
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) **Medium-Term Financial Plan** – At a special meeting of Cabinet held on 18th January, 2011, we considered the draft Medium Term Financial Plan (MTFP). The report follows on from approximately six months of extensive work undertaken by Cabinet and senior Officers to respond to the most significant financial challenge the Council has ever faced. For me, this has been the focus of my work over the last few months and I have been meeting regularly with Cabinet colleagues collectively and individually to consider and challenge options for reducing expenditure to balance the MTFP. Our initial saving proposals were released in November and we have had considerable feedback from a variety of stakeholders and this has helped us to develop our draft MTFP which is now available for consultation.

I have been working with some key stakeholders through the Sounding Board we set up to give us feedback and challenge on the budget process. The group consists of private sector, voluntary sector and community representatives. This process has been a very helpful contribution in shaping the ideas and proposals that will be coming before Council in March, and in assessing the potential public impact of the decisions we are taking.

The Council was notified of its grant settlement on 13th December, 2010, and the figures contained within the settlement broadly match those projected in the summer following the Emergency budget in June. As a result, the Council needs to save in the region of £20m. This year's grant settlement is much more complex than in previous years as various grants have been merged, some stopped altogether and the methodology used to distribute grants between Councils has also changed.

- (b) **VAT Increase** – Following the announcement by the Government to increase VAT in January 2010, we have agreed to increase or hold charges for a number of service areas. In relation to those areas which we have agreed not to increase charges, the administration and reprinting costs would outweigh any additional income received.
- (c) **Regulation of Investigatory Powers** – As Members will be aware, the Council has powers under the Regulation of Investigatory Powers Act 2000 to carry out certain types of surveillance activity provided that specified procedures are followed. The Office of Surveillance Commissioner provides regulatory oversight in how we use the powers and, following a full investigation by the Surveillance Commissioner in April 2010, a follow-up inspection was undertaken in November 2010, to ensure that all the recommendations had been addressed and implemented. The inspection went well and

the feedback received was positive.

- (d) **Mid Year Prudential Indicators and Treasury Management Monitoring Report** – We have recommended the revised prudential indicators to Council for approval and have received a half-yearly review of the Council's borrowing and investment activities. The mandatory Prudential Code, which governs Council borrowing, requires Council approval of controls, called Prudential Indicators, which relate to capital spending and borrowing. The indicators are set in three statutory annual reports and this mid-year update follows Council's approval in February 2010 of the 2010/11 Prudential Indicators and Treasury Management Strategy.
- (e) **Properties in Horsemarket** – We have agreed to offer a number of properties in Horsemarket, which are not now required for the Council's own purposes, to the market on a leasehold basis.
- (f) **Tees Grange Farmhouse, Coniscliffe Mews** – We have also declared Tees Grange Farmhouse, Coniscliffe Road, surplus to Council's requirements and agreed to dispose of it by the most appropriate means.
- (g) **176 Victoria Road** – We have agreed to dispose of land and buildings forming part of 176 Victoria Road to the existing lessee.

Councillor Chris McEwan
Cabinet Member with Efficiency and Resources Portfolio