounts.  
(\* Decisions regarding numbers of school staff and staff budgets are matters for individual governing bodies)

## Non-DSG

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 (*) £000
	No Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	No. Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	
Access and Inclusion Services	99	45	125.72	100	46	127.22	4,671
Achievement Services	222	60	257.72	236	65	274.52	11,587
Extended Services	248	210	354.00	247	213	354.10	15,542
Finance Services	57	6	63.10	55	10	62.62	2,393
Safeguarding and Specialist Services	723	129	779.93	768	147	836.22	28,770
Standards Fund	12	6	16.11	12	7	16.70	764
Schools & Colleges			0.00	8	0	8.00	445
Strategic Commissioning	82	10	87.40	99	10	104.40	3,107
Sure Start	185	161	282.92	223	180	321.42	5,031
<b>Total</b>	<b>1628</b>	<b>627</b>	<b>1966.90</b>	<b>1748</b>	<b>678</b>	<b>2105.20</b>	<b>72,310</b>

(\*)Employee budgets are drawn from, external grant, trading accounts and the CYPS revenue budget.

## Neighbourhood Services

### Executive Summary

- 1 Neighbourhood Services delivers services that directly contribute to the quality of life in our communities and underpin delivery of the Council's strategic objectives. The Service is flexible and responsive to local, regional and national challenges and provides customer focussed high performing services that represent value for money. Central to this is a strong focus on resource management, and responsibility and accountability for financial governance.
- 2 Neighbourhood Services is committed to delivering first class and locally distinctive services to our residents and wider stakeholders, whilst ensuring that we positively contribute to collective and strategic priorities such as the need to tackle Climate Change and maintain the health of the natural systems on which we all depend.
- 3 Since coming together as a new Service Grouping within the new Unitary Durham County Council in April 2009, Neighbourhoods have demonstrated a strong commitment to continuous improvement, and a proven ability to provide both responsive and proactive services. High quality services have continued to be delivered whilst having to deal with a period of significant change and transformation as former District and County Council services have been brought together. The fact that services have not deteriorated and indeed have improved across a range of areas is a significant achievement.
- 4 The Medium Term Financial Plan has been prepared following careful consideration of existing and expected budget pressures; service investment needs, and also Members and community priorities. Each investment and efficiency proposal within the Plan is aligned to and supports the delivery of the Council's priorities, with particular focus on the delivery of the ***Altogether Greener, Altogether Safer, Altogether Wealthier*** and ***Altogether Better Council*** agendas.
- 5 Neighbourhood Services will continue to closely monitor and manage its financial performance against its budgets to ensure that not only are costs contained within the budget envelope, but importantly that value for money is secured from the use of public finances.

- 6 The following table shows the original base budget for 2010/11 analysed by CIPFA's Subjective Analysis, along with information regarding the 2009/10 budget and forecast outturn position.

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	89,790	84,402	90,270
Premises	10,314	10,330	10,195
Transport	17,624	20,984	25,061
Supplies and Services	31,679	26,840	22,599
Agency and Contracted Services	51,116	45,681	43,492
Transfer Payments	0	0	0
Central Support Costs	1,116	1,034	11,721
Other	0	0	766
Capital Charges	10,703	10,703	9,441
<b>GROSS EXPENDITURE</b>	<b>212,342</b>	<b>199,974</b>	<b>213,545</b>
<b>Income:</b>			
Recharges to other services	89,748	75,296	78,524
Other Income	26,744	24,346	28,288
<b>NET EXPENDITURE</b>	<b>95,850</b>	<b>100,332</b>	<b>106,733</b>

\* Position based on spend to 30/11/09 and projections to 31/03/10 as reported to Cabinet in January 2010 and considered by Overview and Scrutiny in February 2010.

### Investments

- 7 Service developments for 2010/11 totalling £1.18m supplement additional investment based upon 2009/10 activity of £4.67m in 2010/11 to provide a strong platform on which to develop and transform current service delivery, in what will most certainly be challenging times ahead.
- 8 Responding to feedback from local communities and Member concerns regarding the quality of public open space, the Service will invest £0.22m in additional weed spraying treatments next year. This will allow the Service to significantly increase the current level of treatment, which has become less effective in recent years as a result of the requirement to use more environmentally friendly chemicals.
- 9 Gully cleansing budgets will see additional investment of £0.45m, and this, together with a targeted "risk based" approach to gully cleansing

operations, will ensure that higher risk gullies are cleansed at a much higher frequency than in previous years and help mitigate against the risk of flooding.

- 10 Additional investment of £0.25m has been provided within Street Scene to provide additional capacity to treat priority footways in extreme weather conditions, utilising the specialist equipment procured in 2009/10 and building on the highly successful partnership initiative with the PCT to assist with street clearing activities following the heavy salting of carriageways and footpaths.
- 11 The Grounds Maintenance Service will benefit from investment of £0.26m in the base budget to accommodate the estimated costs of new plant and machinery, required to accommodate the bringing in-house of the service in the former Wear Valley area from April 2010 as a result of a review of operations in this area. A more comprehensive review of Grounds Maintenance services, to harmonise and improve service delivery across the County, is underway and improved levels of service will be delivered through this investment.
- 12 In relation to waste management, the MTFP builds in provision for increases in Landfill Tax payments to Government, totalling £1.30m in 2010/11; £1.25m in 2011/12 and £1.20m in 2012/13 (£3.75m in total) over the life of this plan. These unavoidable costs are unable to be met from within the cash limit of the Neighbourhood Service grouping.
- 13 Significantly, 2010/11 also builds in an additional £1.00m into the base budgets to cover the costs of extending the Green Waste service and maintaining / protecting the dry recycling services following the collapse of GreenCycle in early 2009/10. These investments, together with a revised Waste Management Strategy, will help the Council work towards meeting its landfill diversion and recycling targets in the coming years.
- 14 In 2010/11 a number of strategic investments will be made in the Service aimed at protecting existing levels of service from the loss of income due to the economic downturn. For example, investments in Technical Services (£0.98m), and Environment, Health and Consumer Protection (£0.15), will ensure that unachievable income budgets can be re-aligned without impacting on the level of service provided.
- 15 Following LGR, a strategic review of Safety Advisory Groups (SAG) has been undertaken and arrangements significantly strengthened through the creation of three SAG co-ordinators. This £0.06m investment supplements £0.05m found from within existing resources and provides a dedicated resource to this important area.
- 16 A range of further budget adjustments, totalling £0.60m have been built into the budgets to address some underlying pre-LGR budget pressures that have come to light as a result of detailed work undertaken in the current year. Issues include residual impacts from the Large Scale Voluntary Transfers of housing in the former Chester-le-Street District Council in

March 2008 and the former Sedgefield Borough Council in March 2009, together with the loss of external income / partner contributions and other rechargeable income.

- 17 These investments have been made to avoid the need for reductions in service to accommodate the budget shortfall and to place Neighbourhoods on an equal platform with other service groupings less affected by LGR as we move into the Cash Limit regime.

## **Savings**

- 18 The efficiency savings target for Neighbourhood Services in 2010/11 is £4.61m This consists of the following key items:

- Inflationary and Other Budget Pressures - £0.86m
- Neighbourhoods LGR Savings - £1.95m
- MTFP Cash Limit Reduction of 2% - £1.80m

- 19 Neighbourhood Services has carefully considered potential areas for savings and efficiencies, and has identified 88 proposals to achieve these savings targets in 2010/11. Each proposal has been built into the base budgets for 2010/11 and is supported by an outline business case. All savings proposals have been equality impact assessed, and none of the savings which have been proposed will have a significant detrimental effect on service provision. Every effort has been made to protect and wherever possible enhance front line service delivery.

- 20 The following are examples of key savings areas:

- Utilising efficiency opportunities presented by LGR;
- Service reviews which maintain or improve service provision and generate efficiencies;
- Procurement reviews leading to efficiencies;
- Active management of staff vacancy levels; and
- Maximisation of income streams

- 21 In addition to the efficiency proposals built into the 2010/11 budgets, a Value for Money and Efficiency programme has been established, designed to challenge all service areas within Neighbourhood Services. The initial reviews commenced in January 2010, and will last between three and six months each, running through to March 2011.

- 22 Based on current forecasts and assumptions, the savings targets in years 2 and 3 of the MTFP will be £4.99m in 2011/12 and £4.95m in 2012/13.

- 23 At this stage, savings proposals for future years have not been fully developed, indeed there may be additional budget pressures facing the new County Council from 2011/12 onwards once the extent of reductions in

public expenditure are clearer following the General Election in 2010. We have however already started work on developing proposals that might be taken forward in the later years.

### Variation between Years

24 The 2010/11 budget for Neighbourhood Services is based on the 2009/10 budget which has then been adjusted for the following issues:

- **LGR Savings / Efficiencies** – Neighbourhood Services will be required to achieve £1.95m LGR savings in 2010/11. In addition to this, a £0.60m reduction was made to the 2010/11 base budget as a result of a post LGR review of Insurance.
- **Service Investments** – An additional £5.95m has been injected into the budget. Further investments of £1.25m and £1.20m are included in years 2 and 3 of the MTFP to cover the estimated cost of Landfill tax in those years. These are the only adjustments provided for outside of the cash limit in those years;
- **HRA Adjustments** – The 2009/10 budgets included a range of recharges to the former districts' HRAs. A review of recharges has been carried out during 2009/10. This issue impacts significantly on areas of Neighbourhoods such as Street Scene, Repairs and Maintenance and Customer Services recharges. A base adjustment of £1.08m has been invested in Neighbourhood Services to compensate for this loss of income;
- **Capital Charges** – The 2009/10 budget for capital financing was £10.70m. These sums were removed, and then replaced with the updated Capital Financing Budgets for 2010/11. The net impact was a decrease of £1.12m between the two years.
- **2009/10 Pay Award Adjustment** – The 2009/10 budgets provided for inflation at 1.50%, however, the pay award settlement was only 1.0%. This produced budget savings in 2009/10, which were removed from all Service Groupings, therefore a £0.41m reduction was made to the 2010/11 base budget of Neighbourhood Services;
- **Centrally Administered Costs Adjustments** – These costs relate to the unfunded pension costs associated with Early Retirement / Voluntary Redundancies, and also an adjustment relating to Bad Debt Provisions. In 2009/10 these budgets were included within Centrally Administered Costs, but have been reallocated to each Service Grouping in 2010/11. The Neighbourhoods budget has been charged with £0.81m in 2010/11 to cover these costs;
- **Service Transfers** – As part of the 2010/11 budget preparation, a number of budget transfers have been made between Service Groupings to realign and correct budget allocations in 2009/10. The transfers impacting on Neighbourhood Services consisted of a combination of expenditure and income budget heads, which resulted in a net £0.22m reduction in the overall budget envelope for Neighbourhoods.



- **Other Adjustments** – These adjustments related to Pension Augmentation costs associated with Early Retirements / Voluntary Redundancies, Central Admin recharges (from Corporate Services), Customer Services recharges (out to other services), and Design Services recharges (out to other services).

### **Implications for the Service**

- 25 It was always acknowledged that the first year of operation of the new Council would involve identifying all of the issues arising from LGR and from the eight former Councils, and adjusting the budgets of the new service groupings so that all start from a known base at the beginning of the MTFP period. The MTFP incorporates these adjustments, along with the investments and efficiencies that have been outlined above.
- 26 Against the background of this MTFP, the coming three years will certainly be challenging. However, Neighbourhood Services is determined to continue providing high quality services in both a proactive and responsive manner.

### **Value for Money**

- 27 Over the next three years there will be even greater pressure on service revenue budgets to secure significant efficiencies and savings, at a time of increased public expectation for greater access and quality of service delivery. As a result, Neighbourhood Services is determined to ensure that all its services are provided in an efficient and effective manner that clearly demonstrates value for money.
- 28 In order to reinforce this concept, Neighbourhood Services have established a VFM/Efficiency Review programme to challenge all of its service areas. This is designed not only to generate savings and efficiencies wherever possible, but also to improve the quality of the services, and to help deliver the transformation agenda set out in the Corporate Improvement Programme.
- 29 In line with the Performance Management Framework, budget / performance reviews are regularly undertaken through Performance Clinics which look specifically at value for money and the delivery of targets, outputs, and outcomes set out in 'Group Targets and Service Priorities' and as detailed in the Service Improvement Plan in order to assist the Council in delivering its priority objectives and the priorities for improvement.
- 30 Neighbourhood Services strives for Value for Money in all aspects of its work and is continually reviewing how services can be delivered more effectively and efficiently.

## Risks

- 31 Risk Management underpins both strategic and operational service planning. The budgets have been prepared on a low / medium risk basis, striking a balance between service provision and investment needs. Based on the controls in place it is considered that the risk inherent within the budgets lies within the operational, managerial and financial capacity of the service during 2010/11.
- 32 Among the highest risks and issues that have been considered as part of the 2010/11 budget are:
- the completion of the organisational and staffing restructure;
  - the ongoing process of harmonisation of service delivery;
  - the rationalisation programme for depots and vehicle fleet;
  - the escalating costs of waste disposal and landfill tax;
  - the volatility / achievement of projected fees and charges / income levels;
  - the unpredictability of weather conditions and their impact on service delivery requirements, notably in terms of winter maintenance and incidents of flooding;
  - the volatility of energy and fuel markets, regionally, nationally and internationally;
  - the prevailing economic and market conditions;
  - the achievement of efficiency targets and programmes; and
  - the achievement of performance targets and outcomes;
- 33 Work has been ongoing throughout 2009/10 to build strong financial governance and risk management frameworks and embed these within Neighbourhood Services. A Strategic Risk Register has been established, which supplements operational risk registers aligned to service delivery plans. Quarterly progress update reports are considered by Neighbourhoods Management Team, with the outcome of this feeding into the Corporate Risk Register, considered by CMT and Audit Committee. These arrangements will continue throughout 2010/11 and beyond, and together with monthly budgetary control reporting, this will provide a degree of comfort and assurance in terms of the budget. In addition, regular financial monitoring reports incorporating forecasts of estimated outturns are submitted to Cabinet and subsequently considered by the Overview and Scrutiny Committee on a quarterly basis.

## **Partnership Working**

- 34 Neighbourhood Services are committed to working in partnership to ensure better, more joined up service delivery, which provides value for money and reflects the needs of our diverse communities.
- 35 Neighbourhood Services manages and delivers a broad range of key local services and has a significant role in the achievement of the County Council and County Durham Partnership's key strategies and plans; key to this is closely working with Members and other Service Groupings such as Adults, Wellbeing and Health, Children and Young People Services and Regeneration and Economic Development.
- 36 Neighbourhood Services support the priorities of the Altogether Safer Board and works closely with the Police; Fire and Rescue Service; and the PCT in this regard. The Neighbourhood Wardens service works with local communities to tackle issues of anti-social behaviour and enviro-crime, while the Countryside Management service has a well established and highly successful volunteer programme within local communities that adds real value and improvement to the Countryside.
- 37 Recently, the Civic Pride Initiative has been developed, and it is also planned to develop Neighbourhood Charters in the coming year to foster greater community cohesion and pride in local areas.
- 38 During 2009/10, Neighbourhood Services forged closer links with the Environment Agency, and developed strong relationships with key stakeholders. These partnerships will be key to delivering the Waste Management Strategy, which has been refreshed and updated during the last year.
- 39 The importance of having a strategic role regionally is also recognised, and strong links have been made with neighbouring Councils (joint Management Team Meetings are held with Gateshead Council and a joint Expression of Interest has been submitted for a Street Lighting PFI scheme with Stockton Borough Council); along with Government Office North East; DfT / Highways Agency; and DeFRA.

## **Sustainability**

- 40 Durham County will be a place where social, economic and environmental resources are managed in ways that do not compromise the quality of life of future generations or those in the wider world. The focus will be on improving the County's economy as the foundation for the future of our communities.
- 41 Neighbourhood Services is determined to help the Council achieve its sustainability objectives. The Service is a major employer in the County, with 3,244 FTE employed, many of which live in County Durham. In the coming year we intend to build on our highly successful Apprenticeship programme and remain fully committed to having a highly trained work force.

We have secured Future Jobs Fund support to engage and give opportunities to 74 young people on long term unemployment benefits, to work across the areas of Street Scene, Building Maintenance and Construction and Sports and Leisure.

- 42 The work that Neighbourhood Services carries out in order to maintain and improve the Highways infrastructure throughout the County contributes in a major way to the economic sustainability of County Durham as a whole, particularly during the winter months when ensuring the network is safe and operational is a key priority. This is supported by street scene services aimed at ensuring County Durham is an attractive and safe place to live, work in and visit. The standard of the local environment can and does have a direct impact on levels of crime and disorder in an area.
- 43 All the work that is carried out within the area of Sports and Leisure is designed to ensure that the residents of County Durham can be as active and healthy as possible. Increasing participation and tackling childhood obesity remain key strategic drivers that will underpin the Sports and Leisure Strategy in the coming years.
- 44 The Strategic Waste team promotes environmental sustainability by encouraging residents to increase their levels of recycling, and by finding more sustainable methods of disposing of waste than using landfill. We intend to continually review both our methods and frequencies of collections to ensure we maximise take up in terms of recycling activity. We also manage a number of household waste recycling centres across the County and work in partnership with the 3<sup>rd</sup> sector to promote recycling activity within local communities.
- 45 The Council has renewed its commitment to tackle climate change by making it a corporate priority, and to this end, has in place a carbon reduction target to achieve a 40% reduction in the CO<sub>2</sub> emissions caused as a direct result of its operations by 2015, and a 40% reduction in the area's CO<sub>2</sub> emissions by 2020.
- 46 The Council is committing resources to continue to take this forward and is in the process of developing a Carbon Management Reduction Plan and co-ordinate its implementation through a corporate senior officer group.
- 47 The Environment Partnership has identified climate change as one of its key priorities, and has established a working group of key stakeholders to drive forward this agenda.
- 48 The principles of the climate change agenda are based on achieving reductions in emissions and therefore consumption of energy and natural resources. This complements the Council's sustainability objectives of being both resource-efficient and environmentally responsible across all services and activities.

## **Equality and Diversity Impact**

- 49 Neighbourhood Services will ensure equality of service delivery, whilst effectively targeting services to address identified areas of inequality both within and between communities. Neighbourhood Services is committed to the aims set out in the Corporate Equality Plan:
- to provide fair and equal access to high quality services,
  - provide fair and equal access to employment and learning,
  - improve information and communication,
  - to work with communities, partners and other organisations; and
  - to manage our equality and diversity work.
- 50 The Council is currently working towards implementation of the Government's new Equality framework. There are 4 broad categorises of savings and efficiencies proposed in the Medium Term Financial Plan: Structural Changes; Rationalisation / Procurement; Business Transformation; and Income Generation.
- 51 Using the Council's Equality Impact Assessment guidelines each proposal has been carefully considered, within the context of limiting the potential for negative impact on frontline service delivery wherever possible. After carrying out this Impact assessment, it is considered that there are no specific groups (gender; disability; age; race/ethnicity; religion or belief; or sexual orientation) that have been targeted, or will be adversely affected as a result of any of the business transformation proposals put forward by Neighbourhood Services.

## Staffing Budgets 2010/11

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 (*) £000
	No Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	No. Full Time Employees	No. Part Time Employees	No. Full Time Equivalent Employees	
Corporate Director & PA	2	0	2.0	2	0	2.0	220
Finance, HR & Business Support	201	6	204.7	191	5	194.2	5,336
Policy, Planning & Performance	216	72	259.5	183	72	226.5	6,270
Waste Project	4	1	4.2	4	1	4.2	234
Environment, Health & Consumer Protection	165	14	169.2	161	12	164.2	5,716
Technical Services	551	276	614.0	543	275	605.5	16,700
Direct Services	1,416	575	1,642.3	1,404	575	1630.0	43,363
Sport & Leisure	247	194	348.1	246	194	347.1	10,009
<b>Total</b>	<b>2,802</b>	<b>1,138</b>	<b>3,244.0</b>	<b>2,734</b>	<b>1134</b>	<b>3,173.7</b>	<b>87,848</b>

## Regeneration and Economic Development

### Executive Summary

- 1 The Regeneration and Economic Development Directorate brings together several of the activities and functions undertaken at both County and former District level including Transport Strategy, Planning, Economic Development, Housing Strategy and Policy, Planning and Performance.
- 2 This unique service grouping enables 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.
- 3 The following table details the original base budget and forecast outturn for 2009/10 together with the 2010/11 budget:

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	23,579	23,742	23,674
Premises	948	931	805
Transport	1,641	1,228	1,637
Supplies and Services	30,537	27,860	22,058
Agency and Contracted Services	15,542	17,739	16,175
Transfer Payments	0	206	0
Central Support	0	0	2,745
Other	0	0	0
Capital Charges	4,427	4,427	-4,381
<b>GROSS EXPENDITURE</b>	<b>76,674</b>	<b>76,133</b>	<b>62,713</b>
<b>Income:</b>			
Recharges to other services	658	865	653
Other Income	22,438	22,028	21,340
<b>NET EXPENDITURE</b>	<b>53,578</b>	<b>53,240</b>	<b>40,720</b>

## **Investments**

- 4 Investments totalling £1.0m have been made in the Service linked to the Authority's corporate priority 'altogether wealthier'.
- £0.50m in the Transport Service to cover higher demand following the implementation of a revised concessionary fares policy.
  - £0.50m to compensate for a reduction in planning and building control fee income resulting from the current recession.

## **Savings**

- 5 The forecasts included within the current Medium Term Financial Plan include challenging efficiency savings targets for the Service totalling in excess of £4.70m over the coming three years. The efficiency savings target in 2010/11 is £0.66m. This will be achieved through management of staff vacancies, together with reductions in premises and supplies and services budgets.
- 6 In addition to efficiency savings the Service has also had to find further LGR related savings of £1.56m. The LGR savings comprise of the following:
- Staff savings of £1.42m
  - Saving in cost of insurances of £0.14m

## **Variation Between Years**

- 7 The major variations between the 2009/10 original budget and the 2010/11 original budget are due to:
- Savings and investments as detailed above;
  - A reduction of £8.0m in the area based grant allocation which is allocated to the Service. This sum has been used to support the Authority's Medium Term Financial Plan;
  - The inclusion of central support charges in the 2010/11 original budget. In the 2009/10 budget central support charges were held centrally;
  - A recalculation of capital charges to include deferred Government grant has resulted in a negative capital charges budget in 2010/11.

## **Implications for the Service**

- 8 The Service will face many challenges over the coming years. 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.
- 9 Service Improvement Plans prepared by all Heads of Service 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.



## **Risk**

- 10 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 wellbeing of the County
  - a continuing downturn in the housing market and improving housing choice
  - failure to achieve continued reduction of CO<sub>2</sub> 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.
- 11 The current global financial crisis will also have implications across all Services and could result in significant additional costs.
- 12 Consideration of risks have formed part of the budget process and informed the investment and savings proposals which have been put forward.

## **Value for Money**

- 13 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.

## **Partnership Links**

- 14 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. 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 Area of Natural Beauty (AONB) Partnership to name but a few. Working arrangements continue with a large number of voluntary, charitable and statutory organisations developed over a number of years.

## **Sustainability**

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

- 16 There are numerous projects that have had an impact, including Turning the Tide, Seaham Town Centre Regeneration, Durham Vision, Barnard Castle Vision and the Mineral Valleys Project. The AONB Management Plan ensures a sustainable context for economic, social and environmental development of this high value landscape area.

### **Equalities and Diversity Impact**

- 17 The Service remains 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 equality and diversity work is through regular reports to the Senior Management Team and through the Performance Management Framework.

## Personnel Summary

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 £000
	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	
Corporate Director and PA	2	0	2	2	0	2	224
Policy, Planning & Performance	37	0	37	37	0	37	455
Economic Development	239	6	242	227	6	230	4,917
Planning	224	52	268	216	52	260	8,348
Housing	311	54	365	304	54	358	5,343
Transport	165	18	176	161	18	172	4,387
<b>Total</b>	978	130	1,090	947	130	1,059	23,674

## Resources

### Executive Summary

- 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 – including Printing and Graphic Design
  - 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 frontline services and also to other public sector organisations largely on a 'fee' basis. The Service also manages a number of important frontline services such as council tax collection, housing benefits, registration of births, deaths and marriages, and the coroner's service.

- 3 The following table details the original base budget and forecast outturn for 2009/10 together with the 2010/11 budget:

	<b>2009/10 Revised Original Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Expenditure:</b>			
Employees	44,100	45,609	43,780
Premises	8,891	8,860	6,497
Transport	1,230	1,137	1,230
Supplies and Services	20,650	28,164	183,243
Agency and Contracted Services	0	0	0
Transfer Payments	0	0	0
Central Support	0	0	2,983
Other	1,161	1,170	1,355
Capital Charges	2,910	2,910	2,482
<b>GROSS EXPENDITURE</b>	<b>78,942</b>	<b>87,850</b>	<b>241,570</b>
<b>Income:</b>			
Recharges to other services	35,460	40,483	31,533
Other Income			200,285
<b>NET EXPENDITURE</b>	<b>43,482</b>	<b>47,367</b>	<b>9,752</b>

### Investments

- 4 An investment of £0.30m has been made in Corporate Resources to cover a reduction in income. This will provide a firm foundation for the Service going forward. This investment is linked to the Authority's corporate priority 'altogether wealthier'.

### Savings

- 5 The forecasts included within the current Medium Term Financial Plan include challenging efficiency savings targets for Corporate Resources totalling in excess of £4.0m over the coming three years. The efficiency savings target in 2010/11 is £0.63m. This will be achieved through management of staff vacancies, income generation and a reduction in expenditure on ICT support, maintenance and replacement.

6 In addition to efficiency savings the Service has also had to find further LGR related savings of £2.90m. The LGR savings comprise of the following:

- Saving in cost of housing benefit administration of £0.46m
- Saving in cost of council tax collection of £0.18m
- Accommodation savings of £0.63m
- Information Technology savings of £1.0m
- Support staff savings of £0.60m
- Saving in cost of insurances of £0.03m

### **Variation Between Years**

7 The major variations between the 2009/10 original budget and the 2010/11 original budget are due to:

- Savings and investments as detailed above;
- The inclusion of council tax and housing benefits payments in the 2010/11 supplies and services budget. These sums were held centrally in 2009/10;
- The inclusion of central support charges (expenditure) in the 2010/11 original budget;
- The inclusion of central support recharges (income) in the 2010/11 original budget;
- A recalculation of the 2010/11 budget for other income to more accurately reflect the level of charges to the Housing Revenue Account, together with the inclusion of housing benefit subsidy grant. The budget for housing benefit subsidy grant was held centrally in 2009/10.

### **Implications for the Service**

8 One of the main challenges for Corporate Resources is to build on work already underway to centralise transactional support services into a single unit building on existing good practice. This will involve bringing together and rationalising support staff and systems and identifying key areas for improvement in order to deliver high quality but low cost support services.

9 The overall aim is to ensure that all frontline 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.

10 The centres 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. The Council's property portfolio is to be rationalised to improve the Council's footprint and stimulate town centre development and surplus property will be disposed of realising value for reinvestment.

- 11 Unified procurement is allowing significant advantages in terms of aggregated purchasing power and is strengthening procurement as a cost effective and locally responsive route to service improvement.

### **Risk**

- 12 There are risks associated with bringing together the various financial systems onto the corporate financial system (ORACLE). Robust project management and reporting arrangements are in place to manage these risks. 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.
- 13 The harmonisation of the pay and conditions of all staff through pay and reward represents a significant risk to the Authority, both financial and organisational. This is being controlled through robust project management and regular reporting to Corporate Management Team and Members.

### **Value for Money**

- 14 Over the next three years there will be even greater pressure on service revenue budgets to secure significant efficiencies and savings. Corporate Resources plays a key role in ensuring that value for money is achieved throughout the Authority. In addition, performance management arrangements are in place to ensure that services are provided in an efficient and effective manner that clearly demonstrates value for money.

### **Partnership Links**

- 15 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.

### **Sustainability**

- 16 The Council is committed to the principles of sustainable development and the achievement of these principles is monitored through the work of the Service. Particular attention is placed on ensuring that the Authority plays its part on reducing carbon emissions and the position is continually monitored and reported on.

### **Equalities and Diversity Impact**

- 17 The principles of equality and diversity are embedded within the Human Resources and Organisational Development Service. This is continuously monitored through service self-assessments and impact assessments.

## Personnel Summary

Service Grouping	31 March 2010			31 March 2011			Employee Budgets 2010/11 £000
	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	Number Full Time Employees	Number Part Time Employees	Number Full Time Equivalent Employees	
Management	2	0	2.00	2	0	2.00	211
Assets	177	1	177.00	171	1	171.50	5,451
Finance	525	75	570.74	502	75	547.74	15,851
Human Resources	94	0	93.50	90	0	90.00	4,753
ICT	383	1	383.80	383	1	383.80	11,550
Legal & Democratic	214	0	214.00	211	0	211.00	5,964
<b>Total</b>	<b>1392</b>	<b>77</b>	<b>1439</b>	<b>1357</b>	<b>77</b>	<b>1404</b>	<b>43,780</b>



## **Section G – Capital Budget – Non-HRA**

- 1 The Council's Capital Strategy and Asset Management Plan is driven by corporate policy and investment priorities. Investment is carefully considered in terms of affordability/impact on revenue budgets and is proposed using a scored prioritisation process and by opportunities provided by external funding partners, providing that the opportunity aligns with Council priorities. The prioritisation of Capital Investment is overseen by a Member Officer Working Group (MOWG), Chaired by the Leader of the Council.
- 2 The MOWG have considered bids submitted in line with the factors detailed above and have recommended for approval schemes which are fully funded, address Health and Safety, contribute to Business Continuity and which help achieve the Council's priorities. In addition the MOWG have supported self-financing schemes.
- 3 Whilst considering the above the MOWG has also taken into account the financing available for the programme. Asset sales form an element of local authorities' capital financing plans. These 'capital receipts' are utilised to invest in the capital programme. The current recession has reduced demand for land and property significantly and, at the same time, land values have fallen. Against this background, a capital receipt target of £3.0m per annum has been set for each of the next two years.
- 4 To continue to invest in the infrastructure in the County during a period of recession, the Council needs to consider borrowing to support the capital programme. The Council receives 'Supported Borrowing' approvals from Government for capital investment. However, it is worth noting that "supported borrowing approval" is not fully supported through Revenue Support Grant.
- 5 After taking into account all factors a two year capital programme of £202.26m is recommended for 2010/11 and 2011/12. This programme requires £89.09m of borrowing. Revenue support has been built into the MTFP to finance repayment of £90.00m of borrowing. This will leave £0.91m unallocated, which MOWG will consider during 2010/11.
- 6 It is recognised that further work is necessary to develop a longer term capital strategy including optimisation of the Council's asset base to support the programme. Consideration is also required into alternative methods of financing capital expenditure.
- 7 Capital investment for Housing is detailed in Section E of this report.
- 8 The Council also recognises that there are capital schemes that will require support beyond the current two year programme e.g. Leisure facilities in Bishop Auckland as part of BSF developments, the BSF programme itself requires County Council support and the City of Culture bid, if successful, will

require investment. These schemes will be considered during the future development of the MTFP.

### 2009/10 Revised Capital Budget

9 A Revised Capital Budget of £162.46m was reported to Cabinet on 31 July 2009. Since that time the 2008/09 accounts of the County Council and the former District Councils' have been closed. Capital budgets to the value of £64.39m were slipped from 2008/09 into 2009/10. In addition, adjustments have been made in relation to the following:

- (i) additional grant funding received;
- (ii) transfers between Service Groupings;
- (iii) additional expenditure agreed by Cabinet.

10 After taking into account the above, the latest Revised Budget is detailed below:

<b>Service Grouping</b>	<b>Revised Budget July 2009</b>	<b>Revisions (including slippage from 2008/09)</b>	<b>Latest Revised Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
ACE	0.00	1.26	1.26
AWH	3.49	10.02	13.51
CYPS	68.10	8.04	76.14
Neighbourhoods	27.98	18.27	46.25
RED	57.31	28.93	86.24
Resources	5.58	2.98	8.56
<b>Total</b>	<b>162.46</b>	<b>69.50</b>	<b>231.96</b>

11 The forecast outturn for 2009/10 is attached as Appendix G1. It is forecast that most of the underspend will slip into 2010/11. This process of 'slippage' into 2010/11 will be considered by the MOWG.

### 2010/11 and 2011/12 Capital Programmes

12 On 29 January 2010 Cabinet agreed to recommend the allocation of resources to support an additional £90.00m capital investment. This will supplement grant funding, invest to save schemes, capital receipts, use of Reserves, contributions and revenue support from the Dedicated Schools Grant to provide a two-year capital programme of £202.26m.

- 13 The table below provides a summary of the Programme by Service Grouping. The table also provides details of the financing of the programme.

<b>Service Grouping</b>	<b>2010/11</b>	<b>2011/12</b>	<b>TOTAL</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Assistant Chief Executive	3.11	1.26	4.37
AWH	0.44	0.00	0.44
CYPS	63.72	26.30	90.02
Neighbourhoods	23.17	18.47	41.64
RED	20.02	18.96	38.98
Resources	17.58	9.24	26.82
<b>TOTAL PROGRAMME</b>	<b>128.03</b>	<b>74.23</b>	<b>202.26</b>
<b>Financed:</b>			
Borrowing	47.48	41.61	89.09
Borrowing – Supported by Revenue Contributions	4.54	12.84	17.38
Government Grant	67.57	16.78	84.35
Revenue Contributions – DSG	3.59	0.00	3.59
Capital Receipts	3.00	3.00	6.00
Reserves	1.85	0.00	1.85
<b>TOTAL</b>	<b>128.03</b>	<b>74.23</b>	<b>202.26</b>

- 14 Further detail can be found in the Appendices as detailed below:

Appendix G2 - Schemes requiring Council support

Appendix G3 - Self-Financing Schemes

Appendix G4 - Summary of full programme by Service Grouping

Appendix G5 - Detail of each of the schemes in the programme

APPENDIX G1

2009/10 CAPITAL BUDGET AND FORECAST OF OUTTURN

	Original budget	Slippage	Revisions	Total	Year to date	Projected Outturn as at Q3	Variance
	£000	£000	£000	£000	£000	£000	£000
Assistant Chief Executives	-	-	1,260	1,260	7	1,260	-
Adults Wellbeing and Health	3,494	9,396	623	13,513	2,388	5,313	8,200
CYPS	68,101	16,346	(8,310)	76,137	23,548	50,204	25,933
Neighbourhoods	27,980	20,531	(2,260)	46,251	11,179	25,073	22,528
RED	57,308	12,167	16,765	86,240	15,621	80,434	5,806
Resources	5,582	5,928	(2,950)	8,560	1,853	4,357	4,203
<b>TOTAL</b>	<b>162,465</b>	<b>64,368</b>	<b>5,128</b>	<b>231,961</b>	<b>54,595</b>	<b>166,639</b>	<b>66,672</b>

**2010/11 and 2011/12 CAPITAL PROGRAMME****SCHEMES REQUIRING COUNCIL SUPPORT**

	2010/11		2011/12	
	£	£	£	£
<b>ASSISTANT CHIEF EXECUTIVES</b>				
Members Neighbourhoods Budgets	1,260,000		1,260,000	
		1,260,000		1,260,000
<b>CHILDREN AND YOUNG PEOPLES SERVICE</b>				
Schools Access	948,590		948,590	
Basic Need	1,100,000		531,189	
		2,048,590		1,479,779
<b>NEIGHBOURHOOD SERVICES</b>				
LTP - Bridge Stock	2,430,000		2,800,000	
LTP - Carriageway Maintenance	7,415,000		7,500,000	
LTP - Street Lighting	917,000		1,000,000	
LTP - Area Programmes	1,813,000		1,326,000	
LTP - Members Budget	756,000		756,000	
Vehicle Plant and Maintenance	4,691,249		3,089,016	
Health and Safety Upgrades	264,000		0	
Winter Maintenance Plant	400,000		0	
Waste bins	180,000		0	
HAVS Vibration	150,000		0	
		19,016,249		16,471,016
<b>REGENERATION AND ECONOMIC DEVELOPEMNT</b>				
Seaham North Dock	500,000		0	
Disabled Facilities Grant	1,800,000		1,800,000	
Belmont Viaduct	200,000		300,000	
Play Strategies	50,000		0	
Eastgate	100,000		400,000	
Broadband	500,000		1,500,000	
Gypsy Travellers	2,400,000		2,170,000	
Town Centres	1,805,700		2,020,000	
East Durham Rail Halt	200,000		300,000	
Bishop Auckland Station	100,000		900,000	
Industrial Estates	1,875,000		1,875,000	
Barnard Castle Vision	1,174,000		1,887,000	
Durham City Vision	200,000		1,000,000	
Integrated Transport LTP	3,305,000		3,305,000	
Urban Rural Renaissance	500,000		500,000	
		14,709,700		17,957,000
<b>RESOURCES</b>				
Structural Maintenance	4,243,954		4,243,954	
IT Replacement	1,000,000		1,000,000	
DDA/Fire Safety	500,000		500,000	
CIP Project	9,500,000		3,500,000	
		15,243,954		9,243,954
<b>TOTAL PROGRAMME</b>		<b>52,278,493</b>		<b>46,411,749</b>

<b>CAPITAL FINANCING</b>			
<b>FINANCING METHOD</b>	<b>2010/11</b>	<b>2011/12</b>	<b>TOTAL</b>
	£	£	£
<b>TOTAL PROGRAMME</b>	<b>52,278,493</b>	<b>46,411,749</b>	<b>98,690,242</b>
LESS FINANCING AVAILABLE			
Government Grant	-1,799,000	-1,799,000	-3,598,000
Capital Receipts	-3,000,000	-3,000,000	-6,000,000
<b>FINANCING REQUIRED</b>	<b>47,479,493</b>	<b>41,612,749</b>	<b>89,092,242</b>

## APPENDIX G3

## 2010/11 and 2011/12 CAPITAL PROGRAMME

## SELF FINANCING SCHEMES

	2010/11		2011/12	£
	£	£	£	
Assets to Communities - ACE	1,850,000		0	
Building Schools of the Future	0		10,838,000	
SALIX Energy Efficiency - Neighbourhoods	1,156,498		0	
Durham Crematorium - Neighbourhoods	300,000		2,000,000	
Oracle Projects Module - Neighbourhoods	750,000		0	
SALIX Energy Efficiency - Assets	2,336,000		0	
<b>TOTAL</b>		<b>6,392,498</b>		<b>12,838,000</b>

## CAPITAL FINANCING

FINANCING METHOD	2010/11	2011/12	TOTAL
	£	£	£
Borrowing - Supported by Revenue contributions	4,542,498	12,838,000	17,380,498
Reserves	1,850,000	0	1,850,000
<b>TOTAL</b>	<b>6,392,498</b>	<b>12,838,000</b>	<b>19,230,498</b>

## 2010/11 and 2011/12 CAPITAL PROGRAMME

## ALL SCHEMES BY SERVICE GROUPING

	2010/11		2011/12	
	£	£	£	£
<b>ASSISTANT CHIEF EXECUTIVES</b>				
Members Neighbourhoods Budgets	1,260,000		1,260,000	
Assets to Communities	1,850,000		0	
		3,110,000		1,260,000
<b>ADULT WELLBEING AND HEALTH</b>				
Mental Health Grant	236,000		0	
Adult Care IT Infrastructure Grant	200,026		0	
		436,026		0
<b>CHILDREN AND YOUNG PEOPLES SERVICE</b>				
Schools Devolved Capital	9,142,270		0	
Structural Maintenance - DSG	3,592,900		0	
Primary Capital and Modernisation	14,395,391		0	
Primary Extended Schools	476,529		0	
<b>Building Schools of the Future</b>	20,037,000		24,822,000	
Harnessing Technology	2,240,820		0	
Sure Start, Disabled Children and Youth Capital	3,222,408		0	
PCT Co-Location Funding	5,155,450		0	
TCF Standards and Diversity	3,407,744		0	
Schools Access	948,590		948,590	
Basic Need	1,100,000		531,189	
		63,719,102		26,301,779
<b>NEIGHBOURHOOD SERVICES</b>				
Household Waste Recycling Centres Improvements	316,890		0	
A167 Capitalised Maintenance	1,025,000		0	
Playbuilder Programme	603,687		0	
LTP - Bridge Stock	2,430,000		2,800,000	
LTP - Carriageway Maintenance	7,415,000		7,500,000	
LTP - Street Lighting	917,000		1,000,000	
LTP - Area Programmes	1,813,000		1,326,000	
LTP - Members Budget	756,000		756,000	
Vehicle Plant and Maintenance	4,691,249		3,089,016	
Health and Safety Upgrades	264,000		0	
Winter Maintenance Plant	400,000		0	
Waste bins	180,000		0	
HAVS Vibration	150,000		0	
SALIX Energy Efficiency - Neighbourhoods	1,156,498		0	
Durham Crematorium	300,000		2,000,000	
Oracle Projects Module	750,000		0	
		23,168,324		18,471,016



<b>REGENERATION AND ECONOMIC DEVELOPEMNT</b>			
Transit 15	3,400,000		1,000,000
Housing - Growth Point	1,756,000		0
Road Safety improvements	151,385		0
Seaham North Dock	500,000		0
Disabled Facilities Grant	1,800,000		1,800,000
Belmont Viaduct	200,000		300,000
Play Strategies	50,000		0
Eastgate	100,000		400,000
Broadband	500,000		1,500,000
Gypsy Travellers	2,400,000		2,170,000
Town Centres	1,805,700		2,020,000
East Durham Rail Halt	200,000		300,000
Bishop Auckland Station	100,000		900,000
Industrial Estates	1,875,000		1,875,000
Barnard Castle Vision	1,174,000		1,887,000
Durham City Vision	200,000		1,000,000
Integrated Transport LTP	3,305,000		3,305,000
Urban Rural Renaissance	500,000		500,000
		20,017,085	18,957,000
<b>RESOURCES</b>			
Structural Maintenance	4,243,954		4,243,954
IT Replacement	1,000,000		1,000,000
DDA/Fire Safety	500,000		500,000
CIP Project	9,500,000		3,500,000
SALIX Energy Efficiency - Assets	2,336,000		0
		17,579,954	9,243,954
<b>TOTAL PROGRAMME</b>		<b>128,030,491</b>	<b>74,233,749</b>

<b>CAPITAL FINANCING</b>			
<b>FINANCING METHOD</b>	<b>2010/11</b>	<b>2011/12</b>	<b>TOTAL</b>
	£	£	£
Borrowing	47,479,493	41,612,749	89,092,242
Borrowing - Supported by Revenue contribuitons	4,542,498	12,838,000	17,380,498
Government Grant	67,565,600	16,783,000	84,348,600
Revenue Contributions - DSG	3,592,900	0	3,592,900
Capital Receipts	3,000,000	3,000,000	6,000,000
Reserves	1,850,000	0	1,850,000
<b>TOTAL</b>	<b>128,030,491</b>	<b>74,233,749</b>	<b>202,264,240</b>

**APPENDIX G5**

**CAPITAL PROGRAMME – 2010/11 and 2011/12**

The final column below identifies the link with the County Council’s Corporate Priorities. The prefix in the column is explained below:

**Prefix Corporate Priority**

- W - Altogether Wealthier
- H - Altogether Healthier
- S - Altogether Safer
- CYP - Altogether better for Children and Young People
- G - Altogether Greener

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**2010/11 & 2011/12 – Fully Funded Capital Schemes**

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<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
		<b>£</b>	<b>£</b>	
<b>AWH</b>	<b>1. Mental Health Grant</b> Enables investment in infrastructure projects in partnership with key stakeholders	236,000	0	H
	<b>2. Adult Social Care IT Infrastructure Grant</b> Enables investment in wide range of IT developments with the aim of improving services to the public.	200,026	0	H
	<b>TOTAL FOR AWH</b>	<b>436,026</b>	<b>0</b>	

Service Area	Commentary	2010/11	2011/12	Priority
CYPs	<p><b>1. Devolved Capital</b> All schools (nursery, primary, secondary, special and the Pupil Referral Unit) receive an annual devolved capital allocation, based on a DCSF formula, which is managed and prioritised by each school's Governing Body. It is used to fund large scale improvements to school buildings and the purchase of ICT hardware and network installations.</p>	<p>£ 9,142,270</p>	<p>£ 0</p>	CYP
	<p><b>2. Structural Maintenance – Dedicated Schools Grant</b> Part of the Dedicated Schools Grant is used each year, with the agreement of Schools Forum, to fund major repair and maintenance and renewal projects affecting school business. Typical projects are: - boiler replacement; electrical rewiring, roof replacements, structural repairs and asbestos removal.</p>	3,592,900	0	CYP
	<p><b>3. Primary Capital and Modernisation Programme</b> In July 2008, Cabinet agreed a School Capital 5-year programme for the period 2008/2009 through to 2012/2013. This was part of a document produced for the DCSF under their “Primary Strategy for Change” and was an essential requirement before DCSF would allocate capital for this purpose to the County Council. A key point to note was the expectation that any Capital receipts associated with school buildings and sites would be reinvested in the programme.</p>	14,395,391	0	CYP

Service Area	Commentary	2010/11	2011/12	Priority
<b>CYPS (cont)</b>	As part of this process, Council priorities, specifically relating to seventeen schools, for the first four years of the programme were identified. Some are well underway and others are in the design and planning stage. (One of our original projects, Shotton Hall Primary School, is now being constructed under a PFI contract and as a consequence part of the grant allocation for 2009/2010 has been converted to PFI credits).			
	<p><b>4. Primary Extended Schools</b> The funds are to develop primary schools so they are in a position to be able to deliver the Extended Schools agenda which makes schools accessible before and after the time of the normal schools day. At this stage, a range of projects is being considered but it is probable that part of the grant will add to the facilities being provided at the new Brandon Primary School.</p>	476,529	0	CYP
	<p><b>5. Building Schools of the Future</b> The County Council is undertaking new school building projects and major refurbishments as part of the Government's Building Schools for the Future initiative. The funding source is complex and includes capital grants, PFI credits, receipts from land and building disposals and borrowing. The first wave of projects in County Durham covers East Durham and began construction during the 2009/2010 financial year. Durham Johnston School was an advance inclusion to the programme and was completed by August 2009.</p>	20,037,000	13,984,000	CYP

Service Area	Commentary	2010/11	2011/12	Priority
<b>CYPS (cont)</b>	<p>A further £10.84m of expenditure in 2011/12 will be financed via borrowing with funds set aside in the DSG to finance the debt repayments.</p> <p>The County Council will need to support the BSF programme with a commitment of £7.40m expected to be required in 2012/13.</p>			
	<p><b>6. Harnessing Technology</b> 75% of this grant must be devolved to schools and it is used to support purchases of ICT infrastructure and equipment upgrades.</p> <p>The retained grant is managed by the Head of ICT and is used for broadband and other ICT infrastructure developments and a learning platform that is of direct benefit to schools.</p>	2,240,820	0	CYP
	<p><b>7. SureStart and Youth Capital</b> Grants are received to support developments in Children's Centres, other Early Years provision, facilities for children with a disability and community facilities for young people.</p>	3,222,408	0	CYP
	<p><b>8. PCT Co-Location Fund</b> The Local Authority was awarded a DCSF grant to support the co-location and integration of services within the County. This will allow a group of front line services to be delivered from one outlet and incorporate other agencies such as NHS County Durham. Most of the grant is expected to be deployed during 2010/2011 – there will be a mix of major premises refurbishment, redesign and new build.</p>	5,155,400	0	CYP

Service Area	Commentary	2010/11	2011/12	Priority
<b>CYPS (cont)</b>	<p><b>9. TCF Standards and Diversity</b> DCSF recently announced two new grant funding streams that are intended to support the developing 14 to 19 curriculum.</p> <p>From a total grant of £3.63m, it is intended about £3.06m will be spent in 2010/2011 to develop a building at Newton Aycliffe, to enable the manufacturing diploma to be offered to students. In addition, from a total grant of £490,000, it is estimated £340,000 will be deployed in the rural west of the county to fund developments at Wolsingham, Staindrop and Teesdale to facilitate delivery of diploma studies courses.</p>	3,407,744	0	CYP
	<b>TOTAL CYPS</b>	<b>61,670,512</b>	<b>13,984,000</b>	

Service Area	Commentary	2010/11	2011/12	Priority
N/hoods	<p><b>1. Household Waste Recycling Centres Improvements</b> Investment in recycling initiatives and improvements to the Household Waste and Recycling Centres. 100% grant funded through DeFRA.</p>	316,890	0	G
	<p><b>2. A167 Capitalised Maintenance</b> Investment relates to 4 schemes in respect of works to the A167 (Thinford to Croxdale; Nevilles Cross Traffic Lights; Chester Moor; and Duals South of Gretna) which was de-trunked in 2003. This will improve the condition of the highway as well as improve road safety. 100% grant funded through DfT.</p>	1,025,000	0	S/W
	<p><b>3. Playbuilder Programme</b> The Playbuilder programme provides high quality, natural play equipment for children between the ages of 8 – 13 years. This investment will provide eleven new play areas across the County and is 100% grant funded by DCSF.</p>	603,687	0	H/S
	<b>TOTAL NEIGHBOURHOOD SERVICES</b>	<b>1,945,577</b>	<b>0</b>	



Service Area	Commentary	2010/11	2011/12	Priority
RED	<p><b>1. Transit 15</b> This project aims to continue to provide improved and more reliable bus travel by reducing journey times, tackling known delay points and increasing the frequency of some services on key routes. Regional funding of £5.00m has been made to cover most of the cost of 26 highway improvements/bus priority schemes across 7 key travel corridors in County Durham.</p>	3,400,000	1,000,000	
	<p><b>2. Housing Growth Point</b> The Growth Point allows the development of plans which can assist in the delivery of sustainable communities and involves dovetailing housing growth with economic development, environmental enhancements and social care, health and education improvements. The Durham Growth Point aims to create 14,500 net additional homes before 2016 in the districts of Easington, Sedgefield and Wear Valley. This external grant funding is specifically allocated to meet the cost of junction layout/capacity improvements for the A19 Burnhope Way roundabout and other junctions in Peterlee</p>	1,756,000	0	
	<p><b>3. Road Safety Improvements</b> Additional funding required to support measures to improve Road Safety throughout the County.</p>	151,385	0	
	<b>TOTAL RED</b>	<b>5,307,385</b>	<b>1,000,000</b>	
	<b>TOTAL - FULLY FUNDED SCHEMES</b>	<b>69,359,500</b>	<b>14,984,000</b>	

**2010/11 & 2011/12 – Schemes Requiring Council Support**

Service Area	Commentary	2010/11	2011/12	Priority
ACE	<p><b>1. Members' Neighbourhood Budget</b>            £10,000 per Member for investment in local priorities.</p>	£ 1,260,000	£ 1,260,000	ALL
	<b>TOTAL ACE</b>	<b>1,260,000</b>	<b>1,260,000</b>	

Service Area	Commentary	2010/11	2011/12	Priority
CYPS	<p><b>1. Schools Access Initiative</b>            The School Access Initiative allocation from DCSF is intended to improve access for disabled children in schools and is fully committed each year. The adaptations made in County Durham schools significantly reduces the number of pupils having to be educated 'out of county', which happens if our schools cannot meet their needs. The costs of 'out of county' provision is extremely high. Adapting our own schools is a far more cost effective local solution. There is a statutory duty on the Authority to provide adequate and accessible local school places in line with parental choice. Typically there can be 60 to 70 projects a year funded via the Access Initiative.</p>	£ 948,590	£ 948,590	CYP
	<p><b>2. Basic Need</b>            For situations where there is a shortage of current and projected local school capacity. This is a key part of the Local Authority's role to ensure there are sufficient, appropriate school places accessible to parents and pupils in local</p>	1,100,000	531,189	CYP

	communities and it is a statutory duty on the Authority. Early approval of funding improves the chance of projects, which will be adding one or two classrooms to school buildings, to be completed by March 2011. Smaller scale projects will allow former classroom spaces to be brought back into use via internal adaptations.			
	<b>TOTAL CYPS</b>	<b>2,048,590</b>	<b>1,479,779</b>	

<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
<b>N/hoods</b>	<p><b>1. Highways Capitalised Maintenance – Bridges</b> Investment based on LTP2 and TAMP commitments in terms structural maintenance of Bridges in the County. This allocation is essential for the ongoing maintenance of the highway network infrastructure, and leads to an improved environment, enhanced choice, access to sustainable integrated transport networks and bridge conditions.</p>	2,430,000	2,800,000	S/W
	<p><b>2. Highway Capitalised Maintenance – Carriageways</b> Investment based on LTP2 and TAMP commitments in terms structural maintenance of Carriageways across the County. This allocation is essential for the ongoing maintenance of the highway network infrastructure, and leads to an improved environment, enhanced choice, access to sustainable integrated transport networks and bridge conditions.</p>	7,415,000	7,500,000	S/W

Service Area	Commentary	2010/11	2011/12	Priority
N/hoods (cont)	<p><b>3. Highway Capitalised Maintenance – Street Lighting</b> Investment to support annual column replacement and upgrade requirements to the Street Lighting network, based on strategic risk assessment of the existing stock. The investment will support energy and Co2 emission reductions, and also a more balanced natural environment with a reduced impact on climate change and a reduction in the County Council's impact on climate change. The 2010/11 allocation is £405K less than the allocation of 2009/10.</p>	917,000	1,000,000	S/W
	<p><b>4. LTP – Area Programmes</b> Investment based on LTP2 and TAMP commitments to support community transport schemes, in accordance with LTP2 / TAMP commitments. This investment is essential for enhanced choice and access to sustainable integrated transport networks.</p>	1,813,000	1,326,000	S/W
	<p><b>5. LTP – Members Budget</b> Investment based on LTP2 and TAMP commitments to support the annual LTP Capital Allocation for Local Area Measures Allowance. Investment aimed at environmental improvements based on member ward priorities, to enhance choice and access to sustainable and integrated transport networks, plus improved road and footway condition.</p>	756,000	756,000	S/W

Service Area	Commentary	2010/11	2011/12	Priority
N/hoods (cont)	<p><b>6. Vehicle Plant and Maintenance</b> Investment to support the planned vehicle fleet replacement programme. This is necessary to ensure that the Authority operates vehicles which are safe, reliable and present a good outward facing image to the community it serves. In order to achieve this, vehicles are replaced at the end of their economic life. Budget provides for the replacement of vehicles previously purchased that are due for renewal in 2010/11 and 2011/12.</p>	4,691,249	3,089,011	S
	<p><b>7. Health and Safety Upgrades</b> Investment required to undertake essential Health and Safety upgrades to former District Operating Depots to ensure compliance to minimum legislative standards. This will enable the County Council to provide a modern approach and flexible service.</p>	264,000	0	S
	<p><b>8. Winter Maintenance Plant</b> Investment to increase the gritter fleet by x4. These replace the gritters that were previously leased by the former Easington DC but returned in 2008/09. This fleet has had to be increased in 2009/10 through the use of hire vehicles.</p>	400,000	0	SW

Service Area	Commentary	2010/11	2011/12	Priority
	<p><b>9. Waste Bins</b> Investment to support the procurement of new wheeled bins, required for new build properties, and also to replace those that have been stolen, vandalised, or at the end of their useful life. New recycling boxes and bags are also required for new build properties, along with those needed for replacements and expansion of the service. Trade waste bins are required for new customers, in particular those in Wear Valley and Durham City where the service is not currently provided. In addition the recycling Bags and Boxes initiative is being rolled out to further areas throughout the County.</p>	180,000	0	G
	<p><b>10. HAVS Vibration</b> Investment to support the purchase of equipment to monitor the usage of vibratory tools on operational sites. Currently, in the absence of an electronic monitoring system, the Council is not fully compliant with Health &amp; Safety legislation and is vulnerable to claims.</p>	150,000	0	S
	<b>TOTAL</b>	<b>19,016,249</b>	<b>16,471,016</b>	

Service Area	Commentary	2010/11	2011/12	Priority
RED	<b>1. Seaham North Dock</b> Council contribution to major scheme aimed at transforming the historic dock into a working marina.	500,000	0	W
	<b>2. Disabled Facilities</b> Durham County Council match funding towards Government Disabled Facilities Grant designed to support the cost of adaptations to be made to the home to give better freedom of movement and provide essential facilities within it.	1,800,000	1,800,000	S
	<b>3. Belmont Viaduct</b> Re-opening of viaduct as a footpath and cycleway. It will see the former Belmont Viaduct transformed into a footpath, cycle route and bridleway linking Belmont and Newton hall, via the city centre.	200,000	300,000	W
	<b>4. Play Strategies</b> A three year scheme that commenced in 2008/09 and supported by lottery funding requiring a relatively small contribution from the County Council in 2010/11 of £50,000 as match funding towards total scheme costs which are estimated to be around £850,000.	50,000	0	H
	<b>5. Eastgate</b> Renewable energy village project, involving production of design codes, demand study and infrastructure plan in phase 1.	100,000	400,000	W
	<b>6. Broadband</b> Improving and widening access to broadband across County Durham.	500,000	1,500,000	W

Service Area	Commentary	2010/11	2011/12	Priority
RED (cont)	<b>7. Gypsy Travellers</b> This includes site refurbishment works at Green Lane, Bishop Auckland and Tower Road, Stanley.	2,400,000	2,170,000	S
	<b>8. Town Centres</b> Ongoing programme of town centre improvements in line with Area Action Plans including Bishop Auckland, Spennymoor and Stanley.	1,805,700	2,020,000	W
	<b>9. East Durham Rail Halt</b> Funding to cover feasibility / design/ development work for a new rail halt on the Durham Coast Line to be included in the new Local Transport Plan (LTP3).	200,000	300,000	W
	<b>10. Bishop Auckland Station</b> Vision for Heritage Line – Darlington to Eastgate. Upgrade of station to be included in the new Local Transport Plan (LTP3).	100,000	900,000	W
	<b>11. Industrial Estates</b> Improved access to industrial estates including Tanfield, Green Lane, Aycliffe and other Durham sites.	1,875,000	1,875,000	W
	<b>12. Barnard Castle Vision</b> The Vision is being driven by One NorthEast and Durham County Council working in partnership with local partners, the Enterprise Agency for Wear Valley and Teesdale and Barnard Castle Town Council. Aims to deliver a range of capital and regeneration projects.	1,174,000	1,887,000	W



<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
<b>RED (cont)</b>	<b>13. Durham City Vision</b> Durham City Vision stage 4 plus further development of specific sites to the north of the city centre and includes some city of culture development.	200,000	1,000,000	W
	<b>14. Integrated Transport LTP</b> Ongoing implementation of integrated transport schemes in line with the Local Transport Plan.	3,305,000	3,305,000	S/G
	<b>15. Urban Rural Renaissance</b> Countywide Environment Improvement Programme.	500,000	500,000	G
	<b>TOTAL RED</b>	<b>14,709,700</b>	<b>17,957,000</b>	

<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
<b>Resources</b>	<p><b>1. Structural Maintenance</b> Planned structural maintenance to Council buildings in order to limit the amount of reactive revenue funded maintenance.</p>	<b>4,243,954</b>	<b>4,243,954</b>	<b>S</b>
	<p><b>2. IT Replacement</b> PCs used by staff are replaced on a rolling three year plan, equating to a 30% replacement per annum. This budget ensures that staff had efficient equipment to produce the required work output. Old PCs are refurbished and placed in community centres etc across the County.</p>	<b>1,000,000</b>	<b>1,000,000</b>	<b>W</b>
	<p><b>3. DDA/Fire Safety</b> The DDA requires public buildings to be accessible to those with disabilities and this is part of an ongoing programme of improvements. In order to meet the requirements of Fire Safety Regulations various improvements are required to Council premises.</p>	<b>500,000</b>	<b>500,000</b>	<b>S</b>
	<p><b>4. Office Accommodation Project</b> Investment in office accommodation is required to support the LGR accommodation strategy in order to enable the Council to realise efficiencies arising from service mergers.</p>	<b>9,500,000</b>	<b>3,500,000</b>	<b>W</b>
	<b>TOTAL RESOURCES</b>	<b>15,243,904</b>	<b>9,243,954</b>	
	<b>TOTAL SCHEMES REQUIRING COUNCIL SUPPORT</b>	<b>52,278,493</b>	<b>46,411,749</b>	

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**2010/11 & 2011/12 – Self-Financing Schemes**


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<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
<b>ACE</b>	<p><b>1. Assets to Communities</b>            The County Council is currently carrying out a comprehensive review of its community buildings and this review will lead to the development of a corporate strategy and plan. A key part of this plan will set out the Authority's approach to asset transfer. This project will support the transfer of assets to local community organisations through investment in the buildings identified, to bring them up to standard prior to transfer. This will minimise the ongoing maintenance and repair costs for the organisation benefiting. This budget will be financed from the Reserves and Communities Earmarked Reserve.</p>	<p>£            1,850,000</p>	<p>£            0</p>	W/H
	<b>TOTAL ASSISTANT CHIEF EXECUTIVES</b>	<b>1,850,000</b>	<b>0</b>	
<b>CYPS</b>	<p><b>1. Building Schools of the Future</b>            A proportion of expenditure in 2011/12 will require borrowing but the cost of debt repayment is expected to be met by CYPS BSF ring fenced resources.</p>	0	10,838,000	CYP
	<b>TOTAL</b>	<b>0</b>	<b>10,838,000</b>	

Service Area	Commentary	2010/11	2011/12	Priority
N/hoods	<p><b>1. Energy Efficiency – SALIX</b> Investment in energy efficiency interventions within Street Lighting. Capital Investment is funded via an interest free loan from the Carbon Trust (via Salix). Schemes will include the replacement of columns and lighting equipment in various areas of the County and the procurement of central management equipment that will allow lights to be dimmed or switched off in certain areas. This investment will enable the County council to make savings on energy costs and reduce Co2 Emissions. The loan is repayable over 4 years, with repayments being offset by savings in energy costs as a result of the investment in energy efficiency measures.</p>	1,156,498	0	H/S
	<p><b>2. Durham Crematorium</b> The investment provides for the replacement of the cremators, taking into account new Environmental Regulations (Mercury Abatement Regulations) with regards to emissions that come into force on 1st January 2013, plus some essential upgrades to car parking / access roads. The Joint Committee (DCC and Spennymoor TC members) have approved the business case for repaying the capital investment over a 10 year period from the resources generated by the Crematorium.</p>	300,000	2,000,000	G

<b>Service Area</b>	<b>Commentary</b>	<b>2010/11</b>	<b>2011/12</b>	<b>Priority</b>
<b>N'hoods (cont)</b>	<b>3. Oracle Projects Module</b> Investment required to replace the Oracle Projects module for job costing / resource allocation / management within the Operational services of Neighbourhoods. In addition, the Durham City Homes hardware & software for the provision of building services repairs & maintenance requires updating in the coming year.	750,000	0	W
	<b>TOTAL NEIGHBOURHOODS SERVICE</b>	<b>2,206,498</b>	<b>2,000,000</b>	
<b>Resources</b>	<b>1. Energy Efficiency – SALIX</b> Ring Fenced Energy Efficiency Loan Fund and Annual Pump Prime Fund towards energy management initiative supported by interest free loan from SALIX	2,336,000	0	
	<b>TOTAL RESOURCES</b>	<b>2,336,000</b>	<b>0</b>	
	<b>TOTAL SELF-FINANCING SCHEMES</b>	<b>6,392,499</b>	<b>12,838,000</b>	

## Section G – Capital Budget 2010/11 – Service Commentaries

### Assistant Chief Executive

#### Executive Summary

	<b>2009/10 Revised Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>	<b>2011/12 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Assistant Chief Executive</b>	0	1,260	3,110	1,260

- 1 Capital programmes are limited to Members' Neighbourhoods Budgets and the need to address issues in relation to community buildings. Full details of all schemes can be found at Appendix G5.

#### 2009/10 Forecast Outturn

- 2 The revised capital budget reported to Cabinet in July 2009 did not include the Members' Neighbourhoods budgets totalling £1.26m. This budget is included in the latest revision and is funded from the LPSA Reward Grant.

#### Schemes Requiring Council Support – 2010/11 and 2011/12

- **Members Neighbourhood Budgets - £1.26m for 2010/11 and 2011/12**  
126 County Council members have a package of funding made available to invest in local priorities. The neighbourhoods fund totalling £25,000 per member comprises £10,000 capital and £15,000 revenue. The funding is made available for Members' discretionary local investment.

#### Self Financing Schemes – 2010/11

- **Assets to Communities - £1.85m**  
The County Council is currently carrying out a comprehensive review of its community buildings and this review will lead to the development of a corporate strategy and plan.

## Adults, Wellbeing and Health

### Executive Summary

	<b>2009/10 Revised Budget</b>	<b>2009/10 Projected Outturn</b>	<b>2010/11 Original Budget</b>	<b>2011/12 Original Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Adults, Wellbeing and Health</b>	3,494,000	5,313,000	436,000	0

- 1 Capital budgets in the revised 2009/10 budget address a range of priority schemes. New developments are limited to fully funded schemes for Mental Health and ICT. Full details of all schemes can be found at Appendix G5.

### 2009/10 Outturn

- 2 The Revised Adults, Wellbeing and Health capital budget for 2009/10 totalled £3.494m. Slippage from 2008/09 and in year variations increased the capital programme for 2009/10 to £13.51m.
- 3 Projected outturn for 2009/10 is anticipated at £5.313m with slippage of £8.14m into 2010/11 anticipated. Schemes anticipated to slip into 2010/11 include the funding available for investment in Residential Homes for the Elderly, IT infrastructure grant, Mental Health Grant, Library Modernisation scheme, Traveller Site regeneration, Life Opportunities scheme investment and developments at Killhope.

### Fully Funded Schemes – 2010/11

- 4 Two new Adults, Wellbeing and Health schemes, both fully funded through Government Grants, are in place for 2010/11 as follows:
  - Mental Health Grant of £236,000
  - Adult Social Care IT Infrastructure Grant of £200,000.

## Children and Young People's Service

### Executive Summary

	<b>2009/10 Revised Budget</b>	<b>2009/10 Projected Out-turn</b>	<b>2010/211 Original Budget</b>	<b>2011/12 Original Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
CYPS	53,400,000	36,390,000	43,682,000	1,480,000
Building Schools for the Future	14,700,000	13,814,000	20,037,000	24,822,000
<b>TOTAL CYPS Budget</b>	<b>68,100,000</b>	<b>50,204,000</b>	<b>63,719,000</b>	<b>26,302,000</b>

- 1 The Budget has been shown with the Building Schools for the Future (BSF) programme shown separately.
- 2 Outside BSF, the majority of the new projects for 2010/2011 are covered by DCSF grant. The primary capital/modernisation fund will allow two more new primary schools to proceed at Kirk Merrington and South Moor Greenland.
- 3 The schemes requiring Council support, as outlined in the Council's strategy for capital investment in 2010/2011, relate to work on school premises to allow access to pupils with disabilities (Access Fund) and to develop sufficient capacity in 11 primary schools where pupil numbers suggest there will be a problem in meeting local demand (Basic Need).
- 4 There was no information available in February 2010 about probable DCSF grant and Supported Borrowing allocations to finance projects affecting school buildings or other CYPS premises in 2011/12 and beyond.
- 5 Full details of all schemes can be found in Appendix G5.

### 2009/10 Outturn

- 6 The Revised capital budget for 2009/10 totalled £68.10m. Slippage from 2008/09 and in year variations have increased the capital programme to £76.14m.
- 7 Projected outturn is £50.24m with the majority of the underspend expected to slip into 2010/11.



## **Fully Funded Projects**

- 8 The key funding streams are detailed overleaf. In 2010/11 CYPS will receive specific Government Grants for Capital investment. Details of a number of the funding streams can be found overleaf.

## **School Devolved Capital Allocations 2010/11 £9,142,270**

- 9 All schools (nursery, primary, secondary, special and the Pupil Referral Unit) receive an annual devolved capital allocation, based on a DCSF formula. The budget is managed and prioritised by each school's Governing Body. It is used to fund large scale improvements to school buildings and the purchase of ICT hardware and network installations.

## **Capital Repair and Maintenance – Dedicated Schools Grant 2010/11 £3,592,900**

- 10 Part of the DSG is used each year, with the agreement of Schools Forum, to fund major repair and maintenance and renewal projects affecting school business. Typical projects are: - boiler replacement; electrical rewiring, roof replacements, structural repairs and asbestos removal.
- 11 A programme of works is prioritised each year by the Assets Service within Resources.

## **Primary Capital and Modernisation Programme 2010/11 £14,395,391**

- 12 An annual allocation is received via DSCF featuring grant and supported borrowing. The grant allocation of £14.39m is to be utilised and will enable the development of new primary schools at Kirk Merrington and Greenland.
- 13 Looking forward to 2011/2012 and 2012/2013, it seems likely that from whatever grant is made available by DCSF, about £6.00m will need to be converted to PFI credits and added to the BSF Project budget for a new primary school at Framwellgate Moor. This is expected to form part of the outline business case for the next wave of BSF projects in County Durham.

## Building Schools for the Future (BSF)

- 14 A detailed funding plan is in place for BSF (Wave 3) and during 2010/2011, the financial impact on the County Council's Capital Programme is expected to be:-

	<b>£m</b>
Easington Community Science College	7.80
Dene Community School of Technology	1.70
St Bede's Catholic School and 6 <sup>th</sup> Form	6.10
Wellfield Community School	1.20
Glendene School and Community Arts College	0.60
ICT Provision Wave 3 BSF Schools	2.80
	<hr/> <u>20.20</u>

- 15 The County Council will need to support the BSF programme with a commitment of £7.40m expected to be required in 2012/13.
- 16 The outline business case for the extensive next phase of BSF planned for County Durham schools is expected to be submitted by March 2010. The earliest impact on the capital budget is likely to be 2011/2012.

## Schemes Requiring Council Support

### Schools Access Initiative - £0.95m for 2010/11 and 2011/12

- 17 This allocation is used to address the Local Authority's strategic priorities for children and young people with SEN and Disabilities.

### Basic Need – 2010/11 - £1.10m; 2011/12 - £0.53m

- 18 The DCSF supports funding for situations where there is a shortage of current and projected local school capacity. This is a key part of the Local Authority's role to ensure there are sufficient, appropriate school places accessible to parents and pupils in local communities and it is a statutory duty on the Authority. Early approval of funding improves the chance of projects, which will be adding one or two classrooms to school buildings, to be completed by March 2011. Smaller scale projects will allow former classroom spaces to be brought back into use via internal adaptations. The range of projects that is deemed to be a priority is subject to refinement, but at this stage they are:-

	<b>Estimated Cost £000</b>
1) <b>Coxhoe Primary</b> – providing additional spaces to existing school	350
2) <b>Oakley Cross Primary</b> – providing spaces to existing school	200
3) <b>Cassop Primary</b> – internal adaptations	10
4) <b>Stanley Crook Primary</b> – internal adaptations	10
5) <b>Gainford CE Primary</b> – internal adaptations	10
6) <b>Bloemfontein Primary</b> – internal adaptations	20
7) <b>Oxclose Primary</b> – providing additional spaces to existing school	250
8) <b>Langley Moor Primary</b> – providing additional spaces to existing school	250
9) <b>Aycliffe Village Primary</b> - providing additional spaces in existing school	200
10) <b>Sedgefield Primary</b> – providing additional spaces in existing school	300
11) <b>Willington Schools</b> – internal adaptations	31
	1,631

## Neighbourhoods

### Executive Summary

	<b>2009/10 Revised Budget</b>	<b>2009/10 Projected Outturn</b>	<b>2010/11 Original Budget</b>	<b>2011/12 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Neighbourhood Services</b>	27,980	25,073	23,168	18,471

- 1 Neighbourhood Services' capital programme is dominated by the Local Transport Plan (LTP) and supporting Transport Asset Management Plan (TAMP). The capital programme consists of three distinct groups of schemes that will be financed in different ways. Schemes will either be fully funded through external sources; self financing schemes i.e. Invest to Save schemes; or schemes that require full / partial funding from County Council resources (revenue contributions/ borrowing / capital receipts).
- 2 A major scheme for 2010/11 and 2011/12 will be the Consett Sports Project as part of the BSF development. The budget for this scheme was transferred into Neighbourhood Services 2009/10 Capital Budget from the former Derwentside District Council.
- 3 The 2009/10 budgets allocated to Neighbourhoods (approved by Cabinet in July 2009) included Road Safety Improvement (£154,000) which is fully funded by direct DfT grant. This budget was transferred to Regeneration and Economic Development in the year in line with their responsibilities. The outturn for Technical Services includes A167 Capitalised Maintenance (fully funded by DfT grant) of £0.75m, which was not included in the Cabinet report on the 2009/10 new capital spend.
- 4 Full details of all schemes can be found in Appendix G5.

### 2009/10 Outturn

- 5 The Revised capital budget for 2009/10 totalled £27.80m. Slippage from 2008/09 and in year variations have increased the capital programme to £47.60m.

### Schemes Requiring Council Financial Support 2010/11-2011/12

#### 6 **Area Programmes – 2010/11 - £1.81m; 2011/12 - £1.33m**

The Local Transport Plan (LTP2) was submitted in March 2006 and sets out the planned transport investments over the next 5 years.

7 **Highway Capitalised Maintenance: Carriageway/Structures & Street Lighting – 2010/11 - £8.33m; 2011/12 - £8.60m**

This budget is an annual LTP Capital allocation for the structural maintenance of the DCC Highway network and is based on road length and condition data. For Street Lighting, the investment supports the annual column replacement and upgrade requirements to the Street Lighting network, based on strategic risk assessment of the existing stock.

8 **Vehicle & Plant Replacement & Additional Winter Maintenance Vehicles – 2010/11 - £5.09m; 2011/12 - £3.09m**

Investment to support the planned vehicle fleet replacement programme.

9 **Waste Bins – 2010/11 - £0.81m**

Investment to support the procurement of New wheeled bins, recycling boxes and Trade Waste bin required for new build properties and planned extensions to the green waste recycling service. Budget will also support the replacement of bins that have been stolen, vandalised, or at the end of their useful life.

10 **HAVS Vibration Equipment – 2010/11 - £0.15m**

Equipment to monitor the usage of vibratory tools on operational sites to ensure that the Council is not fully compliant with Health & Safety legislation and is not vulnerable to claims.

11 **Health and Safety Upgrades – 2010/11 - £0.26m**

Investment to support the asset management requirements in terms of Health and Safety upgrades to former District Operating Depots, ensuring compliance to minimum legislative standards. This will enable the County Council to provide a modern approach and flexible service.

### **Self-Financing Schemes**

12 **Energy Efficiency : Street Lighting – 2010/11 - £1.16m**

Budget to supplement existing carryover of resources secured in the 2009/10 capital programme. The combined budgets will be used to carry out works for the replacement of columns and lighting equipment in various areas of the County and to purchase central management equipment that will allow lights to be dimmed or switched off in certain areas. This will enable the County Council to make savings on energy costs and reduce Co2 Emissions.

13 ***Durham Crematorium – 2010/11 - £0.30m; 2011/12 - £2.00m***

Investment to finance the replacement of the Cremators at the Durham Crematorium, which are almost at the end of their economic life. Budget also provides funding to support some essential upgrades to car parking and road access to this facility. The business case to support the “self-financing” of this scheme (over a ten year period) has been approved by the Joint Committee to the Durham Crematorium.

14 ***Replacement of Oracle Projects Module – 2010/11 - £0.75m***

This is budget is required to ensure that the operational services within Neighbourhoods have an effective tool to manage their business. The new system will ensure that job costing and resource allocation is modernised and made more efficient, and includes the introduction of hand held technologies. In addition, the Durham City Homes building services repairs and maintenance hardware and software system requires upgrading.

## Regeneration and Economic Development

### Executive Summary

	<b>2009/10 Revised Budget £000</b>	<b>2009/10 Forecast Outturn £000</b>	<b>2010/11 Original Budget £000</b>	<b>2011/12 Original Budget £000</b>
<b>RED</b>	57,308	80,434	20,017	18,957

- 1 The capital programme for RED includes a number of schemes which are focussed on improving the County's infrastructure and the regeneration of the area.

### 2009/10 Forecast Outturn

- 2 The revised capital budget for 2009/10 totalled £57.31m. Slippage from 2008/09 and in-year variations have increased the capital programme to £86.24m. The forecast outturn is £80.43m with the majority of the underspend expected to slip into 2010/11.

### 2010/11 and 2011/12 Original Budget

- 3 Full details of the Regeneration and Economic Development capital schemes are set out in Appendix G5 and summarised below:

### Fully Funded Schemes 2010/11 and 2011/12

- 4 The capital budgets include the following fully funded schemes:
  - **Transit 15 2010/11 £3.40m, 2011/12 £1.0m**  
A project to provide improved and more reliable bus travel by reducing journey times, tackling known delay points and increasing the frequency of some services on key routes.
  - **Housing Growth Point 2010/11 £1.76m**  
The Durham Growth Point aims to create 14,500 net additional homes before 2016 in Easington, Sedgefield and Wear Valley.
  - **Road Safety Improvements 2010/11 £0.15m**  
Additional funding to support measures to improve road safety throughout the County.

## **Schemes Requiring Council Support 2010/11 and 2011/12**

### **Major Projects 2010/11 £2.47m, 2011/12 £4.79m**

- 5 Continued support to schemes such as the Durham City and Barnard Castle Visions, investment in the renewable energy village project at Eastgate, a contribution towards the transformation of Seaham Dock and improving and widening broadband access across the County.

### **Town Centre Renewal 2010/11 £1.81m, 2011/12 £2.02m**

- 6 An ongoing programme of town centre improvements in line with Area Action Plans.

### **Business Development 2010/11 £1.88m, 2011/12 £1.88m**

- 7 Improved access to industrial estates throughout the County.

### **Housing 2010/11 £4.20m, 2011/12 £3.97m**

- 8 Housing projects include the continuation in the upgrade of Travellers' Sites and match funding towards Government disabled facilities grant which is designed to support the cost of home adaptations.

### **Transport 2010/11 £3.80m, 2011/12 £4.81m**

- 9 The ongoing implementation of schemes in line with the Local Transport Programme (LTP), together with investment in Bishop Auckland Station, Belmont Viaduct and the feasibility and design of a rail halt at East Durham.

### **Urban Rural Renaissance 2010/11 £0.50m, 2011/12 £0.50m**

- 10 Continued support for the Urban and Rural Renaissance Initiative.

### **Play Strategies 2010/11 £0.05m**

- 11 A three year scheme that commenced in 2008/09 and is supported by lottery funding. The scheme requires a small contribution from the County Council of £50,000 in 2010/11 towards estimated scheme costs of around £850,000.



## Resources

### Executive Summary

	<b>2009/10 Revised Budget</b>	<b>2009/10 Forecast Outturn</b>	<b>2010/11 Original Budget</b>	<b>2011/12 Original Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Resources</b>	5,580	4,357	17,580	9,244

### 2009/10 Forecast Outturn

1 The revised capital budget for 2009/10 totalled £5.58m. Slippage from 2008/09 and in-year variations have increased the capital programme to £8.56m. The forecast outturn is £4.36m, the underspend being due to:

- A budget of £1.20m for the former Avenue Site which is no longer required.
- An underspend of £0.40m on the Greencroft office accommodation project.
- An underspend against the disability discrimination act budget of £0.50m which it is anticipated will be carried forward to 2010/11.

The balance of the underspend will slip into 2010/11.

### Schemes Requiring Council Support – 2010/11 and 2011/12

2 The capital budgets for 2010/11 and 2011/12 comprise of the following schemes:

- **Structural Maintenance 2010/11 £4.244m, 2011/12 £4.244m .**

Planned structural maintenance to Council buildings in order to limit the amount of reactive revenue funded maintenance.

- **IT Replacement 2010/11 £1.00m, 2011/12 £1.00m**

PCs used by staff are replaced on a rolling three year plan, equating to a 30% replacement per annum. This budget ensures that staff have efficient equipment to produce the required work out put. Old PCs are refurbished and placed in community centres, etc across the County.

- **Disability Discrimination Act (DDA) and Fire Safety 2010/11 £0.50m, 2011/12 £0.50m**

The DDA requires public buildings to be accessible to those with disabilities and this is part of an ongoing programme of improvements. In order to meet the requirements of Fire safety Regulations various improvements are required to Council premises.

- **Office Accommodation Project 2010/11 £9.50m, 2011/12 £3.50m**

Investment in office accommodation is required to support the LGR accommodation strategy in order to enable the Council to realise efficiencies arising from service mergers.

### **Self-Financing Schemes**

- **SALIX Energy Efficiency 2010/11 £2.336m**  
Ring Fenced Energy Efficiency Loan Fund & Annual Pump Prime Fund towards energy management initiative supported by interest free loan from SALIX.

## SECTION H – Prudential Code and Treasury Management

This section outlines the Council's prudential indicators for 2010/11 – 2012/13 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 H1); The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice;
- 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 H1);
- 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 H3;
- 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 H3.
- Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current Guidance. If necessary the Investment Strategy contained in Annex H3 will be revised if any elements of the final CLG Investment Guidance have not already been covered.
- The main changes initiated in the revisions above increase the Members' responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.
- One element of the revised CIPFA Treasury Management Code of Practice is that the clauses be adopted as part of the Council's constitution. This revision is shown at Annex H2 and will be considered by the Constitution Working Group for approval. The key change is that a responsible body is nominated to ensure effective scrutiny of the

treasury management strategy and policies, before making recommendations to Council.

- The above policies and parameters provide an approved framework within which the officers undertake the day to day capital and treasury activities.

## **Annex H1**

### **The Capital Prudential Indicators 2010/11 – 2012/13**

#### **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 2012/13.
- 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 2010/11 to 2012/13 is included as Annex H3 to complement these indicators. Some of the prudential indicators are shown in the treasury management strategy to aid understanding.

#### **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 recession 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:

<b>Capital Expenditure</b>	<b>2009/10 Original £000</b>	<b>2009/10 Revised £000</b>	<b>2010/11 Estimate £000</b>	<b>2011/12 Estimate £000</b>	<b>2012/13 Estimate £000</b>
Non-HRA	99,753	203,909	128,030	74,230	0
<b>Financed by:</b>					
Capital receipts	3,000	34,172	3,000	3,000	0
Capital grants	36,641	83,733	67,570	16,780	0
Capital reserves	0	0	1,850	0	0
Revenue	6,868	8,786	3,590	0	0
<b>Net financing need for the year</b>	<b>53,244</b>	<b>77,218</b>	<b>52,020</b>	<b>54,450</b>	<b>0</b>

<b>Capital Expenditure</b>	<b>2009/10 Original £000</b>	<b>2009/10 Revised £000</b>	<b>2010/11 Estimate £000</b>	<b>2011/12 Estimate £000</b>	<b>2012/13 Estimate £000</b>
HRA	21,405	28,051	34,103	18,700	17,700
<b>Financed by:</b>					
Major Repairs Allowance	11,762	11,762	11,944	11,944	11,944
Capital receipts	0	0	0	0	0
Capital grants	15	15	0	0	0
Capital reserves	189	721	1,022	865	0
Revenue	641	641	2,781	2,750	2,750
<b>Net financing need for the year</b>	<b>8,798</b>	<b>14,912</b>	<b>18,356</b>	<b>3,141</b>	<b>3,006</b>

### **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:

	2009/10 Original £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
<b>Capital Financing Requirement (CFR)</b>					
CFR – Non Housing	346,459	341,815	380,162	419,406	402,630
FR - Housing	127,163	135,328	153,696	156,837	159,843
<b>Total CFR</b>	<b>473,622</b>	<b>477,143</b>	<b>533,858</b>	<b>576,243</b>	<b>562,473</b>
Movement in CFR			56,715	42,385	-13,770

- 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).
- 13 The move to International Financial Reporting Standards (IFRS) may involve some arrangements under the private finance initiative (PFI) coming onto local authority balance sheets. In addition, some lessee interests may need to be accounted for as finance leases instead of as operating leases. In the case of finance leases and on balance-sheet PFI contracts, the MRP requirement would be regarded as met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability. Where a lease (or part of a lease) or PFI contract is brought onto the balance sheet, having previously been accounted for off-balance sheet, the MRP requirement would be regarded as having been met by the inclusion in the charge, for the year in which the restatement occurs, of an amount equal to the write-down for that year plus retrospective writing down of the balance sheet liability that arises from the restatement.

## Affordability Prudential Indicators

- 14 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:
- 15 **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.

	2009/10 Original %	2009/10 Revised %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
Non-HRA		4.5	7.58	7.71	7.01
HRA		24.17	23.16	24.12	26.52

- 16 The estimates of financing costs include current commitments and the proposals in this budget report.
- 17 **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with *proposed changes* 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.
- 18 **Incremental impact of capital investment decisions on the Band D Council Tax**

	Original 2009/10 £	Revised Budget 2009/10 £	Forward Projection 2010/11 £	Forward Projection 2011/12 £	Forward Projection 2012/13 £
<b>Council Tax - Band D</b>	8.55	8.78	20.65	31.62	0

- 19 **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.



20 *Incremental impact of capital investment decisions Housing Rent levels*

	<b>Original 2009/10 £</b>	<b>Revised Budget 2009/10 £</b>	<b>Forward Projection 2010/11 £</b>	<b>Forward Projection 2011/12 £</b>	<b>Forward Projection 2012/13 £</b>
<b>Weekly Housing Rent levels</b>	0.00	0.00	0.00	0.00	0.00

21 This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

## Treasury Management Policy Statement

1 The 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 Code of Practice

*Durham County Council is recommended to formally re-adopt 4 key clauses in the new Code of Practice for Treasury Management Services from 1 April 2010. 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)

4 The following Treasury Management Clauses proposed to form part of the Constitution will be subject to review and a recommendation by the Constitution Working Group:

b) The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management 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, a mid year review and an annual report after its close, in the form prescribed in its TMPs.

d) The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Cabinet, 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 and CIPFA's Standard of Professional Practice on Treasury Management.

e) The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

**Treasury Management Strategy 2010/11 – 2012/13**

- 1 The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex H1 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 – revised November 2009). This Council adopted the Code of Practice on Treasury Management at its meeting on 27<sup>th</sup> February 2009, and will adopt the revised Code.
- 3 The annual strategy must 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, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.
- 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 2010/11 – 2012/13

- 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.

	2009/10 Revised £000	2010/11 Estimated £000	2011/12 Estimated £000	2012/13 Estimated £000
<b>External Debt</b>				
Debt at 1 April	324,732	316,135	468,012	524,727
Expected change in debt	-8,597	151,877	56,715	42,385
Debt at 31 March	316,135	468,012	524,727	567,112
<b>Operational Boundary</b>	<b>316,135</b>	<b>468,012</b>	<b>524,727</b>	<b>567,112</b>
<b>Investments</b>				
Total Investments at 31 March	220,000	257,980	203,530	203,530
Investment change		37,980	-54,450	0

### 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 2010/11 and the following two financial years. This allows some flexibility for limited early borrowing for future years.

	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
Gross Borrowing	316,135	468,012	524,727	567,112
Investments	220,000	257,980	203,530	203,530
Net Borrowing	96,135	210,032	321,197	363,582
CFR	477,143	533,858	576,243	562,473

- 8 The Corporate Director of Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
- 9 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.

- 10 The Council is asked to approve the following Authorised Limit:

	<b>2009/10 Revised £000</b>	<b>2010/11 Estimated £000</b>	<b>2011/12 Estimated £000</b>	<b>2012/13 Estimated £000</b>
Borrowing	527,143	583,858	626,243	612,473
Other long term liabilities	0	0	0	0
<b>Total</b>	<b>527,143</b>	<b>583,858</b>	<b>626,243</b>	<b>612,473</b>

- 11 Borrowing in advance of need – The Council has some flexibility to borrow funds this year for use in future years. The Corporate Director of Resources may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Corporate Director of Resources will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 100% of the expected increase in borrowing need (CFR) over the three year planning period; and

- 12 Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

### Expected Movement in Interest Rates

#### 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	0.5	0.8	1.4	3.2	4.4	4.6
2010/11	0.7	0.9	1.8	4.0	5.0	5.2
2011/12	1.8	2.3	3.1	4.3	5.3	5.5
2012/13	4.5	4.6	5.1	5.3	5.5	5.5

\*Borrowing Rates

- 13 The view of the Treasury Management consultants is that short-term rates are expected to remain on hold for a considerable time, but longer term rates are expected to be more volatile.
- 14 This is likely to herald a return to rising yields for a number of reasons:
- Net gilt issuance will rise sharply;
  - This will be increased by the extent to which the Bank of England attempts to claw back funds injected to the economy via the Quantitative Easing (QE) programme;
  - Investors will be looking to place more of their funds in alternative instruments as their risk appetite increases, demand for gilts will weaken as a consequence;
  - A decision to leave QE in place will generate inflation concerns and pressurise long yields higher.

### **Borrowing Strategy 2010/11 – 2012/13**

- 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, and short term rates are expected to rise, although more modestly. 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 lower cost opportunities in the short/medium term.
- 17 With the likelihood of long term rates increasing, debt restructuring is likely to 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 Continuing to postpone borrowing and running down investment balances will also be considered. This would reduce counterparty risk and hedge against the expected fall in investments returns.

### **Investment Strategy 2010/11 – 2012/13**

- 19 **Key Objectives** - The Council's investment strategy primary objectives are safeguarding the re-payment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background above, the current investment climate has one over-riding risk consideration, that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational

investment strategy which tightens the controls already in place in the approved investment strategy.

20 **Risk Benchmarking** – A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. Additional background in the approach taken is attached at Annex H5.

21 These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

22 Security - The Council’s maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.001% historic risk of default when compared to the whole portfolio.

23 Liquidity – In respect of this area the Council seeks to maintain:

- Liquid short term deposits of at least £25m available with a week’s notice.
- Weighted Average Life benchmark is expected to be 0.25 years (3 months), with a maximum of 0.5 years (6 months).

24 Yield - Local measures of yield benchmarks are:

- Investments – Internal returns above the 7 day LIBID rate

25 And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.25%	0.25%	0.25%	0.25%	0.25%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

26 **Investment Counterparty Selection Criteria** - 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.
- 27 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 provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.
- 28 The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.
- 29 Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 30 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:
- **Banks 1 - Good Credit Quality** – the Council will only use banks which:
    - i. Are UK banks; and/or
    - ii. Are non-UK and domiciled in a country which has a minimum Sovereign long term rating of AAA
    - iii. And have, as a minimum, the following Fitch, Moody's and Standard and Poors credit 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 – Guaranteed Banks with suitable Sovereign Support** – 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 – Eligible Institutions** - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary short and long term ratings required in Banks 1 above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.
- **Banks 4 – The Council’s own banker** for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Building Societies** – the Council will use all Societies which:
  - i. meet the ratings for banks outlined aboveOr are both:
  - ii. Eligible Institutions; and
  - iii. Have assets in excess of £3bn
- **Money Market Funds** – AAA
- **UK Government** (including gilts and the Debt Management Account Deposit Facility (DMADF))
- **Local Authorities, Parish Councils** etc
- A limit of 20% will be applied to the use of Non-Specified investments

31 **Country and sector considerations** - Due care will be taken to consider the country, group and sector exposure of the Council’s investments. In part the country selection will be chosen by the credit rating of the Sovereign state in Banks 1 above. In addition:

- no more than 20% will be placed with any non-UK country at any time;
- limits in place above will apply to Group companies;

- Sector limits will be monitored regularly for appropriateness.

32 **Use of additional information other than credit ratings** – Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

33 **Time and Monetary Limits applying to Investments** - The time and monetary limits for institutions on the Council’s Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	<b>Fitch (or equivalent)</b>	<b>Money Limit</b>	<b>Time Limit</b>
<b>Limit 1 Category</b>	AAA	£40m	1yr
<b>Limit 2 Category</b>	AA	£40m	1yr
<b>Limit 3 Category</b>	A	£25m	3 months
<b>Other Institution Limits</b>	-	£40m	1yr
<b>Guaranteed Organisations</b>	-	£25m	3 months

34 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.

35 The proposed criteria for Specified and Non-Specified investments are shown in Annexes H3 and H4 for approval.

36 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.

## Economic Investment Considerations –

- 37 Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.
- 38 There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.
- 39 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 may 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.
- 40 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 reflect these facilities.

## Sensitivity to Interest Rate Movements

- 41 Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified.
- 42 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.

	<b>2010/11 Estimated +/- 0.5%</b>
Investment income	+/- £1,100,000

## Treasury Management Limits on Activity

- 43 There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are 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/improve performance. The indicators are:
- Upper limits on variable interest rate exposure – This 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 with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.
- 44 The Council is asked to approve the limits:

	2010/11	2011/12	2012/13
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	100%	100%	100%
<b>Limits on variable interest rates based on net debt</b>	50%	50%	50%
<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>			
		<b>Lower</b>	<b>Upper</b>
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%
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£m	£m	£m
	0	0	0

## Performance Indicators

- 45 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 Treasury Annual Report.

### **Treasury Management Advisers**

- 46 The Council uses Butlers as its treasury management consultants. The company provides a range of services which include:
- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
  - Economic and interest rate analysis;
  - Debt services which includes advice on the timing of borrowing;
  - Debt rescheduling advice surrounding the existing portfolio;
  - Generic investment advice on interest rates, timing and investment instruments;
  - Credit ratings/market information service comprising the three main credit rating agencies;
  - Training and seminars.
- 47 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is subject to regular review.

### **Member and Officer Training**

- 48 The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. The Council will develop a training schedule for officers and Members in the coming months.

### **Local Issues**

- 49 This strategy is based on the combination of the existing debt and investment portfolios of the County Council and the seven former district councils. It should be noted that there may be some debt or investments outstanding at 31<sup>st</sup> March 2010 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.

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

- 1 The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below. The CLG is currently consulting over revisions to the Guidance and where applicable the Consultation recommendations have been included within this policy. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.
- 2 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. This Council adopted the Code at its meeting on 27<sup>th</sup> February 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 (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.
- 3 **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 choosing and placing 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.
- 4 The investment policy proposed for the Council is:
- 5 **Strategy Guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.



6 **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 considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure 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. 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.
5. A body that is considered of a high credit quality (such as a bank or building society). For category 5 this covers bodies with a minimum short term rating of A (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

7 **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 and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	<b>Non Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	<p><b>Supranational Bonds greater than 1 year to maturity</b></p> <p><b>(a) Multilateral development bank bonds</b> - 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.).</p> <p><b>(b) A financial institution that is guaranteed by the United Kingdom Government</b> (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>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.</p>	<p>£40m</p> <p>£40m</p>
b.	<p><b>Gilt edged securities</b> 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</p>	£40m

	fall before maturity and losses may accrue if the bond is sold before maturity.	
c.	<b>Eligible Institutions</b> - the organisation is an Eligible Institution for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary short and long term ratings required in Banks 1 above. These institutions have been subject to suitability checks before inclusion, and have access to HM Treasury liquidity if needed.	£25m
d.	<b>The Council's own banker</b> if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£25m
e.	<b>Building societies not meeting the basic security requirements under the specified investments.</b> 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 are Eligible Institutions and have a minimum asset size of £3bn but will restrict these type of investments to £5m for up to 3 months	£5m

- 8 **The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Butlers 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.

## Security, Liquidity and Yield Benchmarking

- 1 **Benchmarking and Monitoring Security, Liquidity and Yield in the Investment Service** - A proposed development for Member reporting is the consideration and approval of security and liquidity benchmarks.
- 2 These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.
- 3 Yield – These benchmarks are currently widely used to assess investment performance. Local measures of yield benchmarks are:
  - Investments – Internal returns above the 7 day LIBID rate
- 4 Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators. However they have not previously been separately and explicitly set out for Member consideration. Proposed benchmarks for the cash type investments are below and these will form the basis of future reporting in this area. In the other investment categories appropriate benchmarks will be used where available.
- 5 Liquidity – This is defined as “having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives” (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:
  - Net Bank overdraft - £2.5m
  - Liquid short term deposits of at least £25m available with a week’s notice.
- 6 The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk. In this respect the proposed benchmark is to be used:
  - WAL benchmark is expected to be 0.25 years, with a maximum of 0.5 years.
- 7 Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody’s and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council’s investment

strategy. The table beneath shows average defaults for differing periods of investment grade products for each Fitch long term rating category over the period 1990 to 2007.

Long term rating	1 year	2 years	3 years	4 years	5 years
AAA	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.03%	0.06%
A	0.03%	0.15%	0.30%	0.44%	0.65%
BBB	0.24%	0.78%	1.48%	2.24%	3.11%

- 8 The Council's minimum long term rating criteria is currently "A", meaning the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.03% of the total investment (e.g. for a £1m investment the average loss would be £300). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.
- 9 The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:
- 0.001% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.25%	0.25%	0.25%	0.25%	0.25%

- 10 These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported. Where a counterparty is not credit rated a proxy rating will be applied.

## SECTION I – 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 proposed content of budget plans for the 2010/2011 financial year.

### 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. (DSG spending has no impact on Council Tax and under or overspends, at the end of each financial year, are carried forward and reflected in subsequent years budget plans.)

### How Much Was Available in 2009/2010 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 2009/2010 are set out below:-

	£m
• Delegated Schools Budgets	255.40
• Private/Independent Early Years Providers	2.66
• Support for Pupils with Special Educational Needs	7.27
• Education Out of School and Behaviour Support	5.38
• School Admissions	0.53
• Major School Repair and Maintenance Projects	3.84

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

	£
• School Standards Grant	16.23
• Standards Fund	34.79
• Learning and Skills Council	19.99

The **total** planned gross spend in 2009/2010 funded by DSG and other ring-fenced Government grants for schools and specific support services was **£355.95m**.

## **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 – 71,416 children) in 2009/2010 of £4,295.54 for 2010/2011. 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 this has been the case for the last 5 years in a row.
- 6 DSG is based on a headcount each January and is not confirmed by DCSF until June each year. The final DSG for 2009/2010 was £279.92m. 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 **2010/2011 financial year** will not be available until late February 2010, once we have completed the headcount of eligible children, but for planning purposes we are working on a **grant of £288.38m**.

## **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 Head Teachers 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 and 14-19 Partnership. 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 Ossie Johnson.
- 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.

## **2010/2011 DSG Budget Plan**

- 10 The funds that were available for the Schools Forum to consider, when the 3 year DSG plan was first put in place, have always allowed real budget growth in 2010/2011. The combined value of **extra DSG** £9.83m and funds redirected because of **savings** £1.36m means that **£11.19m** will be available to be deployed.

- 11 The latest DSG Budget Plan for 2010/2011 will allow extra resources to be directed towards the priorities listed below. Some modest refinement of plans will be made by the beginning of March 2010, once actual pupil number data at January 2010 has been collected. DCC Schools Forum will finalise budget plans when it meets on the 1 March 2010.

### DSG Spending Priorities 2010/2011

	Delegated to Schools £m	Managed by DCC £m
<b>Commitments</b>		
DCSF minimum pupil funding guarantee	0.03	
More pupils at SEN Audit Band E	0.35	
<b>Pay Awards and Inflation</b>		
Teachers Pay Award	4.15	0.12
Support Staff Pay Award	0.80	0.04
Ongoing Pay and reward Costs	0.46	
Independent Special School Fees		0.10
Local Government Pension Costs	0.83	0.02
Other Local Authority Special Schools		0.02
School Domestic Rates	0.40	
School Catering	0.25	0.01
Service Level Agreements	0.07	
Transport – PRU		0.02
Early Years – Private Providers		0.15
<b>New Budget Growth</b>		
KS4 School Improvement	0.50	
Personalised Learning	0.50	
BSF Schools – Running Costs	0.35	
KS1 School Improvement	0.50	
Secondary Individual Learning Support	0.14	
Every Child Matters Priorities		0.10
Socio Economic Formula Funding	0.89	
Teacher – Polish Speaking Children		0.05
Provision in DCC Special Schools	0.33	
	<b>10.56</b>	<b>0.63</b>

## **Section J – 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 no increase in council tax. Each 1% variation varies council tax income by about £1.95m.

## **Council Tax - Calculation of Tax Base**

### **Introduction**

- 3 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 January that it would make the necessary determinations and this section of the report details the required information.

### **Council Tax Base Calculation**

- 4 Appendix J1 shows the number of dwellings in the County, allocated across the parishes and unparished areas.
- 5 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.
- 6 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.
- 7 The Tax Base is finally arrived at by anticipating the collection rate during the year. A collection rate of 99% was used in calculating the tax base for 2010/11.



- 8 Applying a 99% collection rate to the total band D equivalent tax base of 156,541.9 produces a final figure of 154,976.2, which compares to a 2009/10 figure for the County of 153,774.7.

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

### **Introduction**

- 9 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.
- 10 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 County Council is a Billing Authority and 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)**

- 11 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.
- 12 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.
- 13 The estimated collection fund surplus for 2009/10 is based on experience of collection rates across the County and the table below shows the estimated amount available for use in 2010/11:

	2009/10 £
Collection Fund Surplus / (Deficit)	2,313,060

14 This is allocated across precepting authorities as follows:

	2010/11 £
Durham County Council	1,923,647
Durham Police Authority	245,865
Fire Authority	143,548

### Council Tax

15 The average council tax level for 2009/10 for the new County Council at band D is £1,258.92. The impact of a 1.9% increase is shown below:

	Band D £
2009/10	1,258.92
2010/11	1,282.86

### Fire and Police Authority Council Taxes

16 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. The council tax has increased by £2.43 or 2.85% compared with 2009/10 and this was confirmed on 18<sup>th</sup> February 2010:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

17 The Durham Police Authority is also a separate body responsible for its own financial affairs. The council tax has increased by £5.90 or 4.0% compared with 2009/10 and this was confirmed on 24<sup>th</sup> February 2010:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

## Parishes

18 Details of the Parish precepts are given in Annex M1, Appendix M1.

## Overall Tax Position

19 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

20 The position for Durham County Council, with a budget requirement of £432,077,338 is given below:

Council Tax 2010/11			
	Current 2009/10 (Band D) £	Proposed 2010/11 (Band D) £	Increase %
Durham County Council	1,258.92	1,282.86	1.9
Durham Police Authority	147.51	153.41	4.0
County Durham and Darlington Fire and Rescue Authority	85.41	87.84	2.85

21 The County Council must approve the precept and council tax in line with statutory guidelines. These determinations are contained at Appendix J2.

Appendix J1

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalents	Tax Base for CTAX Purposes
Chester-le-Street	Bournmoor	920	691.9	685.0
Chester-le-Street	Edmondsley	269	178.1	176.3
Chester-le-Street	Great Lumley	1,652	1,216.5	1,204.3
Chester-le-Street	Kimbleworth and Plawsworth	753	505.4	500.3
Chester-le-Street	Little Lumley	707	531.6	526.3
Chester-le-Street	North Lodge	1,002	937.5	928.1
Chester-le-Street	Ouston	1,265	917.2	908.0
Chester-le-Street	Pelton	2,950	1,849.8	1,831.3
Chester-le-Street	Sacriston	2,320	1,457.4	1,442.8
Chester-le-Street	Unparished Areas	9,537	6,518.5	6,453.3
Chester-le-Street	Urpeth	1,553	1,134.6	1,123.3
Chester-le-Street	Waldridge	1,737	1,497.1	1,482.1
Derwentside	Burnhope	702	466.9	462.2
Derwentside	Consett	16,601	11,317.8	11,204.6
Derwentside	Cornsay	498	319.8	316.6
Derwentside	Dipton	1,271	828.2	819.9
Derwentside	Esh	2,234	1,503.1	1,488.1
Derwentside	Greencroft	90	80.4	79.6
Derwentside	Healeyfield	698	530.0	524.7
Derwentside	Hedleyhope	85	61.8	61.2
Derwentside	Lanchester	1,915	1,549.4	1,533.9
Derwentside	Muggleswick	55	44.3	43.9
Derwentside	Satley	127	114.8	113.7
Derwentside	Stanley	15,272	9,406.0	9,311.9
Derwentside	Tanfield	2,284	1,636.3	1,619.9
Durham City	Bearpark	970	634.7	628.4
Durham City	Belmont	4,110	3,054.8	3,024.3
Durham City	Brancepeth	177	218.2	216.0
Durham City	Brandon & Byshottles	8,726	5,588.7	5,532.8
Durham City	Cassop-cum-Quarrington Hill	2,292	1,460.3	1,445.7
Durham City	Coxhoe	1,882	1,305.6	1,292.5
Durham City	Croxdale	462	315.2	312.0
Durham City	Framwellgate Moor	2,315	1,653.7	1,637.2
Durham City	Kelloe	684	409.9	405.8
Durham City	Pittington	666	508.8	503.7
Durham City	Shadforth	987	653.2	646.7
Durham City	Sherburn	1,465	981.4	971.6
Durham City	Shincliffe	703	723.9	716.7
Durham City	Unparished Areas	11,599	8,005.0	7,925.0
Durham City	West Rainton	1,097	785.3	777.4
Durham City	Witton Gilbert	1,189	810.1	802.0
Easington	Castle Eden	273	305.1	302.0
Easington	Dalton-le-Dale	677	524.9	519.7
Easington	Easington Colliery	2,457	1,435.1	1,420.7
Easington	Easington Village	990	746.6	739.1
Easington	Haswell	861	574.5	568.8
Easington	Hawthorn	225	202.3	200.3
Easington	Horden	3,940	2,307.7	2,284.6
Easington	Hutton Henry	758	498.4	493.4
Easington	Monk Hesleden	2,804	1,745.3	1,727.8
Easington	Murton	3,328	2,040.5	2,020.1
Easington	Peterlee	8,935	5,788.0	5,730.1
Easington	Seaham	9,023	5,636.5	5,580.1
Easington	Seaton with Slingley	533	433.1	428.8
Easington	Shotton	1,960	1,208.4	1,196.3
Easington	South Hetton	1,370	832.7	824.4
Easington	Thornley	1,125	688.9	682.0
Easington	Trimdon	671	425.1	420.8
Easington	Unparished Areas	54	59.7	59.1
Easington	Wheatley Hill	1,468	886.8	877.9
Easington	Wingate	1,828	1,215.1	1,202.9

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalents	Tax Base for CTAX Purposes
Sedgefield	Bishop Middleham	578	443.3	438.9
Sedgefield	Bradbury	54	57.8	57.2
Sedgefield	Chilton	1,908	1,108.3	1,097.2
Sedgefield	Cornforth	1,294	761.5	753.9
Sedgefield	Eldon	208	119.5	118.3
Sedgefield	Ferryhill	5,143	3,036.3	3,005.9
Sedgefield	Fishburn	1,164	747.0	739.5
Sedgefield	Great Aycliffe	11,714	8,032.2	7,951.9
Sedgefield	Midldridge	152	130.7	129.4
Sedgefield	Mordon	105	113.0	111.9
Sedgefield	Sedgefield	2,347	1,972.0	1,952.3
Sedgefield	Shildon	4,921	2,923.1	2,893.9
Sedgefield	Spennymoor	9,067	6,123.9	6,062.7
Sedgefield	Trimdon	2,179	1,350.2	1,336.7
Sedgefield	Windlestone	110	105.9	104.8
Teesdale	Barforth	32	34.1	33.8
Teesdale	Barnard Castle	2,669	1,933.6	1,914.3
Teesdale	Barningham	82	79.1	78.3
Teesdale	Bolam	40	43.7	43.3
Teesdale	Boldron	51	51.2	50.7
Teesdale	Bowes	195	155.5	153.9
Teesdale	Brignall	23	22.3	22.1
Teesdale	Cleatlam	35	39.0	38.6
Teesdale	Cockfield	799	496.2	491.2
Teesdale	Cotherstone	274	253.6	251.1
Teesdale	Eggleston	211	191.3	189.4
Teesdale	Eggleston Abbey	8	8.1	8.0
Teesdale	Etherly	969	707.4	700.3
Teesdale	Evenwood and Barony	1,217	766.4	758.7
Teesdale	Forest and Frith	79	57.1	56.5
Teesdale	Gainford	600	492.9	488.0
Teesdale	Gilmonby	17	16.6	16.4
Teesdale	Hamsterley	192	183.8	182.0
Teesdale	Headlam	19	19.4	19.2
Teesdale	Hilton	19	17.5	17.3
Teesdale	Holwick	43	38.0	37.6
Teesdale	Hope	8	7.0	6.9
Teesdale	Hunderthwaite	48	48.3	47.8
Teesdale	Hutton Magna	48	49.6	49.1
Teesdale	Ingleton	207	186.1	184.2
Teesdale	Langleydale	26	23.7	23.5
Teesdale	Langton	14	16.5	16.3
Teesdale	Lartington	61	61.4	60.8
Teesdale	Lunedale	44	40.8	40.4
Teesdale	Lynesack and Softley	586	414.1	410.0
Teesdale	Marwood	238	204.5	202.5
Teesdale	Mickleton	214	172.8	171.1
Teesdale	Middleton-in-Teesdale	633	447.7	443.2
Teesdale	Morton Tinmouth	5	5.4	5.3
Teesdale	Newbiggin-in-Teesdale	77	54.8	54.3
Teesdale	Ovington	68	69.3	68.6
Teesdale	Raby with Keverstone	32	29.1	28.8
Teesdale	Rokeby	44	34.9	34.6
Teesdale	Romaldkirk	91	88.1	87.2
Teesdale	Scargill	14	13.3	13.2
Teesdale	South Bedburn	74	77.0	76.2
Teesdale	Staindrop	620	479.5	474.7
Teesdale	Startforth	409	361.8	358.2
Teesdale	Streatlam & Stainton	211	161.9	160.3
Teesdale	Wackerfield	22	20.7	20.5
Teesdale	Westwick	23	22.1	21.9
Teesdale	Whorlton	93	83.8	83.0
Teesdale	Winston	213	199.6	197.6
Teesdale	Woodland	115	80.3	79.5
Teesdale	Wycliffe-with-Thorpe	40	44.3	43.9

Former District Area	Parish Area	Number of Dwellings on VO List	Band D Equivalents	Tax Base for CTAX Purposes
Wear Valley	Bishop Auckland	7,668	5,007.8	4,957.7
Wear Valley	Dene Valley	1,261	778.4	770.6
Wear Valley	Greater Willington	3,291	2,157.1	2,135.5
Wear Valley	Stanhope	2,383	1,696.0	1,679.0
Wear Valley	Tow Law	996	589.1	583.2
Wear Valley	Unparished Areas	12,274	8,168.1	8,086.4
Wear Valley	West Auckland	1,218	749.9	742.4
Wear Valley	Witton le Wear	316	285.5	282.6
Wear Valley	Wolsingham	1,273	1,022.2	1,012.0
		<b>232,577</b>	<b>156,541.9</b>	<b>154,976.2</b>

**Council Tax Calculations - Recommendations**

- 1 The County Council is recommended to approve:
  - (a) That the following amounts be calculated by the County Council for 2010/11 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): £1,281,767,827.
    - 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): £837,649,000.
    - 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: £444,118,827.
    - 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: £233,264,570.
    - v) the basic amount of council tax for the year, calculated by the Council in accordance with Section 33 of the Act: £1,360.56.
    - 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): £12,041,489.
    - 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: £1,282.86.
    - viii) the basic council tax for 2010/11 calculated in accordance with Section 34 (3 ) for dwellings in those areas with parish precepts be as set out in Appendix J1, 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 Appendix J.

- (b) That Members note that for 2010/11 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	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

- (c) That Members note that for 2010/11 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	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

- (d) That the County Council, in accordance with Section 30 (2) of the Act sets the amounts set out in Appendix J as the amounts of council tax for 2010/11 for each of the categories of dwellings.
- (e) 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.



**Appendix J1: Schedule of Council Tax by Parish and Town Council within Durham County Council 2010/11**

(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	33.80	NIL	0.00	1,282.86	1,282.86
Barnard Castle	1,914.30	151,143.00	78.95	1,282.86	1,361.81
Barningham	78.30	800.00	10.22	1,282.86	1,293.08
Bearpark	628.40	14,300.00	22.76	1,282.86	1,305.62
Belmont	3,024.30	69,000.00	22.82	1,282.86	1,305.68
Bishop Auckland	4,957.70	106,850.00	21.55	1,282.86	1,304.41
Bishop Middleham	438.90	42,583.00	97.02	1,282.86	1,379.88
Bolam	43.30	NIL	0.00	1,282.86	1,282.86
Bournmoor	685.00	13,650.00	19.93	1,282.86	1,302.79
Boldron	50.70	300.00	5.92	1,282.86	1,288.78
Bowes	153.90	3,557.40	23.12	1,282.86	1,305.98
Bradbury	57.20	1,326.38	23.19	1,282.86	1,306.05
Brancepeth	216.00	6,800.00	31.48	1,282.86	1,314.34
Brandon and Byshottles	5,532.80	141,365.00	25.55	1,282.86	1,308.41
Burnhope	462.20	5,084.00	11.00	1,282.86	1,293.86
Cassop-cum-Quarrington	1,445.70	27,000.00	18.68	1,282.86	1,301.54
Castle Eden	302.00	5,500.00	18.21	1,282.86	1,301.07
Chilton	1,097.20	198,693.50	181.09	1,282.86	1,463.95
Cleatlam	38.60	NIL	0.00	1,282.86	1,282.86
Cockfield	491.20	11,000.00	22.39	1,282.86	1,305.25
Cornforth	753.90	89,440.00	118.64	1,282.86	1,401.50
Cornsay	316.60	11,000.00	34.74	1,282.86	1,317.60
Cotherstone	251.10	4,750.00	18.92	1,282.86	1,301.78
Coxhoe	1,292.50	38,500.00	29.79	1,282.86	1,312.65
Croxdale and Hett	312.00	8,000.00	25.64	1,282.86	1,308.50
Dalton-le-Dale	519.70	12,587.00	24.22	1,282.86	1,307.08
Dene Valley	770.60	10,288.00	13.35	1,282.86	1,296.21
Easington Colliery	1,420.70	345,000.00	242.84	1,282.86	1,525.70
Easington Village	739.10	106,445.00	144.02	1,282.86	1,426.88
Edmondsley	176.30	2,000.00	11.34	1,282.86	1,294.20
Eggleston	189.40	3,500.00	18.48	1,282.86	1,301.34
Eldon	118.30	9,000.00	76.08	1,282.86	1,358.94
Esh	1,488.10	38,594.00	25.94	1,282.86	1,308.80
Etherley	700.30	19,227.18	27.46	1,282.86	1,310.32
Evenwood and Barony	758.70	15,000.00	19.77	1,282.86	1,302.63
Ferryhill	3,005.90	614,120.00	204.30	1,282.86	1,487.16
Fishburn	739.50	74,000.00	100.07	1,282.86	1,382.93
Forest and Frith	56.50	1,400.00	24.78	1,282.86	1,307.64
Framwellgate Moor	1,637.20	42,500.00	25.96	1,282.86	1,308.82
Gainford and Langton	504.30	16,864.00	33.44	1,282.86	1,316.30
Gilmonby	16.40	NIL	0.00	1,282.86	1,282.86
Great Aycliffe	7,951.90	1,623,000.00	204.10	1,282.86	1,486.96
Great Lumley	1,204.30	20,000.00	16.61	1,282.86	1,299.47
Greater Willington	2,135.50	59,500.00	27.86	1,282.86	1,310.72
Greencroft	79.60	2,585.00	32.47	1,282.86	1,315.33
Hamsterley	182.00	2,500.00	13.74	1,282.86	1,296.60
Haswell	568.80	62,737.77	110.30	1,282.86	1,393.16
Hawthorn	200.30	6,300.00	31.45	1,282.86	1,314.31
Headlam	19.20	NIL	0.00	1,282.86	1,282.86
Healeyfield	524.70	6,903.60	13.16	1,282.86	1,296.02
Hedleyhope	61.20	2,100.00	34.31	1,282.86	1,317.17
Hilton	17.30	NIL	0.00	1,282.86	1,282.86
Holwick	37.60	NIL	0.00	1,282.86	1,282.86
Hope	6.90	NIL	0.00	1,282.86	1,282.86
Horden	2,284.60	470,299.00	205.86	1,282.86	1,488.72
Hunderthwaite	47.80	NIL	0.00	1,282.86	1,282.86
Hutton Henry	493.40	45,000.00	91.20	1,282.86	1,374.06
Hutton Magna	49.10	200.00	4.07	1,282.86	1,286.93

(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	184.20	4,000.00	21.72	1,282.86	1,304.58
Kelloe	405.80	11,500.00	28.34	1,282.86	1,311.20
Kimbleworth and Plawsworth	500.30	12,000.00	23.99	1,282.86	1,306.85
Lanchester	1,533.90	48,185.00	31.41	1,282.86	1,314.27
Langleydale	23.50	NIL	0.00	1,282.86	1,282.86
Lartington	60.80	750.00	12.34	1,282.86	1,295.20
Little Lumley	526.30	7,000.00	13.30	1,282.86	1,296.16
Lunedale	40.40	150.00	3.71	1,282.86	1,286.57
Lynesack and Softley	410.00	7,000.00	17.07	1,282.86	1,299.93
Marwood	202.50	730.00	3.60	1,282.86	1,286.46
Mickleton	171.10	5,000.00	29.22	1,282.86	1,312.08
Middleton-in-Teesdale and Newbiggin-in-Teesdale	497.50	11,932.00	23.98	1,282.86	1,306.84
Middridge	129.40	6,250.00	48.30	1,282.86	1,331.16
Monk Hesleden	1,727.80	254,191.00	147.12	1,282.86	1,429.98
Mordon	111.90	1,790.00	16.00	1,282.86	1,298.86
Morton Tinmouth	5.30	NIL	0.00	1,282.86	1,282.86
Muggleswick	43.90	1,200.00	27.33	1,282.86	1,310.19
Murton	2,020.10	305,000.00	150.98	1,282.86	1,433.84
North Lodge	928.10	18,000.00	19.39	1,282.86	1,302.25
Ouston	908.00	15,000.00	16.52	1,282.86	1,299.38
Ovington	68.60	1,135.00	16.55	1,282.86	1,299.41
Pelton	1,831.30	106,000.00	57.88	1,282.86	1,340.74
Peterlee	5,730.10	1,407,621.00	245.65	1,282.86	1,528.51
Pittington	503.70	13,200.00	26.21	1,282.86	1,309.07
Raby with Keverstone	28.80	NIL	0.00	1,282.86	1,282.86
Rokeby, Brignall and Eggleston Abbey	64.70	1,350.00	20.87	1,282.86	1,303.73
Romaldkirk	87.20	2,250.00	25.80	1,282.86	1,308.66
Sacrison	1,442.80	55,000.00	38.12	1,282.86	1,320.98
Satley	113.70	2,557.00	22.49	1,282.86	1,305.35
Scargill	13.20	NIL	0.00	1,282.86	1,282.86
Seaham	5,580.10	1,109,555.00	198.84	1,282.86	1,481.70
Seaton with Slingley	428.80	10,300.00	24.02	1,282.86	1,306.88
Sedgefield	1,952.30	232,435.00	119.06	1,282.86	1,401.92
Shadforth	646.70	14,000.00	21.65	1,282.86	1,304.51
Sherburn	971.60	26,500.00	27.27	1,282.86	1,310.13
Shildon	2,893.90	651,370.00	225.08	1,282.86	1,507.94
Shincliffe	716.70	12,000.00	16.74	1,282.86	1,299.60
Shotton	1,196.30	98,000.00	81.92	1,282.86	1,364.78
South Bedburn	76.20	750.00	9.84	1,282.86	1,292.70
South Hetton	824.40	90,000.00	109.17	1,282.86	1,392.03
Spennymoor	6,062.70	1,208,240.00	199.29	1,282.86	1,482.15
Staindrop	474.70	12,920.00	27.22	1,282.86	1,310.08
Stainton and Streatlam	160.30	3,200.00	19.96	1,282.86	1,302.82
Stanhope	1,679.00	26,906.25	16.03	1,282.86	1,298.89
Stanley Town Council	9,311.90	800,000.00	85.91	1,282.86	1,368.77
Startforth	358.20	6,500.00	18.15	1,282.86	1,301.01
Thornley	682.00	116,086.00	170.21	1,282.86	1,453.07
Tow Law	583.20	22,429.00	38.46	1,282.86	1,321.32
Trimdon	1,336.70	145,000.00	108.48	1,282.86	1,391.34
Trimdon Foundry	420.80	60,414.00	143.57	1,282.86	1,426.43
Urpeth	1,123.30	29,000.00	25.82	1,282.86	1,308.68
Wackerfield	20.50	NIL	0.00	1,282.86	1,282.86
Waldrige	1,482.10	30,000.00	20.24	1,282.86	1,303.10
West Auckland	742.40	22,000.00	29.63	1,282.86	1,312.49
West Rainton and Leamside	777.40	25,000.00	32.16	1,282.86	1,315.02
Wheatley Hill	877.90	100,000.00	113.91	1,282.86	1,396.77
Whorlton and Westwick	104.90	2,781.00	26.51	1,282.86	1,309.37
Windlestone	104.80	600.00	5.73	1,282.86	1,288.59

(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	1,202.90	123,000.00	102.25	1,282.86	1,385.11
Winston	197.60	3,950.00	19.99	1,282.86	1,302.85
Witton Gilbert	802.00	29,500.00	36.78	1,282.86	1,319.64
Witton le Wear	282.60	4,500.00	15.92	1,282.86	1,298.78
Wolsingham	1,012.00	28,179.00	27.84	1,282.86	1,310.70
Woodland	79.50	1,100.00	13.84	1,282.86	1,296.70
Wycliffe-with-Thorpe	43.90	NIL	0.00	1,282.86	1,282.86
Durham City Charter Trustees	0.00	134,190.00	5.00	1,282.86	1,287.86

**Appendix J2: Billing Authority's Council Tax for each property Band 2010/11**

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Barnard Castle	907.88	1,059.19	1,210.50	1,361.81	1,664.44	1,967.07	2,269.69	2,723.62
Barningham	862.05	1,005.73	1,149.40	1,293.08	1,580.43	1,867.78	2,155.13	2,586.16
Bearpark*	873.74	1,019.37	1,164.99	1,310.62	1,601.86	1,893.11	2,184.36	2,621.24
Belmont*	873.78	1,019.41	1,165.04	1,310.68	1,601.94	1,893.20	2,184.46	2,621.36
Bishop Auckland	869.61	1,014.54	1,159.48	1,304.41	1,594.28	1,884.15	2,174.02	2,608.82
Bishop Middleham	919.92	1,073.24	1,226.56	1,379.88	1,686.52	1,993.16	2,299.80	2,759.76
Bolam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Bournmoor	868.52	1,013.28	1,158.03	1,302.79	1,592.30	1,881.80	2,171.31	2,605.58
Boldron	859.18	1,002.38	1,145.58	1,288.78	1,575.17	1,861.57	2,147.96	2,577.56
Bowes	870.65	1,015.76	1,160.87	1,305.98	1,596.19	1,886.41	2,176.63	2,611.96
Bradbury	870.70	1,015.82	1,160.93	1,306.05	1,596.28	1,886.51	2,176.75	2,612.10
Brancepeth*	879.56	1,026.15	1,172.75	1,319.34	1,612.53	1,905.72	2,198.90	2,638.68
Brandon & Byshottles*	875.61	1,021.54	1,167.48	1,313.41	1,605.28	1,897.15	2,189.02	2,626.82
Burnhope	862.57	1,006.34	1,150.10	1,293.86	1,581.38	1,868.91	2,156.43	2,587.72
Cassop-cum-Quarrington*	871.02	1,016.19	1,161.37	1,306.54	1,596.88	1,887.22	2,177.56	2,613.08
Castle Eden	867.38	1,011.94	1,156.51	1,301.07	1,590.20	1,879.33	2,168.45	2,602.14
Chilton	975.97	1,138.63	1,301.29	1,463.95	1,789.27	2,114.60	2,439.92	2,927.90
Cleatlam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Cockfield	870.17	1,015.20	1,160.23	1,305.25	1,595.31	1,885.37	2,175.42	2,610.50
Cornforth	934.33	1,090.05	1,245.77	1,401.50	1,712.94	2,024.38	2,335.83	2,803.00
Cornsay	878.40	1,024.80	1,171.20	1,317.60	1,610.41	1,903.21	2,196.01	2,635.20
Cotherstone	867.85	1,012.49	1,157.13	1,301.78	1,591.06	1,880.34	2,169.63	2,603.56
Coxhoe*	878.43	1,024.84	1,171.24	1,317.65	1,610.46	1,903.27	2,196.08	2,635.30

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	875.67	1,021.61	1,167.56	1,313.50	1,605.39	1,897.28	2,189.17	2,627.00
Dalton-le-Dale	871.39	1,016.62	1,161.85	1,307.08	1,597.54	1,888.00	2,178.47	2,614.16
Dene Valley	864.14	1,008.16	1,152.19	1,296.21	1,584.26	1,872.30	2,160.35	2,592.42
Easington Colliery	1,017.13	1,186.65	1,356.18	1,525.70	1,864.74	2,203.79	2,542.83	3,051.40
Easington Village	951.25	1,109.80	1,268.34	1,426.88	1,743.96	2,061.05	2,378.13	2,853.76
Edmondsley	862.80	1,006.60	1,150.40	1,294.20	1,581.81	1,869.41	2,157.01	2,588.40
Eggleston	867.56	1,012.15	1,156.75	1,301.34	1,590.53	1,879.71	2,168.90	2,602.68
Eldon	905.96	1,056.95	1,207.94	1,358.94	1,660.92	1,962.91	2,264.90	2,717.88
Esh	872.53	1,017.95	1,163.37	1,308.80	1,599.64	1,890.48	2,181.33	2,617.60
Etherley	873.54	1,019.13	1,164.73	1,310.32	1,601.50	1,892.68	2,183.86	2,620.64
Evenwood and Barony	868.42	1,013.16	1,157.89	1,302.63	1,592.10	1,881.58	2,171.05	2,605.26
Ferryhill	991.44	1,156.68	1,321.92	1,487.16	1,817.65	2,148.13	2,478.61	2,974.32
Fishburn	921.95	1,075.61	1,229.27	1,382.93	1,690.24	1,997.56	2,304.88	2,765.86
Forest and Frith	871.76	1,017.05	1,162.35	1,307.64	1,598.23	1,888.81	2,179.40	2,615.28
Framwellgate Moor*	875.88	1,021.86	1,167.84	1,313.82	1,605.78	1,897.74	2,189.70	2,627.64
Gainford and Langton	877.53	1,023.79	1,170.04	1,316.30	1,608.81	1,901.32	2,193.83	2,632.60
Gilmonby	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Great Aycliffe	991.31	1,156.53	1,321.74	1,486.96	1,817.40	2,147.83	2,478.27	2,973.92
Great Lumley	866.31	1,010.70	1,155.08	1,299.47	1,588.24	1,877.01	2,165.78	2,598.94
Greater Willington	873.81	1,019.45	1,165.09	1,310.72	1,601.99	1,893.27	2,184.54	2,621.44
Greencroft	876.89	1,023.04	1,169.19	1,315.33	1,607.63	1,899.93	2,192.22	2,630.66
Hamsterley	864.40	1,008.46	1,152.53	1,296.60	1,584.73	1,872.86	2,160.99	2,593.20
Haswell	928.77	1,083.57	1,238.36	1,393.16	1,702.75	2,012.34	2,321.93	2,786.32
Hawthorn	876.21	1,022.24	1,168.28	1,314.31	1,606.38	1,898.45	2,190.52	2,628.62
Headlam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Healeyfield	864.01	1,008.01	1,152.02	1,296.02	1,584.02	1,872.02	2,160.03	2,592.04
Hedleyhope	878.12	1,024.47	1,170.82	1,317.17	1,609.88	1,902.58	2,195.29	2,634.34
Hilton	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Hope	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Horden	992.48	1,157.89	1,323.30	1,488.72	1,819.54	2,150.37	2,481.19	2,977.44
Hunderthwaite	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Hutton Henry	916.04	1,068.72	1,221.39	1,374.06	1,679.41	1,984.76	2,290.11	2,748.12
Hutton Magna	857.96	1,000.95	1,143.94	1,286.93	1,572.92	1,858.90	2,144.89	2,573.86
Ingleton	869.72	1,014.67	1,159.62	1,304.58	1,594.48	1,884.39	2,174.29	2,609.16
Kelloe*	877.47	1,023.71	1,169.95	1,316.20	1,608.69	1,901.18	2,193.67	2,632.40
Kimbleworth and Plawsworth	871.23	1,016.44	1,161.64	1,306.85	1,597.26	1,887.67	2,178.08	2,613.70
Lanchester	876.18	1,022.21	1,168.24	1,314.27	1,606.33	1,898.39	2,190.46	2,628.54
Langleydale	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Lartington	863.46	1,007.37	1,151.28	1,295.20	1,583.02	1,870.84	2,158.66	2,590.40
Little Lumley	864.11	1,008.12	1,152.14	1,296.16	1,584.20	1,872.23	2,160.27	2,592.32
Lunedale	857.72	1,000.67	1,143.62	1,286.57	1,572.48	1,858.38	2,144.29	2,573.14
Lynesack and Softley	866.62	1,011.06	1,155.50	1,299.93	1,588.81	1,877.68	2,166.56	2,599.86
Marwood	857.64	1,000.58	1,143.52	1,286.46	1,572.35	1,858.23	2,144.11	2,572.92
Mickleton	874.72	1,020.51	1,166.30	1,312.08	1,603.66	1,895.23	2,186.80	2,624.16
Middleton-in-Teesdale and Newbiggin-in-Teesdale	871.23	1,016.43	1,161.64	1,306.84	1,597.25	1,887.66	2,178.07	2,613.68
Middridge	887.44	1,035.35	1,183.25	1,331.16	1,626.97	1,922.79	2,218.60	2,662.32
Monk Hesleden	953.32	1,112.21	1,271.09	1,429.98	1,747.75	2,065.52	2,383.30	2,859.96
Mordon	865.90	1,010.22	1,154.54	1,298.86	1,587.49	1,876.13	2,164.76	2,597.72
Morton Tinmouth	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Muggleswick	873.46	1,019.04	1,164.62	1,310.19	1,601.35	1,892.50	2,183.66	2,620.38
Murton	955.90	1,115.21	1,274.53	1,433.84	1,752.47	2,071.11	2,389.74	2,867.68
North Lodge	868.17	1,012.86	1,157.56	1,302.25	1,591.64	1,881.03	2,170.42	2,604.50
Ouston	866.25	1,010.63	1,155.00	1,299.38	1,588.13	1,876.88	2,165.63	2,598.76
Ovington	866.27	1,010.65	1,155.03	1,299.41	1,588.16	1,876.92	2,165.68	2,598.82

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	893.83	1,042.80	1,191.77	1,340.74	1,638.69	1,936.63	2,234.57	2,681.48
Peterlee	1,019.01	1,188.84	1,358.68	1,528.51	1,868.18	2,207.85	2,547.52	3,057.02
Pittington*	876.04	1,022.05	1,168.06	1,314.07	1,606.08	1,898.10	2,190.11	2,628.14
Raby with Keverstone	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Rokeby, Brignall and Eggleston Abbey	869.15	1,014.01	1,158.87	1,303.73	1,593.44	1,883.16	2,172.88	2,607.46
Romaldkirk	872.44	1,017.85	1,163.26	1,308.66	1,599.48	1,890.29	2,181.10	2,617.32
Sacriston	880.65	1,027.43	1,174.20	1,320.98	1,614.53	1,908.08	2,201.63	2,641.96
Satley	870.23	1,015.27	1,160.31	1,305.35	1,595.43	1,885.50	2,175.58	2,610.70
Scargill	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Seaham	987.80	1,152.43	1,317.07	1,481.70	1,810.97	2,140.24	2,469.50	2,963.40
Seaton with Slingley	871.25	1,016.46	1,161.67	1,306.88	1,597.30	1,887.72	2,178.13	2,613.76
Sedgefield	934.61	1,090.38	1,246.15	1,401.92	1,713.45	2,024.99	2,336.53	2,803.84
Shadforth*	873.01	1,018.51	1,164.01	1,309.51	1,600.51	1,891.51	2,182.51	2,619.02
Sherburn*	876.76	1,022.88	1,169.01	1,315.13	1,607.39	1,899.64	2,191.89	2,630.26
Shildon	1,005.30	1,172.85	1,340.39	1,507.94	1,843.04	2,178.14	2,513.24	3,015.88
Shincliffe*	869.74	1,014.69	1,159.65	1,304.60	1,594.52	1,884.43	2,174.34	2,609.20
Shotton	909.85	1,061.49	1,213.14	1,364.78	1,668.06	1,971.35	2,274.63	2,729.56
South Bedburn	861.80	1,005.44	1,149.07	1,292.70	1,579.97	1,867.24	2,154.50	2,585.40
South Hetton	928.02	1,082.69	1,237.36	1,392.03	1,701.37	2,010.71	2,320.05	2,784.06
Spennymoor	988.10	1,152.78	1,317.47	1,482.15	1,811.52	2,140.88	2,470.25	2,964.30
Staindrop	873.38	1,018.95	1,164.51	1,310.08	1,601.21	1,892.33	2,183.46	2,620.16
Stainton and Streatlam	868.55	1,013.31	1,158.06	1,302.82	1,592.34	1,881.85	2,171.37	2,605.64
Stanhope	865.92	1,010.24	1,154.56	1,298.89	1,587.53	1,876.17	2,164.81	2,597.78
Stanley Town Council	912.51	1,064.60	1,216.69	1,368.77	1,672.94	1,977.11	2,281.29	2,737.54
Startforth	867.34	1,011.89	1,156.45	1,301.01	1,590.12	1,879.23	2,168.34	2,602.02
Thornley	968.72	1,130.17	1,291.62	1,453.07	1,775.98	2,098.88	2,421.79	2,906.14
Tow Law	880.88	1,027.69	1,174.51	1,321.32	1,614.94	1,908.57	2,202.20	2,642.64

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	927.56	1,082.15	1,236.74	1,391.34	1,700.52	2,009.71	2,318.89	2,782.68
Trimdon Foundry	950.95	1,109.45	1,267.94	1,426.43	1,743.41	2,060.40	2,377.38	2,852.86
Urpeth	872.45	1,017.86	1,163.27	1,308.68	1,599.49	1,890.31	2,181.13	2,617.36
Wackerfield	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Waldrige	868.73	1,013.52	1,158.31	1,303.10	1,592.68	1,882.26	2,171.84	2,606.20
West Auckland	875.00	1,020.83	1,166.66	1,312.49	1,604.16	1,895.82	2,187.49	2,624.98
West Rainton and Leamside*	880.01	1,026.68	1,173.35	1,320.02	1,613.36	1,906.69	2,200.03	2,640.04
Wheatley Hill	931.18	1,086.38	1,241.57	1,396.77	1,707.16	2,017.55	2,327.95	2,793.54
Whorlton and Westwick	872.91	1,018.40	1,163.89	1,309.37	1,600.34	1,891.31	2,182.28	2,618.74
Windlestone	859.06	1,002.23	1,145.41	1,288.59	1,574.94	1,861.29	2,147.64	2,577.18
Wingate	923.41	1,077.31	1,231.21	1,385.11	1,692.92	2,000.72	2,308.52	2,770.22
Winston	868.57	1,013.33	1,158.09	1,302.85	1,592.37	1,881.89	2,171.42	2,605.70
Witton Gilbert*	883.10	1,030.28	1,177.46	1,324.64	1,619.01	1,913.37	2,207.74	2,649.28
Witton le Wear	865.86	1,010.16	1,154.47	1,298.78	1,587.40	1,876.02	2,164.64	2,597.56
Wolsingham	873.80	1,019.44	1,165.07	1,310.70	1,601.97	1,893.24	2,184.51	2,621.40
Woodland	864.46	1,008.54	1,152.62	1,296.70	1,584.85	1,873.01	2,161.16	2,593.40
Wycliffe-with-Thorpe	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Unparished Areas	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Unparished Areas in the former City of Durham Area*	858.57	1,001.67	1,144.76	1,287.86	1,574.05	1,860.24	2,146.43	2,575.72
* 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



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**Appendix J3: Overall Council Tax for each property Band 2010/11**


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Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Barnard Castle	1,068.71	1,246.83	1,424.95	1,603.06	1,959.30	2,315.54	2,671.77	3,206.12
Barningham	1,022.88	1,193.37	1,363.85	1,534.33	1,875.29	2,216.25	2,557.21	3,068.66
Bearpark*	1,034.58	1,207.01	1,379.44	1,551.87	1,896.73	2,241.58	2,586.44	3,103.74
Belmont*	1,034.62	1,207.05	1,379.49	1,551.93	1,896.80	2,241.67	2,586.54	3,103.86
Bishop Auckland	1,030.44	1,202.18	1,373.92	1,545.66	1,889.14	2,232.62	2,576.10	3,091.32
Bishop Middleham	1,080.75	1,260.88	1,441.01	1,621.13	1,981.38	2,341.64	2,701.89	3,242.26
Bolam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Bournmoor	1,029.36	1,200.92	1,372.48	1,544.04	1,887.16	2,230.28	2,573.40	3,088.08
Boldron	1,020.02	1,190.02	1,360.02	1,530.03	1,870.03	2,210.04	2,550.05	3,060.06
Bowes	1,031.48	1,203.40	1,375.31	1,547.23	1,891.05	2,234.88	2,578.71	3,094.46
Bradbury	1,031.53	1,203.45	1,375.38	1,547.30	1,891.14	2,234.99	2,578.83	3,094.60
Brancepeth*	1,040.39	1,213.79	1,387.19	1,560.59	1,907.39	2,254.19	2,600.99	3,121.18
Brandon & Byshottles*	1,036.44	1,209.18	1,381.92	1,554.66	1,900.14	2,245.62	2,591.10	3,109.32
Burnhope	1,023.41	1,193.97	1,364.54	1,535.11	1,876.25	2,217.38	2,558.52	3,070.22
Cassop-cum-Quarrington*	1,031.86	1,203.83	1,375.81	1,547.79	1,891.74	2,235.69	2,579.64	3,095.58
Castle Eden	1,028.21	1,199.58	1,370.95	1,542.32	1,885.06	2,227.80	2,570.54	3,084.64
Chilton	1,136.80	1,326.27	1,515.73	1,705.20	2,084.14	2,463.07	2,842.00	3,410.40
Cleatlam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Cockfield	1,031.00	1,202.84	1,374.67	1,546.50	1,890.17	2,233.84	2,577.51	3,093.00
Cornforth	1,095.16	1,277.69	1,460.22	1,642.75	2,007.80	2,372.86	2,737.91	3,285.50
Cornsay	1,039.24	1,212.44	1,385.65	1,558.85	1,905.27	2,251.68	2,598.09	3,117.70
Cotherstone	1,028.68	1,200.13	1,371.58	1,543.03	1,885.92	2,228.82	2,571.71	3,086.06
Coxhoe*	1,039.26	1,212.48	1,385.69	1,558.90	1,905.32	2,251.74	2,598.16	3,117.80

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	1,036.50	1,209.25	1,382.00	1,554.75	1,900.25	2,245.75	2,591.25	3,109.50
Dalton-le-Dale	1,032.22	1,204.26	1,376.29	1,548.33	1,892.40	2,236.48	2,580.55	3,096.66
Dene Valley	1,024.97	1,195.80	1,366.63	1,537.46	1,879.12	2,220.78	2,562.43	3,074.92
Easington Colliery	1,177.97	1,374.29	1,570.62	1,766.95	2,159.60	2,552.26	2,944.91	3,533.90
Easington Village	1,112.09	1,297.43	1,482.78	1,668.13	2,038.83	2,409.52	2,780.22	3,336.26
Edmondsley	1,023.64	1,194.24	1,364.85	1,535.45	1,876.67	2,217.88	2,559.09	3,070.90
Eggleston	1,028.39	1,199.79	1,371.19	1,542.59	1,885.39	2,228.18	2,570.98	3,085.18
Eldon	1,066.79	1,244.59	1,422.39	1,600.19	1,955.79	2,311.38	2,666.98	3,200.38
Esh	1,033.36	1,205.59	1,377.82	1,550.05	1,894.50	2,238.95	2,583.41	3,100.10
Etherley	1,034.38	1,206.77	1,379.17	1,551.57	1,896.36	2,241.15	2,585.94	3,103.14
Evenwood and Barony	1,029.25	1,200.80	1,372.34	1,543.88	1,886.97	2,230.05	2,573.13	3,087.76
Ferryhill	1,152.28	1,344.32	1,536.37	1,728.41	2,112.51	2,496.60	2,880.69	3,456.82
Fishburn	1,082.79	1,263.25	1,443.71	1,624.18	1,985.11	2,346.03	2,706.96	3,248.36
Forest and Frith	1,032.59	1,204.69	1,376.79	1,548.89	1,893.09	2,237.28	2,581.48	3,097.78
Framwellgate Moor*	1,036.71	1,209.50	1,382.28	1,555.07	1,900.64	2,246.21	2,591.78	3,110.14
Gainford and Langton	1,038.37	1,211.43	1,384.49	1,557.55	1,903.67	2,249.80	2,595.92	3,115.10
Gilmonby	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Great Aycliffe	1,152.14	1,344.17	1,536.19	1,728.21	2,112.26	2,496.31	2,880.35	3,456.42
Great Lumley	1,027.14	1,198.34	1,369.53	1,540.72	1,883.10	2,225.48	2,567.86	3,081.44
Greater Willington	1,034.65	1,207.09	1,379.53	1,551.97	1,896.86	2,241.74	2,586.62	3,103.94
Greencroft	1,037.72	1,210.68	1,383.63	1,556.58	1,902.49	2,248.40	2,594.31	3,113.16
Hamsterley	1,025.23	1,196.10	1,366.97	1,537.85	1,879.59	2,221.33	2,563.08	3,075.70
Haswell	1,089.61	1,271.21	1,452.81	1,634.41	1,997.61	2,360.81	2,724.01	3,268.82
Hawthorn	1,037.04	1,209.88	1,382.72	1,555.56	1,901.24	2,246.92	2,592.60	3,111.12
Headlam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Healeyfield	1,024.84	1,195.65	1,366.46	1,537.27	1,878.88	2,220.50	2,562.11	3,074.54
Hedleyhope	1,038.95	1,212.11	1,385.27	1,558.42	1,904.74	2,251.06	2,597.37	3,116.84
Hilton	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Hope	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Horden	1,153.31	1,345.53	1,537.75	1,729.97	2,114.40	2,498.84	2,883.28	3,459.94
Hunderthwaite	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Hutton Henry	1,076.88	1,256.36	1,435.83	1,615.31	1,974.27	2,333.23	2,692.19	3,230.62
Hutton Magna	1,018.79	1,188.59	1,358.39	1,528.18	1,867.78	2,207.38	2,546.97	3,056.36
Ingleton	1,030.55	1,202.31	1,374.07	1,545.83	1,889.34	2,232.86	2,576.38	3,091.66
Kelloe*	1,038.30	1,211.35	1,384.40	1,557.45	1,903.55	2,249.65	2,595.75	3,114.90
Kimbleworth and Plawsworth	1,032.06	1,204.07	1,376.08	1,548.10	1,892.12	2,236.14	2,580.16	3,096.20
Lanchester	1,037.02	1,209.85	1,382.69	1,555.52	1,901.20	2,246.87	2,592.54	3,111.04
Langleydale	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Lartington	1,024.30	1,195.01	1,365.73	1,536.45	1,877.88	2,219.31	2,560.74	3,072.90
Little Lumley	1,024.94	1,195.76	1,366.59	1,537.41	1,879.06	2,220.70	2,562.35	3,074.82
Lunedale	1,018.55	1,188.31	1,358.06	1,527.82	1,867.34	2,206.86	2,546.37	3,055.64
Lynesack and Softley	1,027.46	1,198.70	1,369.94	1,541.18	1,883.67	2,226.15	2,568.64	3,082.36
Marwood	1,018.48	1,188.22	1,357.97	1,527.71	1,867.21	2,206.70	2,546.19	3,055.42
Mickleton	1,035.56	1,208.15	1,380.74	1,553.33	1,898.52	2,243.70	2,588.89	3,106.66
Middleton-in-Teesdale and Newbiggin-in-Teesdale	1,032.06	1,204.07	1,376.08	1,548.09	1,892.11	2,236.14	2,580.16	3,096.18
Middridge	1,048.27	1,222.99	1,397.70	1,572.41	1,921.83	2,271.26	2,620.68	3,144.82
Monk Hesleden	1,114.15	1,299.84	1,485.54	1,671.23	2,042.61	2,414.00	2,785.38	3,342.46
Mordon	1,026.74	1,197.86	1,368.98	1,540.11	1,882.35	2,224.60	2,566.84	3,080.22
Morton Tinmouth	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Muggleswick	1,034.30	1,206.68	1,379.06	1,551.44	1,896.21	2,240.98	2,585.74	3,102.88
Murton	1,116.73	1,302.85	1,488.97	1,675.09	2,047.34	2,419.58	2,791.82	3,350.18
North Lodge	1,029.00	1,200.50	1,372.00	1,543.50	1,886.51	2,229.51	2,572.51	3,087.00
Ouston	1,027.09	1,198.27	1,369.45	1,540.63	1,882.99	2,225.35	2,567.72	3,081.26
Ovington	1,027.10	1,198.29	1,369.47	1,540.66	1,883.02	2,225.39	2,567.76	3,081.32

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	1,054.66	1,230.44	1,406.22	1,581.99	1,933.55	2,285.10	2,636.65	3,163.98
Peterlee	1,179.84	1,376.48	1,573.12	1,769.76	2,163.04	2,556.33	2,949.61	3,539.52
Pittington*	1,036.88	1,209.69	1,382.50	1,555.32	1,900.94	2,246.57	2,592.19	3,110.64
Raby with Keverstone	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Rokeby, Brignall and Eggleston Abbey	1,029.98	1,201.65	1,373.31	1,544.98	1,888.30	2,231.63	2,574.96	3,089.96
Romaldkirk	1,033.28	1,205.49	1,377.70	1,549.91	1,894.34	2,238.76	2,583.19	3,099.82
Sacriston	1,041.49	1,215.07	1,388.65	1,562.23	1,909.39	2,256.55	2,603.72	3,124.46
Satley	1,031.07	1,202.91	1,374.75	1,546.60	1,890.29	2,233.98	2,577.67	3,093.20
Scargill	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Seaham	1,148.63	1,340.07	1,531.51	1,722.95	2,105.83	2,488.71	2,871.59	3,445.90
Seaton with Slingley	1,032.09	1,204.10	1,376.12	1,548.13	1,892.16	2,236.19	2,580.22	3,096.26
Sedgefield	1,095.44	1,278.02	1,460.59	1,643.17	2,008.32	2,373.46	2,738.61	3,286.34
Shadforth*	1,033.84	1,206.15	1,378.45	1,550.76	1,895.37	2,239.98	2,584.60	3,101.52
Sherburn*	1,037.59	1,210.52	1,383.45	1,556.38	1,902.25	2,248.11	2,593.97	3,112.76
Shildon	1,166.13	1,360.48	1,554.84	1,749.19	2,137.90	2,526.61	2,915.32	3,498.38
Shincliffe*	1,030.57	1,202.33	1,374.09	1,545.85	1,889.38	2,232.90	2,576.42	3,091.70
Shotton	1,070.69	1,249.13	1,427.58	1,606.03	1,962.92	2,319.82	2,676.72	3,212.06
South Bedburn	1,022.64	1,193.07	1,363.51	1,533.95	1,874.83	2,215.71	2,556.59	3,067.90
South Hetton	1,088.85	1,270.33	1,451.80	1,633.28	1,996.23	2,359.18	2,722.13	3,266.56
Spennymoor	1,148.93	1,340.42	1,531.91	1,723.40	2,106.38	2,489.36	2,872.33	3,446.80
Staindrop	1,034.22	1,206.59	1,378.96	1,551.33	1,896.07	2,240.81	2,585.55	3,102.66
Stainton and Streatlam	1,029.38	1,200.95	1,372.51	1,544.07	1,887.20	2,230.33	2,573.45	3,088.14
Stanhope	1,026.76	1,197.88	1,369.01	1,540.14	1,882.39	2,224.64	2,566.89	3,080.28
Stanley Town Council	1,073.35	1,252.24	1,431.13	1,610.02	1,967.80	2,325.59	2,683.37	3,220.04
Startforth	1,028.17	1,199.53	1,370.89	1,542.26	1,884.98	2,227.70	2,570.43	3,084.52
Thornley	1,129.55	1,317.81	1,506.07	1,694.32	2,070.84	2,447.36	2,823.87	3,388.64
Tow Law	1,041.71	1,215.33	1,388.95	1,562.57	1,909.81	2,257.04	2,604.28	3,125.14

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	1,088.39	1,269.79	1,451.19	1,632.59	1,995.38	2,358.18	2,720.98	3,265.18
Trimdon Foundry	1,111.79	1,297.08	1,482.38	1,667.68	2,038.27	2,408.87	2,779.47	3,335.36
Urpeth	1,033.28	1,205.50	1,377.71	1,549.93	1,894.35	2,238.78	2,583.21	3,099.86
Wackerfield	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Waldrige	1,029.57	1,201.16	1,372.76	1,544.35	1,887.54	2,230.73	2,573.92	3,088.70
West Auckland	1,035.83	1,208.47	1,381.11	1,553.74	1,899.02	2,244.30	2,589.57	3,107.48
West Rainton and Leamside*	1,040.85	1,214.32	1,387.79	1,561.27	1,908.22	2,255.17	2,602.11	3,122.54
Wheatley Hill	1,092.01	1,274.01	1,456.02	1,638.02	2,002.02	2,366.03	2,730.03	3,276.04
Whorlton and Westwick	1,033.75	1,206.04	1,378.33	1,550.62	1,895.20	2,239.79	2,584.37	3,101.24
Windlestone	1,019.89	1,189.87	1,359.85	1,529.84	1,869.80	2,209.76	2,549.73	3,059.68
Wingate	1,084.24	1,264.95	1,445.66	1,626.36	1,987.78	2,349.19	2,710.60	3,252.72
Winston	1,029.40	1,200.97	1,372.53	1,544.10	1,887.23	2,230.37	2,573.50	3,088.20
Witton Gilbert*	1,043.93	1,217.92	1,391.90	1,565.89	1,913.87	2,261.85	2,609.82	3,131.78
Witton le Wear	1,026.69	1,197.80	1,368.92	1,540.03	1,882.26	2,224.49	2,566.72	3,080.06
Wolsingham	1,034.64	1,207.08	1,379.52	1,551.95	1,896.83	2,241.71	2,586.59	3,103.90
Woodland	1,025.30	1,196.18	1,367.06	1,537.95	1,879.71	2,221.48	2,563.24	3,075.90
Wycliffe-with-Thorpe	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Unparished Areas	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Unparished Areas in the former City of Durham Area*	1,019.41	1,189.31	1,359.21	1,529.11	1,868.91	2,208.71	2,548.52	3,058.22
* 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

## Section K – Risk

- 1 The County Council faces a number of significant financial challenges and risks over the period of the MTFP. These risks are associated with the following:
  - (i) The general state of public finances.
  - (ii) Continuing impact of the recession.
  - (iii) Legal challenges on equal pay.
  - (iv) Implementation of Pay Harmonisation.
  - (v) Delivery of the Building Schools for the Future Programme.
  - (vi) Failure to improve the economic wellbeing of the County.
  - (vii) Deterioration of the Highway Network.
  - (viii) Residual risks associated with the LGR process.
- 2 Particular finance risks to be managed and treated are as follows:
  - (i) Impact of reduced Government funding – the MTFP will account for this and the Authority will agree plans to balance the budget.
  - (ii) Income budgets will be monitored to determine the impact of the recession on income levels.
  - (iii) The recession will impact on the ability to realise asset sales. A strategy will be developed to optimise asset release.
  - (iv) The risks associated with equal pay and pay harmonisation will be addressed via the implementation of a revised pay and reward scheme.
  - (v) Residual LGR finance issues will be monitored via robust budget monitoring.
- 3 A key risk for the future will be the need to realise significant savings across the MTFP. The following impacts should be considered as part of the delivery of savings:
  - 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.
- 4 The risk assessment process will also include Equality and Diversity impact assessments being completed especially in relation to savings plans.

## Appendix 1

**County Council**

**26<sup>th</sup> February 2010**

**Budget 2010/11**

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



**Key Decision No. Corp/R/04/09**

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

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### **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 The Budget for the first year of the Unitary Council was a challenging one to put together, bringing together former Districts and County budgets, reallocating them in accordance with the structural design of the new Authority and determining where investments were needed and savings could be made.
- 7 Last year at this time I acknowledged that more work would be necessary to refine detailed proposals for the Services budgets within the overall County Council budget as structures started to be finalised and populated, and opportunities for savings materialised.
- 8 Service Groupings have been building detailed budgets throughout the year. Transfers between Services have been made to reflect more accurately the Service structures and responsibilities. In addition Service pressures have been identified. Reports have been presented to Cabinet and Overview and Scrutiny
- 9 The budget proposals reflect the current position and forecast spend in 2010/11. The budget is based on extensive work and assurances from Corporate Directors and their finance support staff. Cabinet Members have worked with their respective Directors throughout the process. Overview and Scrutiny have been able to question Corporate Directors on current budgets, performance and proposals. Trade Unions and the National Non-Domestic Ratepayers have been consulted on the proposals.
- 10 Given the challenges of reorganisation and the lack of any long-term projected settlements by the Government it is not surprising that the focus has been on the 2010/11 budget. Only other plans have been brought together for 2011/12 and 2012/13. However, work will need to begin in earnest as soon as the Council determines the budget for 2010/11 to build a more robust longer-term plan.
- 11 More work is needed, but in my view we have taken as reasonably practical steps to identify and make provision for the County Council's commitments in 2010/11.

### **Adequacy of Reserves**

- 12 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.

- 13 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.
- 14 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.
- 15 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.
- 16 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.
- 17 The setting of the level of reserves is an important decision not only in the budget for 2010/11, but also in the formulation of the medium term financial strategy.
- 18 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 in the medium to longer-term of between 3.5% and 4.5% of the budget requirement or about £16m to £20m.
  - In the short-term General Reserves may be higher to accommodate further structural change as the Council responds to the challenges ahead.
- 19 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.
- 20 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**

- 21 It is recommended that:
- a) Members have regard to this report when approving the budget and the level of council tax for 2010/11.

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Contact: Stuart Crowe Tel: 0191 383 3550

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## **Appendix 1: Implications**

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### **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**

26<sup>th</sup> February 2010

**Medium Term Financial Plan and  
2010/11 Budget**



**Key Decision No – Corp/R/04/09**

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**Report of Cabinet  
[Simon Henig, Leader of the Council]**

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**Purpose of the Report**

- 1 The purpose of the report is to detail the recommendations of Cabinet.
- 2 The recommendations are referenced to the appropriate page of the Budget document.
- 3 It also incorporates the level of council tax increase and the utilisation of available resource.
- 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 The responses from the consultation process are noted as Members determine their budget recommendations to Council.

**Section D – Local Government Finance Settlement**

- 8 Members note the details of the settlement.

**Section E – Housing Revenue Account**

- 9 Members: -

- Agree that the County Council policy for setting rents is in line with Government guidelines;
- Agree to set rents for 2010/11 in accordance with Government guidelines which result in an overall average increase of 2.1%;
- Agree increases in garage rents of 3%;
- Note the intention to continue the process of reviewing service charges with a view to implementing harmonised service charges from 1 April 2011;
- Change to existing service charges proposed by the three service providers be approved subject to the agreement of the Head of Housing in consultation with Cabinet Portfolio Holder for Housing and the Head of Finance.
- Note that Management Fees for both ALMOs are increased by 1% for 2010/11;
- Agree a HRA capital programme of £34.103m in 2010/11 (including ALMO funding), and indicative guideline of £18.700m and £17.700m for 2011/12 and 2012/13 respectively (excluding ALMO funding).
- Agree a Mortgage Interest Rate of 5.60% with effect from 1 April 2010.

## **Section F – Revenue Budget**

### **Revenue Budget 2009/10**

- 10 Members note the forecast of outturn for 2009/10.
- 11 The Corporate Director Resources be authorised to make decisions as necessary in the interests of the Council to finalise the Statement of Accounts for 2009/10.

### **Revenue Budget 2010/11**

- 12 For the year ended 31 March 2011:
- (a) The budget requirement be £432,077,338.
- (b) The County Council agrees a base council tax at Band D of £1,282.86.

(The increase in the level of the council tax for the year ended 31 March 2001 is 1.9%).

- 13 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 F, in Annex F2.
  - (e) Agrees to the proposals for savings as set out in Annex F3.
  - (f) Agrees the overall budget set out in this report.
- 14 Members note that Equality and Diversity Impact Assessments have been carried out on all savings plans.

#### **MTFP**

- 15 Members note the forecast financial position across the MTFP and the estimated level of cash limit reductions.

#### **Section G – Capital Budget 2010/11 and 2011/12**

- 16 Members approve:
- (a) the capital programme for 2010/11 and 2011/12 as detailed in Appendix G5.
  - (b) Members note the fully funded and self financing schemes.
  - (c) Members approve borrowing of £90.00m to finance the capital programme.
  - (d) Members note that £0.91m of the programme remains unallocated. This will be considered by MOWG over the coming months.

#### **Section H – Prudential Code and Treasury Management**

- 17 The Council is recommended to approve each of the six key elements:
- The Prudential Indicators and Limits for 2010/11 to 2012/13 contained within Annexes H1 and H3 of the report.

- The Minimum Revenue Provision (MRP) Statement contained within Annex H1 which sets out the Council's policy on MRP.
- The Treasury Management Strategy 2010/11 to 2012/13, and the Treasury Prudential Indicators contained within Annex H3.
- The Authorised Limit Prudential Indicator contained within Annex H3.
- The Investment Strategy 2010/11 contained in the Treasury Management Strategy and the detailed criteria included in Annex H3.
- The revision to the Council's constitution is shown at Annex H2.

### **Section I – Dedicated Schools Grant**

- 18 Members note the position of the Dedicated Schools Grant and note the proposed distribution as shown in Section I.

### **Section J – Council Tax and Other Issues**

#### **Council Tax Levels**

- 19 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 11<sup>th</sup> March 2010.
- 20 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 £1,524.11. County Durham and Darlington Fire and Rescue Authority have set a band D council tax of £87.84. The Durham Police Authority has set a band D council tax of £153.41. 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.
- 21 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)

22 The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31<sup>st</sup> March 2010. 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. The estimated collection fund surplus for 2009/10 is based on experience of collection rates across the County.

23 The table below shows the estimated amount available for use in 2010/11:

	2009/10
	£
Collection Fund Surplus / (Deficit)	2,313,060

24 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 2009/10 demands/precepts. This is allocated across precepting authorities as follows:

	2010/11
	£
Durham County Council	1,923,647
Durham Police Authority	245,865
Fire Authority	143,548

25 The County Council's demand on the Collection Fund for council tax purposes for 2010/11, as calculated in accordance with Section 32 of the Act, is £210,854,257.

## Council Tax Calculations

### Basic Council Tax

26 The County Council's Cabinet set its tax base at 154,976.20 at its meeting on 29<sup>th</sup> January 2010 along with the tax bases for various town and parish councils. These are shown at Annex 3 (column 2).

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

$$\frac{\pounds 210,854,257}{154,976.20} = \pounds 1,360.56$$

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

$$\frac{\pounds 12,041,489}{154,976.20} = \pounds 77.70$$

- 29 The basic council tax for those areas of the County Council where there are no special items is £1,282.86 (£1,360.56 - £77.70). This excludes the Fire Authority and Police Authority precepts. It represents an average increase of £23.94 or 1.9% compared with 2009/10.
- 30 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 29<sup>th</sup> January 2010. 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)
- 31 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 £134,190 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.
- 32 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

- 33 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.
- 34 The Billing Authority's council taxes for each band of property are shown in Annex 4.

### **Fire and Police Authority Council Taxes**

- 35 County Durham and Darlington Fire and Rescue Authority is a separate body responsible for its own financial affairs. The council tax has increased by £2.43 or 2.85% compared with 2009/10 and this was confirmed on 18<sup>th</sup> February 2010:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire Authority	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

- 36 Durham Police Authority is a separate body responsible for its own financial affairs. The council tax has increased by £5.90 or 4.0% compared with 2009/10 and this was confirmed on 24<sup>th</sup> February 2010:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Police Authority	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

37 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 £32.27 or 2.16% as set out below:

	£	%
Durham County Council	23.94	1.9
County Durham and Darlington Fire and Rescue Authority	2.43	2.85
Durham Police Authority	5.90	4.0
<b>Total</b>	<b>32.27</b>	<b>2.16</b>

### Council Tax Calculations - Recommendations

38 The County Council is recommended to approve:

- (f) That the following amounts be calculated by the County Council for 2010/11 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): £1,281,767,827.
  - 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): £837,649,000.
  - 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: £444,118,827.
  - 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: £233,264,570.

- v) the basic amount of council tax for the year, calculated by the Council in accordance with Section 33 of the Act: £1,360.56.
  - 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): £12,041,489.
  - 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: £1,282.86.
  - viii) the basic council tax for 2010/11 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.
- (g) That Members note that for 2010/11 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	58.56	68.32	78.08	87.84	107.36	126.88	146.40	175.68

- (h) That Members note that for 2010/11 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	102.27	119.32	136.36	153.41	187.50	221.59	255.68	306.82

- (i) 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 2010/11 for each of the categories of dwellings.

- (j) That the Corporate Director of Resources be authorised to incorporate any necessary adjustments for publication of the Budget Book.
- (k) 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.

**Section K – Risk**

39 Members note the identified Risks.

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## **Annex 1: Implications**

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### **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**

Impact Assessments have been carried out on all savings proposals.

### **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.

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**Annex 2: Demand on the Collection Fund 2010/11**

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	£
County Council's net spending	432,077,338
Add: Parish Precepts	12,041,489
Net Budget Requirement	<hr/> 444,118,827
Less:	
Revenue Support Grant	29,333,372
Redistributed Business Rates	202,007,551
Estimated Surplus on the Collection Fund	1,923,647
<b>Demand on the Collection Fund</b>	<hr/> <b>210,854,257</b>

### Annex 3: Schedule of Council Tax by Parish and Town Council within Durham County Council 2010/11

(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	33.80	NIL	0.00	1,282.86	1,282.86
Barnard Castle	1,914.30	151,143.00	78.95	1,282.86	1,361.81
Barningham	78.30	800.00	10.22	1,282.86	1,293.08
Bearpark	628.40	14,300.00	22.76	1,282.86	1,305.62
Belmont	3,024.30	69,000.00	22.82	1,282.86	1,305.68
Bishop Auckland	4,957.70	106,850.00	21.55	1,282.86	1,304.41
Bishop Middleham	438.90	42,583.00	97.02	1,282.86	1,379.88
Bolam	43.30	NIL	0.00	1,282.86	1,282.86
Bournmoor	685.00	13,650.00	19.93	1,282.86	1,302.79
Boldron	50.70	300.00	5.92	1,282.86	1,288.78
Bowes	153.90	3,557.40	23.12	1,282.86	1,305.98
Bradbury	57.20	1,326.38	23.19	1,282.86	1,306.05
Brancepeth	216.00	6,800.00	31.48	1,282.86	1,314.34
Brandon and Byshottles	5,532.80	141,365.00	25.55	1,282.86	1,308.41
Burnhope	462.20	5,084.00	11.00	1,282.86	1,293.86
Cassop-cum-Quarrington	1,445.70	27,000.00	18.68	1,282.86	1,301.54
Castle Eden	302.00	5,500.00	18.21	1,282.86	1,301.07
Chilton	1,097.20	198,693.50	181.09	1,282.86	1,463.95
Cleatlam	38.60	NIL	0.00	1,282.86	1,282.86
Cockfield	491.20	11,000.00	22.39	1,282.86	1,305.25
Cornforth	753.90	89,440.00	118.64	1,282.86	1,401.50
Cornsay	316.60	11,000.00	34.74	1,282.86	1,317.60
Cotherstone	251.10	4,750.00	18.92	1,282.86	1,301.78
Coxhoe	1,292.50	38,500.00	29.79	1,282.86	1,312.65
Croxdale and Hett	312.00	8,000.00	25.64	1,282.86	1,308.50
Dalton-le-Dale	519.70	12,587.00	24.22	1,282.86	1,307.08
Dene Valley	770.60	10,288.00	13.35	1,282.86	1,296.21
Easington Colliery	1,420.70	345,000.00	242.84	1,282.86	1,525.70
Easington Village	739.10	106,445.00	144.02	1,282.86	1,426.88
Edmondsley	176.30	2,000.00	11.34	1,282.86	1,294.20
Eggleston	189.40	3,500.00	18.48	1,282.86	1,301.34
Eldon	118.30	9,000.00	76.08	1,282.86	1,358.94
Esh	1,488.10	38,594.00	25.94	1,282.86	1,308.80
Etherley	700.30	19,227.18	27.46	1,282.86	1,310.32
Evenwood and Barony	758.70	15,000.00	19.77	1,282.86	1,302.63
Ferryhill	3,005.90	614,120.00	204.30	1,282.86	1,487.16
Fishburn	739.50	74,000.00	100.07	1,282.86	1,382.93
Forest and Frith	56.50	1,400.00	24.78	1,282.86	1,307.64
Framwellgate Moor	1,637.20	42,500.00	25.96	1,282.86	1,308.82
Gainford and Langton	504.30	16,864.00	33.44	1,282.86	1,316.30
Gilmonby	16.40	NIL	0.00	1,282.86	1,282.86
Great Aycliffe	7,951.90	1,623,000.00	204.10	1,282.86	1,486.96
Great Lumley	1,204.30	20,000.00	16.61	1,282.86	1,299.47
Greater Willington	2,135.50	59,500.00	27.86	1,282.86	1,310.72
Greencroft	79.60	2,585.00	32.47	1,282.86	1,315.33
Hamsterley	182.00	2,500.00	13.74	1,282.86	1,296.60
Haswell	568.80	62,737.77	110.30	1,282.86	1,393.16
Hawthorn	200.30	6,300.00	31.45	1,282.86	1,314.31
Headlam	19.20	NIL	0.00	1,282.86	1,282.86
Healeyfield	524.70	6,903.60	13.16	1,282.86	1,296.02
Hedleyhope	61.20	2,100.00	34.31	1,282.86	1,317.17
Hilton	17.30	NIL	0.00	1,282.86	1,282.86
Holwick	37.60	NIL	0.00	1,282.86	1,282.86
Hope	6.90	NIL	0.00	1,282.86	1,282.86
Horden	2,284.60	470,299.00	205.86	1,282.86	1,488.72
Hunderthwaite	47.80	NIL	0.00	1,282.86	1,282.86
Hutton Henry	493.40	45,000.00	91.20	1,282.86	1,374.06
Hutton Magna	49.10	200.00	4.07	1,282.86	1,286.93



(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	184.20	4,000.00	21.72	1,282.86	1,304.58
Kelloe	405.80	11,500.00	28.34	1,282.86	1,311.20
Kimbleworth and Plawsworth	500.30	12,000.00	23.99	1,282.86	1,306.85
Lanchester	1,533.90	48,185.00	31.41	1,282.86	1,314.27
Langleydale	23.50	NIL	0.00	1,282.86	1,282.86
Lartington	60.80	750.00	12.34	1,282.86	1,295.20
Little Lumley	526.30	7,000.00	13.30	1,282.86	1,296.16
Lunedale	40.40	150.00	3.71	1,282.86	1,286.57
Lynesack and Softley	410.00	7,000.00	17.07	1,282.86	1,299.93
Marwood	202.50	730.00	3.60	1,282.86	1,286.46
Mickleton	171.10	5,000.00	29.22	1,282.86	1,312.08
Middleton-in-Teesdale and Newbiggin-in-Teesdale	497.50	11,932.00	23.98	1,282.86	1,306.84
Middridge	129.40	6,250.00	48.30	1,282.86	1,331.16
Monk Hesleden	1,727.80	254,191.00	147.12	1,282.86	1,429.98
Mordon	111.90	1,790.00	16.00	1,282.86	1,298.86
Morton Tinmouth	5.30	NIL	0.00	1,282.86	1,282.86
Muggleswick	43.90	1,200.00	27.33	1,282.86	1,310.19
Murton	2,020.10	305,000.00	150.98	1,282.86	1,433.84
North Lodge	928.10	18,000.00	19.39	1,282.86	1,302.25
Ouston	908.00	15,000.00	16.52	1,282.86	1,299.38
Ovington	68.60	1,135.00	16.55	1,282.86	1,299.41
Pelton	1,831.30	106,000.00	57.88	1,282.86	1,340.74
Peterlee	5,730.10	1,407,621.00	245.65	1,282.86	1,528.51
Pittington	503.70	13,200.00	26.21	1,282.86	1,309.07
Raby with Keverstone	28.80	NIL	0.00	1,282.86	1,282.86
Rokeby, Brignall and Eggleston Abbey	64.70	1,350.00	20.87	1,282.86	1,303.73
Romaldkirk	87.20	2,250.00	25.80	1,282.86	1,308.66
Sacrison	1,442.80	55,000.00	38.12	1,282.86	1,320.98
Satley	113.70	2,557.00	22.49	1,282.86	1,305.35
Scargill	13.20	NIL	0.00	1,282.86	1,282.86
Seaham	5,580.10	1,109,555.00	198.84	1,282.86	1,481.70
Seaton with Slingley	428.80	10,300.00	24.02	1,282.86	1,306.88
Sedgefield	1,952.30	232,435.00	119.06	1,282.86	1,401.92
Shadforth	646.70	14,000.00	21.65	1,282.86	1,304.51
Sherburn	971.60	26,500.00	27.27	1,282.86	1,310.13
Shildon	2,893.90	651,370.00	225.08	1,282.86	1,507.94
Shincliffe	716.70	12,000.00	16.74	1,282.86	1,299.60
Shotton	1,196.30	98,000.00	81.92	1,282.86	1,364.78
South Bedburn	76.20	750.00	9.84	1,282.86	1,292.70
South Hetton	824.40	90,000.00	109.17	1,282.86	1,392.03
Spennymoor	6,062.70	1,208,240.00	199.29	1,282.86	1,482.15
Staindrop	474.70	12,920.00	27.22	1,282.86	1,310.08
Stainton and Streatlam	160.30	3,200.00	19.96	1,282.86	1,302.82
Stanhope	1,679.00	26,906.25	16.03	1,282.86	1,298.89
Stanley Town Council	9,311.90	800,000.00	85.91	1,282.86	1,368.77
Startforth	358.20	6,500.00	18.15	1,282.86	1,301.01
Thornley	682.00	116,086.00	170.21	1,282.86	1,453.07
Tow Law	583.20	22,429.00	38.46	1,282.86	1,321.32
Trimdon	1,336.70	145,000.00	108.48	1,282.86	1,391.34
Trimdon Foundry	420.80	60,414.00	143.57	1,282.86	1,426.43
Urpeth	1,123.30	29,000.00	25.82	1,282.86	1,308.68
Wackerfield	20.50	NIL	0.00	1,282.86	1,282.86
Waldrige	1,482.10	30,000.00	20.24	1,282.86	1,303.10
West Auckland	742.40	22,000.00	29.63	1,282.86	1,312.49
West Rainton and Leamside	777.40	25,000.00	32.16	1,282.86	1,315.02
Wheatley Hill	877.90	100,000.00	113.91	1,282.86	1,396.77
Whorlton and Westwick	104.90	2,781.00	26.51	1,282.86	1,309.37
Windlestone	104.80	600.00	5.73	1,282.86	1,288.59

(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	1,202.90	123,000.00	102.25	1,282.86	1,385.11
Winston	197.60	3,950.00	19.99	1,282.86	1,302.85
Witton Gilbert	802.00	29,500.00	36.78	1,282.86	1,319.64
Witton le Wear	282.60	4,500.00	15.92	1,282.86	1,298.78
Wolsingham	1,012.00	28,179.00	27.84	1,282.86	1,310.70
Woodland	79.50	1,100.00	13.84	1,282.86	1,296.70
Wycliffe-with-Thorpe	43.90	NIL	0.00	1,282.86	1,282.86
Durham City Charter Trustees	0.00	134,190.00	5.00	1,282.86	1,287.86

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**Annex 4: Billing Authority's Council Tax for each property Band 2010/11**


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Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Barnard Castle	907.88	1,059.19	1,210.50	1,361.81	1,664.44	1,967.07	2,269.69	2,723.62
Barningham	862.05	1,005.73	1,149.40	1,293.08	1,580.43	1,867.78	2,155.13	2,586.16
Bearpark*	873.74	1,019.37	1,164.99	1,310.62	1,601.86	1,893.11	2,184.36	2,621.24
Belmont*	873.78	1,019.41	1,165.04	1,310.68	1,601.94	1,893.20	2,184.46	2,621.36
Bishop Auckland	869.61	1,014.54	1,159.48	1,304.41	1,594.28	1,884.15	2,174.02	2,608.82
Bishop Middleham	919.92	1,073.24	1,226.56	1,379.88	1,686.52	1,993.16	2,299.80	2,759.76
Bolam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Bournmoor	868.52	1,013.28	1,158.03	1,302.79	1,592.30	1,881.80	2,171.31	2,605.58
Boldron	859.18	1,002.38	1,145.58	1,288.78	1,575.17	1,861.57	2,147.96	2,577.56
Bowes	870.65	1,015.76	1,160.87	1,305.98	1,596.19	1,886.41	2,176.63	2,611.96
Bradbury	870.70	1,015.82	1,160.93	1,306.05	1,596.28	1,886.51	2,176.75	2,612.10
Brancepeth*	879.56	1,026.15	1,172.75	1,319.34	1,612.53	1,905.72	2,198.90	2,638.68
Brandon & Byshottles*	875.61	1,021.54	1,167.48	1,313.41	1,605.28	1,897.15	2,189.02	2,626.82
Burnhope	862.57	1,006.34	1,150.10	1,293.86	1,581.38	1,868.91	2,156.43	2,587.72
Cassop-cum-Quarrington*	871.02	1,016.19	1,161.37	1,306.54	1,596.88	1,887.22	2,177.56	2,613.08
Castle Eden	867.38	1,011.94	1,156.51	1,301.07	1,590.20	1,879.33	2,168.45	2,602.14
Chilton	975.97	1,138.63	1,301.29	1,463.95	1,789.27	2,114.60	2,439.92	2,927.90
Cleatlam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Cockfield	870.17	1,015.20	1,160.23	1,305.25	1,595.31	1,885.37	2,175.42	2,610.50
Cornforth	934.33	1,090.05	1,245.77	1,401.50	1,712.94	2,024.38	2,335.83	2,803.00
Cornsay	878.40	1,024.80	1,171.20	1,317.60	1,610.41	1,903.21	2,196.01	2,635.20
Cotherstone	867.85	1,012.49	1,157.13	1,301.78	1,591.06	1,880.34	2,169.63	2,603.56
Coxhoe*	878.43	1,024.84	1,171.24	1,317.65	1,610.46	1,903.27	2,196.08	2,635.30

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	875.67	1,021.61	1,167.56	1,313.50	1,605.39	1,897.28	2,189.17	2,627.00
Dalton-le-Dale	871.39	1,016.62	1,161.85	1,307.08	1,597.54	1,888.00	2,178.47	2,614.16
Dene Valley	864.14	1,008.16	1,152.19	1,296.21	1,584.26	1,872.30	2,160.35	2,592.42
Easington Colliery	1,017.13	1,186.65	1,356.18	1,525.70	1,864.74	2,203.79	2,542.83	3,051.40
Easington Village	951.25	1,109.80	1,268.34	1,426.88	1,743.96	2,061.05	2,378.13	2,853.76
Edmondsley	862.80	1,006.60	1,150.40	1,294.20	1,581.81	1,869.41	2,157.01	2,588.40
Eggleston	867.56	1,012.15	1,156.75	1,301.34	1,590.53	1,879.71	2,168.90	2,602.68
Eldon	905.96	1,056.95	1,207.94	1,358.94	1,660.92	1,962.91	2,264.90	2,717.88
Esh	872.53	1,017.95	1,163.37	1,308.80	1,599.64	1,890.48	2,181.33	2,617.60
Etherley	873.54	1,019.13	1,164.73	1,310.32	1,601.50	1,892.68	2,183.86	2,620.64
Evenwood and Barony	868.42	1,013.16	1,157.89	1,302.63	1,592.10	1,881.58	2,171.05	2,605.26
Ferryhill	991.44	1,156.68	1,321.92	1,487.16	1,817.65	2,148.13	2,478.61	2,974.32
Fishburn	921.95	1,075.61	1,229.27	1,382.93	1,690.24	1,997.56	2,304.88	2,765.86
Forest and Frith	871.76	1,017.05	1,162.35	1,307.64	1,598.23	1,888.81	2,179.40	2,615.28
Framwellgate Moor*	875.88	1,021.86	1,167.84	1,313.82	1,605.78	1,897.74	2,189.70	2,627.64
Gainford and Langton	877.53	1,023.79	1,170.04	1,316.30	1,608.81	1,901.32	2,193.83	2,632.60
Gilmonby	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Great Aycliffe	991.31	1,156.53	1,321.74	1,486.96	1,817.40	2,147.83	2,478.27	2,973.92
Great Lumley	866.31	1,010.70	1,155.08	1,299.47	1,588.24	1,877.01	2,165.78	2,598.94
Greater Willington	873.81	1,019.45	1,165.09	1,310.72	1,601.99	1,893.27	2,184.54	2,621.44
Greencroft	876.89	1,023.04	1,169.19	1,315.33	1,607.63	1,899.93	2,192.22	2,630.66
Hamsterley	864.40	1,008.46	1,152.53	1,296.60	1,584.73	1,872.86	2,160.99	2,593.20
Haswell	928.77	1,083.57	1,238.36	1,393.16	1,702.75	2,012.34	2,321.93	2,786.32
Hawthorn	876.21	1,022.24	1,168.28	1,314.31	1,606.38	1,898.45	2,190.52	2,628.62
Headlam	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Healeyfield	864.01	1,008.01	1,152.02	1,296.02	1,584.02	1,872.02	2,160.03	2,592.04
Hedleyhope	878.12	1,024.47	1,170.82	1,317.17	1,609.88	1,902.58	2,195.29	2,634.34
Hilton	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Hope	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Horden	992.48	1,157.89	1,323.30	1,488.72	1,819.54	2,150.37	2,481.19	2,977.44
Hunderthwaite	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Hutton Henry	916.04	1,068.72	1,221.39	1,374.06	1,679.41	1,984.76	2,290.11	2,748.12
Hutton Magna	857.96	1,000.95	1,143.94	1,286.93	1,572.92	1,858.90	2,144.89	2,573.86
Ingleton	869.72	1,014.67	1,159.62	1,304.58	1,594.48	1,884.39	2,174.29	2,609.16
Kelloe*	877.47	1,023.71	1,169.95	1,316.20	1,608.69	1,901.18	2,193.67	2,632.40
Kimbleworth and Plawsworth	871.23	1,016.44	1,161.64	1,306.85	1,597.26	1,887.67	2,178.08	2,613.70
Lanchester	876.18	1,022.21	1,168.24	1,314.27	1,606.33	1,898.39	2,190.46	2,628.54
Langleydale	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Lartington	863.46	1,007.37	1,151.28	1,295.20	1,583.02	1,870.84	2,158.66	2,590.40
Little Lumley	864.11	1,008.12	1,152.14	1,296.16	1,584.20	1,872.23	2,160.27	2,592.32
Lunedale	857.72	1,000.67	1,143.62	1,286.57	1,572.48	1,858.38	2,144.29	2,573.14
Lynesack and Softley	866.62	1,011.06	1,155.50	1,299.93	1,588.81	1,877.68	2,166.56	2,599.86
Marwood	857.64	1,000.58	1,143.52	1,286.46	1,572.35	1,858.23	2,144.11	2,572.92
Mickleton	874.72	1,020.51	1,166.30	1,312.08	1,603.66	1,895.23	2,186.80	2,624.16
Middleton-in-Teesdale and Newbiggin-in-Teesdale	871.23	1,016.43	1,161.64	1,306.84	1,597.25	1,887.66	2,178.07	2,613.68
Midridge	887.44	1,035.35	1,183.25	1,331.16	1,626.97	1,922.79	2,218.60	2,662.32
Monk Hesleden	953.32	1,112.21	1,271.09	1,429.98	1,747.75	2,065.52	2,383.30	2,859.96
Mordon	865.90	1,010.22	1,154.54	1,298.86	1,587.49	1,876.13	2,164.76	2,597.72
Morton Tinmouth	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Muggleswick	873.46	1,019.04	1,164.62	1,310.19	1,601.35	1,892.50	2,183.66	2,620.38
Murton	955.90	1,115.21	1,274.53	1,433.84	1,752.47	2,071.11	2,389.74	2,867.68
North Lodge	868.17	1,012.86	1,157.56	1,302.25	1,591.64	1,881.03	2,170.42	2,604.50
Ouston	866.25	1,010.63	1,155.00	1,299.38	1,588.13	1,876.88	2,165.63	2,598.76
Ovington	866.27	1,010.65	1,155.03	1,299.41	1,588.16	1,876.92	2,165.68	2,598.82

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	893.83	1,042.80	1,191.77	1,340.74	1,638.69	1,936.63	2,234.57	2,681.48
Peterlee	1,019.01	1,188.84	1,358.68	1,528.51	1,868.18	2,207.85	2,547.52	3,057.02
Pittington*	876.04	1,022.05	1,168.06	1,314.07	1,606.08	1,898.10	2,190.11	2,628.14
Raby with Keeverstone	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Rokeby, Brignall and Eggleston Abbey	869.15	1,014.01	1,158.87	1,303.73	1,593.44	1,883.16	2,172.88	2,607.46
Romaldkirk	872.44	1,017.85	1,163.26	1,308.66	1,599.48	1,890.29	2,181.10	2,617.32
Sacriston	880.65	1,027.43	1,174.20	1,320.98	1,614.53	1,908.08	2,201.63	2,641.96
Satley	870.23	1,015.27	1,160.31	1,305.35	1,595.43	1,885.50	2,175.58	2,610.70
Scargill	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Seaham	987.80	1,152.43	1,317.07	1,481.70	1,810.97	2,140.24	2,469.50	2,963.40
Seaton with Slingley	871.25	1,016.46	1,161.67	1,306.88	1,597.30	1,887.72	2,178.13	2,613.76
Sedgefield	934.61	1,090.38	1,246.15	1,401.92	1,713.45	2,024.99	2,336.53	2,803.84
Shadforth*	873.01	1,018.51	1,164.01	1,309.51	1,600.51	1,891.51	2,182.51	2,619.02
Sherburn*	876.76	1,022.88	1,169.01	1,315.13	1,607.39	1,899.64	2,191.89	2,630.26
Sildon	1,005.30	1,172.85	1,340.39	1,507.94	1,843.04	2,178.14	2,513.24	3,015.88
Shincliffe*	869.74	1,014.69	1,159.65	1,304.60	1,594.52	1,884.43	2,174.34	2,609.20
Shotton	909.85	1,061.49	1,213.14	1,364.78	1,668.06	1,971.35	2,274.63	2,729.56
South Bedburn	861.80	1,005.44	1,149.07	1,292.70	1,579.97	1,867.24	2,154.50	2,585.40
South Hetton	928.02	1,082.69	1,237.36	1,392.03	1,701.37	2,010.71	2,320.05	2,784.06
Spennymoor	988.10	1,152.78	1,317.47	1,482.15	1,811.52	2,140.88	2,470.25	2,964.30
Staindrop	873.38	1,018.95	1,164.51	1,310.08	1,601.21	1,892.33	2,183.46	2,620.16
Stainton and Streatlam	868.55	1,013.31	1,158.06	1,302.82	1,592.34	1,881.85	2,171.37	2,605.64
Stanhope	865.92	1,010.24	1,154.56	1,298.89	1,587.53	1,876.17	2,164.81	2,597.78
Stanley Town Council	912.51	1,064.60	1,216.69	1,368.77	1,672.94	1,977.11	2,281.29	2,737.54
Startforth	867.34	1,011.89	1,156.45	1,301.01	1,590.12	1,879.23	2,168.34	2,602.02
Thornley	968.72	1,130.17	1,291.62	1,453.07	1,775.98	2,098.88	2,421.79	2,906.14
Tow Law	880.88	1,027.69	1,174.51	1,321.32	1,614.94	1,908.57	2,202.20	2,642.64

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	927.56	1,082.15	1,236.74	1,391.34	1,700.52	2,009.71	2,318.89	2,782.68
Trimdon Foundry	950.95	1,109.45	1,267.94	1,426.43	1,743.41	2,060.40	2,377.38	2,852.86
Urpeth	872.45	1,017.86	1,163.27	1,308.68	1,599.49	1,890.31	2,181.13	2,617.36
Wackerfield	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Waldrige	868.73	1,013.52	1,158.31	1,303.10	1,592.68	1,882.26	2,171.84	2,606.20
West Auckland	875.00	1,020.83	1,166.66	1,312.49	1,604.16	1,895.82	2,187.49	2,624.98
West Rainton and Leamside*	880.01	1,026.68	1,173.35	1,320.02	1,613.36	1,906.69	2,200.03	2,640.04
Wheatley Hill	931.18	1,086.38	1,241.57	1,396.77	1,707.16	2,017.55	2,327.95	2,793.54
Whorlton and Westwick	872.91	1,018.40	1,163.89	1,309.37	1,600.34	1,891.31	2,182.28	2,618.74
Windlestone	859.06	1,002.23	1,145.41	1,288.59	1,574.94	1,861.29	2,147.64	2,577.18
Wingate	923.41	1,077.31	1,231.21	1,385.11	1,692.92	2,000.72	2,308.52	2,770.22
Winston	868.57	1,013.33	1,158.09	1,302.85	1,592.37	1,881.89	2,171.42	2,605.70
Witton Gilbert*	883.10	1,030.28	1,177.46	1,324.64	1,619.01	1,913.37	2,207.74	2,649.28
Witton le Wear	865.86	1,010.16	1,154.47	1,298.78	1,587.40	1,876.02	2,164.64	2,597.56
Wolsingham	873.80	1,019.44	1,165.07	1,310.70	1,601.97	1,893.24	2,184.51	2,621.40
Woodland	864.46	1,008.54	1,152.62	1,296.70	1,584.85	1,873.01	2,161.16	2,593.40
Wycliffe-with-Thorpe	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Unparished Areas	855.24	997.78	1,140.32	1,282.86	1,567.94	1,853.02	2,138.10	2,565.72
Unparished Areas in the former City of Durham Area*	858.57	1,001.67	1,144.76	1,287.86	1,574.05	1,860.24	2,146.43	2,575.72
* 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

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**Annex 5: Overall Council Tax for each property Band 2010/11**


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Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Barforth	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Barnard Castle	1,068.71	1,246.83	1,424.95	1,603.06	1,959.30	2,315.54	2,671.77	3,206.12
Barningham	1,022.88	1,193.37	1,363.85	1,534.33	1,875.29	2,216.25	2,557.21	3,068.66
Bearpark*	1,034.58	1,207.01	1,379.44	1,551.87	1,896.73	2,241.58	2,586.44	3,103.74
Belmont*	1,034.62	1,207.05	1,379.49	1,551.93	1,896.80	2,241.67	2,586.54	3,103.86
Bishop Auckland	1,030.44	1,202.18	1,373.92	1,545.66	1,889.14	2,232.62	2,576.10	3,091.32
Bishop Middleham	1,080.75	1,260.88	1,441.01	1,621.13	1,981.38	2,341.64	2,701.89	3,242.26
Bolam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Bournmoor	1,029.36	1,200.92	1,372.48	1,544.04	1,887.16	2,230.28	2,573.40	3,088.08
Boldron	1,020.02	1,190.02	1,360.02	1,530.03	1,870.03	2,210.04	2,550.05	3,060.06
Bowes	1,031.48	1,203.40	1,375.31	1,547.23	1,891.05	2,234.88	2,578.71	3,094.46
Bradbury	1,031.53	1,203.45	1,375.38	1,547.30	1,891.14	2,234.99	2,578.83	3,094.60
Brancepeth*	1,040.39	1,213.79	1,387.19	1,560.59	1,907.39	2,254.19	2,600.99	3,121.18
Brandon & Byshottles*	1,036.44	1,209.18	1,381.92	1,554.66	1,900.14	2,245.62	2,591.10	3,109.32
Burnhope	1,023.41	1,193.97	1,364.54	1,535.11	1,876.25	2,217.38	2,558.52	3,070.22
Cassop-cum-Quarrington*	1,031.86	1,203.83	1,375.81	1,547.79	1,891.74	2,235.69	2,579.64	3,095.58
Castle Eden	1,028.21	1,199.58	1,370.95	1,542.32	1,885.06	2,227.80	2,570.54	3,084.64
Chilton	1,136.80	1,326.27	1,515.73	1,705.20	2,084.14	2,463.07	2,842.00	3,410.40
Cleatlam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Cockfield	1,031.00	1,202.84	1,374.67	1,546.50	1,890.17	2,233.84	2,577.51	3,093.00
Cornforth	1,095.16	1,277.69	1,460.22	1,642.75	2,007.80	2,372.86	2,737.91	3,285.50
Cornsay	1,039.24	1,212.44	1,385.65	1,558.85	1,905.27	2,251.68	2,598.09	3,117.70
Cotherstone	1,028.68	1,200.13	1,371.58	1,543.03	1,885.92	2,228.82	2,571.71	3,086.06
Coxhoe*	1,039.26	1,212.48	1,385.69	1,558.90	1,905.32	2,251.74	2,598.16	3,117.80



Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Croxdale and Hett*	1,036.50	1,209.25	1,382.00	1,554.75	1,900.25	2,245.75	2,591.25	3,109.50
Dalton-le-Dale	1,032.22	1,204.26	1,376.29	1,548.33	1,892.40	2,236.48	2,580.55	3,096.66
Dene Valley	1,024.97	1,195.80	1,366.63	1,537.46	1,879.12	2,220.78	2,562.43	3,074.92
Easington Colliery	1,177.97	1,374.29	1,570.62	1,766.95	2,159.60	2,552.26	2,944.91	3,533.90
Easington Village	1,112.09	1,297.43	1,482.78	1,668.13	2,038.83	2,409.52	2,780.22	3,336.26
Edmondsley	1,023.64	1,194.24	1,364.85	1,535.45	1,876.67	2,217.88	2,559.09	3,070.90
Eggleston	1,028.39	1,199.79	1,371.19	1,542.59	1,885.39	2,228.18	2,570.98	3,085.18
Eldon	1,066.79	1,244.59	1,422.39	1,600.19	1,955.79	2,311.38	2,666.98	3,200.38
Esh	1,033.36	1,205.59	1,377.82	1,550.05	1,894.50	2,238.95	2,583.41	3,100.10
Etherley	1,034.38	1,206.77	1,379.17	1,551.57	1,896.36	2,241.15	2,585.94	3,103.14
Evenwood and Barony	1,029.25	1,200.80	1,372.34	1,543.88	1,886.97	2,230.05	2,573.13	3,087.76
Ferryhill	1,152.28	1,344.32	1,536.37	1,728.41	2,112.51	2,496.60	2,880.69	3,456.82
Fishburn	1,082.79	1,263.25	1,443.71	1,624.18	1,985.11	2,346.03	2,706.96	3,248.36
Forest and Frith	1,032.59	1,204.69	1,376.79	1,548.89	1,893.09	2,237.28	2,581.48	3,097.78
Framwellgate Moor*	1,036.71	1,209.50	1,382.28	1,555.07	1,900.64	2,246.21	2,591.78	3,110.14
Gainford and Langton	1,038.37	1,211.43	1,384.49	1,557.55	1,903.67	2,249.80	2,595.92	3,115.10
Gilmonby	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Great Aycliffe	1,152.14	1,344.17	1,536.19	1,728.21	2,112.26	2,496.31	2,880.35	3,456.42
Great Lumley	1,027.14	1,198.34	1,369.53	1,540.72	1,883.10	2,225.48	2,567.86	3,081.44
Greater Willington	1,034.65	1,207.09	1,379.53	1,551.97	1,896.86	2,241.74	2,586.62	3,103.94
Greencroft	1,037.72	1,210.68	1,383.63	1,556.58	1,902.49	2,248.40	2,594.31	3,113.16
Hamsterley	1,025.23	1,196.10	1,366.97	1,537.85	1,879.59	2,221.33	2,563.08	3,075.70
Haswell	1,089.61	1,271.21	1,452.81	1,634.41	1,997.61	2,360.81	2,724.01	3,268.82
Hawthorn	1,037.04	1,209.88	1,382.72	1,555.56	1,901.24	2,246.92	2,592.60	3,111.12
Headlam	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Healeyfield	1,024.84	1,195.65	1,366.46	1,537.27	1,878.88	2,220.50	2,562.11	3,074.54
Hedleyhope	1,038.95	1,212.11	1,385.27	1,558.42	1,904.74	2,251.06	2,597.37	3,116.84
Hilton	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Holwick	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Hope	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Horden	1,153.31	1,345.53	1,537.75	1,729.97	2,114.40	2,498.84	2,883.28	3,459.94
Hunderthwaite	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Hutton Henry	1,076.88	1,256.36	1,435.83	1,615.31	1,974.27	2,333.23	2,692.19	3,230.62
Hutton Magna	1,018.79	1,188.59	1,358.39	1,528.18	1,867.78	2,207.38	2,546.97	3,056.36
Ingleton	1,030.55	1,202.31	1,374.07	1,545.83	1,889.34	2,232.86	2,576.38	3,091.66
Kelloe*	1,038.30	1,211.35	1,384.40	1,557.45	1,903.55	2,249.65	2,595.75	3,114.90
Kimbleworth and Plawsworth	1,032.06	1,204.07	1,376.08	1,548.10	1,892.12	2,236.14	2,580.16	3,096.20
Lanchester	1,037.02	1,209.85	1,382.69	1,555.52	1,901.20	2,246.87	2,592.54	3,111.04
Langleydale	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Lartington	1,024.30	1,195.01	1,365.73	1,536.45	1,877.88	2,219.31	2,560.74	3,072.90
Little Lumley	1,024.94	1,195.76	1,366.59	1,537.41	1,879.06	2,220.70	2,562.35	3,074.82
Lunedale	1,018.55	1,188.31	1,358.06	1,527.82	1,867.34	2,206.86	2,546.37	3,055.64
Lynesack and Softley	1,027.46	1,198.70	1,369.94	1,541.18	1,883.67	2,226.15	2,568.64	3,082.36
Marwood	1,018.48	1,188.22	1,357.97	1,527.71	1,867.21	2,206.70	2,546.19	3,055.42
Mickleton	1,035.56	1,208.15	1,380.74	1,553.33	1,898.52	2,243.70	2,588.89	3,106.66
Middleton-in-Teesdale and Newbiggin-in-Teesdale	1,032.06	1,204.07	1,376.08	1,548.09	1,892.11	2,236.14	2,580.16	3,096.18
Midridge	1,048.27	1,222.99	1,397.70	1,572.41	1,921.83	2,271.26	2,620.68	3,144.82
Monk Hesleden	1,114.15	1,299.84	1,485.54	1,671.23	2,042.61	2,414.00	2,785.38	3,342.46
Mordon	1,026.74	1,197.86	1,368.98	1,540.11	1,882.35	2,224.60	2,566.84	3,080.22
Morton Tinmouth	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Muggleswick	1,034.30	1,206.68	1,379.06	1,551.44	1,896.21	2,240.98	2,585.74	3,102.88
Murton	1,116.73	1,302.85	1,488.97	1,675.09	2,047.34	2,419.58	2,791.82	3,350.18
North Lodge	1,029.00	1,200.50	1,372.00	1,543.50	1,886.51	2,229.51	2,572.51	3,087.00
Ouston	1,027.09	1,198.27	1,369.45	1,540.63	1,882.99	2,225.35	2,567.72	3,081.26
Ovington	1,027.10	1,198.29	1,369.47	1,540.66	1,883.02	2,225.39	2,567.76	3,081.32

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Pelton	1,054.66	1,230.44	1,406.22	1,581.99	1,933.55	2,285.10	2,636.65	3,163.98
Peterlee	1,179.84	1,376.48	1,573.12	1,769.76	2,163.04	2,556.33	2,949.61	3,539.52
Pittington*	1,036.88	1,209.69	1,382.50	1,555.32	1,900.94	2,246.57	2,592.19	3,110.64
Raby with Keverstone	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Rokeby, Brignall and Eggleston Abbey	1,029.98	1,201.65	1,373.31	1,544.98	1,888.30	2,231.63	2,574.96	3,089.96
Romaldkirk	1,033.28	1,205.49	1,377.70	1,549.91	1,894.34	2,238.76	2,583.19	3,099.82
Sacriston	1,041.49	1,215.07	1,388.65	1,562.23	1,909.39	2,256.55	2,603.72	3,124.46
Satley	1,031.07	1,202.91	1,374.75	1,546.60	1,890.29	2,233.98	2,577.67	3,093.20
Scargill	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Seaham	1,148.63	1,340.07	1,531.51	1,722.95	2,105.83	2,488.71	2,871.59	3,445.90
Seaton with Slingley	1,032.09	1,204.10	1,376.12	1,548.13	1,892.16	2,236.19	2,580.22	3,096.26
Sedgefield	1,095.44	1,278.02	1,460.59	1,643.17	2,008.32	2,373.46	2,738.61	3,286.34
Shadforth*	1,033.84	1,206.15	1,378.45	1,550.76	1,895.37	2,239.98	2,584.60	3,101.52
Sherburn*	1,037.59	1,210.52	1,383.45	1,556.38	1,902.25	2,248.11	2,593.97	3,112.76
Shildon	1,166.13	1,360.48	1,554.84	1,749.19	2,137.90	2,526.61	2,915.32	3,498.38
Shincliffe*	1,030.57	1,202.33	1,374.09	1,545.85	1,889.38	2,232.90	2,576.42	3,091.70
Shotton	1,070.69	1,249.13	1,427.58	1,606.03	1,962.92	2,319.82	2,676.72	3,212.06
South Bedburn	1,022.64	1,193.07	1,363.51	1,533.95	1,874.83	2,215.71	2,556.59	3,067.90
South Hetton	1,088.85	1,270.33	1,451.80	1,633.28	1,996.23	2,359.18	2,722.13	3,266.56
Spennymoor	1,148.93	1,340.42	1,531.91	1,723.40	2,106.38	2,489.36	2,872.33	3,446.80
Staindrop	1,034.22	1,206.59	1,378.96	1,551.33	1,896.07	2,240.81	2,585.55	3,102.66
Stainton and Streatlam	1,029.38	1,200.95	1,372.51	1,544.07	1,887.20	2,230.33	2,573.45	3,088.14
Stanhope	1,026.76	1,197.88	1,369.01	1,540.14	1,882.39	2,224.64	2,566.89	3,080.28
Stanley Town Council	1,073.35	1,252.24	1,431.13	1,610.02	1,967.80	2,325.59	2,683.37	3,220.04
Startforth	1,028.17	1,199.53	1,370.89	1,542.26	1,884.98	2,227.70	2,570.43	3,084.52
Thornley	1,129.55	1,317.81	1,506.07	1,694.32	2,070.84	2,447.36	2,823.87	3,388.64
Tow Law	1,041.71	1,215.33	1,388.95	1,562.57	1,909.81	2,257.04	2,604.28	3,125.14

Parish	Council Tax Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Trimdon	1,088.39	1,269.79	1,451.19	1,632.59	1,995.38	2,358.18	2,720.98	3,265.18
Trimdon Foundry	1,111.79	1,297.08	1,482.38	1,667.68	2,038.27	2,408.87	2,779.47	3,335.36
Urpeth	1,033.28	1,205.50	1,377.71	1,549.93	1,894.35	2,238.78	2,583.21	3,099.86
Wackerfield	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Waldrige	1,029.57	1,201.16	1,372.76	1,544.35	1,887.54	2,230.73	2,573.92	3,088.70
West Auckland	1,035.83	1,208.47	1,381.11	1,553.74	1,899.02	2,244.30	2,589.57	3,107.48
West Rainton and Leamside*	1,040.85	1,214.32	1,387.79	1,561.27	1,908.22	2,255.17	2,602.11	3,122.54
Wheatley Hill	1,092.01	1,274.01	1,456.02	1,638.02	2,002.02	2,366.03	2,730.03	3,276.04
Whorlton and Westwick	1,033.75	1,206.04	1,378.33	1,550.62	1,895.20	2,239.79	2,584.37	3,101.24
Windlestone	1,019.89	1,189.87	1,359.85	1,529.84	1,869.80	2,209.76	2,549.73	3,059.68
Wingate	1,084.24	1,264.95	1,445.66	1,626.36	1,987.78	2,349.19	2,710.60	3,252.72
Winston	1,029.40	1,200.97	1,372.53	1,544.10	1,887.23	2,230.37	2,573.50	3,088.20
Witton Gilbert*	1,043.93	1,217.92	1,391.90	1,565.89	1,913.87	2,261.85	2,609.82	3,131.78
Witton le Wear	1,026.69	1,197.80	1,368.92	1,540.03	1,882.26	2,224.49	2,566.72	3,080.06
Wolsingham	1,034.64	1,207.08	1,379.52	1,551.95	1,896.83	2,241.71	2,586.59	3,103.90
Woodland	1,025.30	1,196.18	1,367.06	1,537.95	1,879.71	2,221.48	2,563.24	3,075.90
Wycliffe-with-Thorpe	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Unparished Areas	1,016.07	1,185.42	1,354.76	1,524.11	1,862.80	2,201.49	2,540.18	3,048.22
Unparished Areas in the former City of Durham Area*	1,019.41	1,189.31	1,359.21	1,529.11	1,868.91	2,208.71	2,548.52	3,058.22
* 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

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## Appendix 3: Glossary Of Terms

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### 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 1<sup>st</sup> 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:

<b>Band</b>	<b>Value of dwelling estimated at April 1991</b>	<b>Tax as fraction of Band D rate</b>
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