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**OVERVIEW OF EFFICIENCY AND RESOURCES PORTFOLIO**

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1. Since the last meeting of Council, the following are the main areas of work under my Efficiency and Resources Portfolio :-
  - (a) **Eastbourne School** – Teesside University has recently approached the Council to enquire about the availability of Eastbourne School as a temporary location from which the University could offer and deliver short courses in Darlington from autumn 2009. The proposed development by the University at Central Park adjacent to Darlington College is expected to be completed by September 2011 but in the interim, the University would like to begin to offer courses with a view to building up its customer base in Darlington earlier than would otherwise be possible. The Academy is beginning to transfer to the new Academy building at Hundens Park and will have vacated Eastbourne School by 28 August 2009. It is felt that a short term use of the school by the University can be accommodated without having a detrimental impact on the decision to demolish and given the circumstances is considered a good outcome for the Council through the revenue saving on the deferment of the demolition cost and in time if market conditions improve, it may be possible to place demolition obligations on a developer. Payment will be made by the University for use of the building.
  - (b) **Irrecoverable Non-Domestic Rates and Council Tax – Proposed Write-Off -** During 2008/09, the Council has maintained its high level of success in collecting local taxes. 96.8 per cent of the Council Tax due during 2008/09 has been collected and, in addition, £0.282 million of Council Tax arrears from previous years has also been collected, giving a total collection rate of 98.5 per cent. In-year collection of non-domestic rates is 98.3 per cent. Cabinet have given approval to write off debts that, despite a number of steps being undertaken, are deemed irrecoverable.
  - (c) **Irrecoverable Sundry Debts – Proposed Write-Off -** Cabinet agreed to write off sundry debtor arrears in respect of invoices with individual values greater than £500 that are considered to be irrecoverable. It was also reported to Cabinet those sundry debts with individual values less than £500 that have been written off by Officers under delegated powers.
  - (d) **Capital Programme – Release of Funding** – We have released £220,000 of funding allocated within the Council’s 2009/10 capital medium term financial plan to enable capitalised repairs to some of the Council’s assets to be undertaken. These works have been considered with regard to the Council’s current economic position and have been prioritised as the most pressing in order to meet obligations and to minimise exposure

to risk.

- (e) **Capital Programme Outturn 2008/09** – Cabinet have been advised on the wide variety of capital improvements undertaken throughout the Borough during 2008/09, with a total capital spend of £49.2 million, compared to £41.3 million in the previous financial year.
- (f) **Revenue Outturn 2008/09** - The Council's 2008/09 Revenue Accounts are close to being finalised, subject to audit. Overall, the financial results for 2008/09 are satisfactory, with reserves being £152,000 better than the agreed Medium-term Financial Plan.
- (g) **Treasury Management Annual Report and Outturn Prudential Indicators 2008/09** - In accordance with the Council's reporting procedures, we have received information regarding the regulation and management of the Council's borrowing, investment and cash-flow and seeking approval of outturn Prudential Indicators for 2008/09. The financial year 2008/09, presented exceptional circumstances with regard to treasury management and activity during 2008/09 has been carried out in accordance with Council policy and within legal limits. Financing costs have been reduced during the year and a saving of £220,000 achieved from the revised Medium-Term Financial Plan as a result of a number of actions taken throughout the year to manage the financing costs in the changing economic climate. Policies had been reviewed during 2008-09 and a number of revisions to had been made. Critically, the Council's Treasury policies, procedures and management had safeguarded investments and, unlike over 100 other authorities, the Council had not incurred any losses in the collapse of the Icelandic banks.
- (h) **Capital Programme Monitoring 2009/10 – Quarter 1** - We have considered the current position of the Capital Programme 2009/10. In line with improvements to capital programme management, this first monitoring report was brought to Cabinet earlier than in previous years. There are no significant variances that affect the Council's financial position or delivery of the planned programme.
- (i) **Revenue Budget Monitoring 2009/10 – Quarter 1** - We have considered the current position of the revenue budget.

It was reported to Cabinet that the projected revenue reserves at the end of 2009/10 were in line with the Medium Term Financial Plan though there are several pressures and savings. The longer-term outlook for public sector finances is challenging. .

- (j) **Land at Pine Tree Grove, Middleton St. George – Access** – Following a request by the owners of a property in Pine Tree Grove, Middleton St. George, Cabinet have agreed to grant to them, a right of access across Council land. A capital receipt in relation to this will be achieved for the Council.

- (k) **Land at McMullen Road** – We have agreed to dispose of the freehold interest of land at McMullen Road. This will also achieve a capital receipt for the Council.
2. Work is being done by officers with the auditor and the Audit Commission on the new Use of Resources assessment, which feeds into the new Comprehensive Area Assessment, which in turn replaces the Corporate Performance Assessment as a way of measuring the performance of councils and other organisations. The new Use of Resources assessment has been made a harder test and the Audit Commission have indicated that most councils will not score more than 2 (out of 4) under the new test (whereas previously we scored 4).
  3. Following the Cabinet restructure and my appointment to the Efficiency and Resources Portfolio, I have had a number of meetings with Paul Wildsmith and his Senior Management Team; I have chaired a meeting of the Human Resources Panel (sitting as an Appeals Panel); I have met with Councillor Haszeldine as Chair of the Resources Scrutiny Committee and attended the meeting of Resources Scrutiny Committee in June.
  4. Officers have been working hard on implementing agreed efficiency programmes and are clearly working on developing further programmes for the future. I have been working with CMT and Cabinet in overseeing this work. It is still early in the new financial year but very close scrutiny is being given to implementing our ambitious efficiency programme. At this early stage, I am confident that the efficiency programme will be delivered. An officer board chaired by the Chief Executive including all of CMT has been established with the sole purpose of overseeing the Council's finances and focussing on the efficiency programme. At this early stage in the year the majority of savings are on line for delivery and where plans are not yet 100% firm, CMT are confident that appropriate action will deliver the savings in total.

**Councillor Chris McEwan**  
**Cabinet Member with Efficiency and Resources Portfolio**