
OVERVIEW OF EFFICIENCY AND RESOURCES PORTFOLIO

1. Since the last meeting of Council, the following are the main areas of work under my Efficiency and Resources Portfolio :-

- (a) **North East Purchasing Organisation – Constitution** – We have agreed a revised Constitution for the Joint Committee for the North Eastern Purchasing Organisation (NEPO) and approved the revised shared services arrangement. In addition, I, as Cabinet Member with Portfolio for Efficiency and Resources, together with the Chair of the Resources Scrutiny Committee have been appointed to serve on the Joint Committee.

NEPO is an organisation which is responsible for organising collaborative contracts through which Councils purchase good and services, and it has a good reputation for delivering savings through contract rebates and lower prices, however, it has been recognised that only a relatively small proportion of local authority contracts are organised collaboratively and that there is considerable scope to develop its role further. A business plan has therefore been finalised which proposed a new organisation designed to expand the influence of NEPO in the region, to increase the level of financial savings substantially and to support the regional supply chain to benefit from better public sector contracting opportunities. To bring the new Organisation into being, all Council Executives were required to agree to the revised Constitution and shared service agreement.

- (b) **Former Beaumont Hill School Site** - I am pleased to announce that Registered Social Landlord, Fabrick has exchanged contracts with the Council to facilitate their £13 million residential development on the former Beaumont School sites at Glebe Road. It will build a total of 106 units, comprising of two, three and four bed properties and 30 per cent will be affordable homes to rent. The development is being supported by the Homes and Community Agency. Southdale Limited is Fabrick's joint venture partner and the builders who will undertake the construction works.

This is a really great example of how the Homes and Community Agency, Darlington Borough Council and Registered Social Landlord can work together to make exciting schemes happen in very difficult trading and economic times.

- (c) **Project Position Statement and Capital Programme Monitoring – Quarter 2 2010/11** - We have received information on the current position of the Council's capital commitments and resources together with all the live construction projects currently being managed by the Council.

- (d) **Revenue Budget Monitoring 2010/11 – Quarter 2** – We have considered the current position of the revenue budget as part of the Council’s continuous financial management processes. We were advised that the projected revenue reserves at the end of 2010/11 are £11.92 million, which is £681,000 better than the planned position, with departmental reserves projected to be in deficit by £1.94 million and corporate reserves in surplus by £2.621 million compared with the 2010/14 Medium-Term Financial Plan. Management action is continuing to deliver improvements both in the current year and the longer term.
- (e) **Public Engagement on the Council’s future budget** – I have been working closely with colleagues and Officers to ensure that our messages to the public about the financial challenge we face are clear and that there is good opportunity for them to comment on proposals. The November Town Crier devoted a significant proportion of its content to outlining this challenge. Alongside this, two public Talking Together events have been held, allowing Darlington residents the opportunity to discuss the budget proposals with senior officers and Cabinet Members. Recognising that there will be particular concern amongst particular groups of residents, a number of actions and events are being organised to fully understand the impact of the proposals and particular groups such as disabled people, older adults and young people. I have given a presentation at the Voluntary Sector Chiefs and Chairs meeting on 5th November, 2010, where we discussed the potential impact on the sector and what the Council may be able to do to help.

I have also continued to have briefing meetings with Lead Officers in the Corporate Services Department, in particular I have been reviewing the detail contained within the Comprehensive Spending Review. As Members have been informed the review does not provide the definitive financial picture for Darlington this will not be available until December. However, the review suggests that our original estimate of needing to save £22m from a controllable budget of £107m, including the need to save £10m next financial year remains valid. Once we have to grant figures in December and feedback on our initial proposals Cabinet will be in a position to finalise their budget which will be proposed in January 2011.

Councillor Chris McEwan
Cabinet Member with Efficiency and Resources Portfolio