

CENTRAL RESOURCES COMMITTEE

26 JANUARY 2005

Report of the Director of Central Resources **CAPITAL BUDGET MONITORING**

purpose of the report

1. To consider the capital expenditure of the Authority for the first nine months of 2004/05 against budget.

background

2. This report is in 5 parts. Each part considers a different service as follows:
 - Part 1 – Housing Revenue Account
 - Part 2 – Community Services
 - Part 3 – Central Resources/Other
 - Part 4 – Regeneration
 - Part 5 – Externally Funded Schemes
 - Part 6 – Summary
3. Each part provides details of each capital scheme, spend to 31 December, projected outturn and comments on each scheme.
4. Budgeted figures are the net cost to the Council for schemes that are fully or partially externally funded. The projected outturn for each scheme will be used to assist in determining the level of resources available to support the capital programme for 2005/06.

conclusion

5. Part 6 of the report shows the projected capital outturn as being £5,559,000 compared to an original budget of £5,364,000. This is a difference of £195,000.
6. This additional expenditure is partly due to schemes that were agreed in previous financial years being completed in 2004/05. These schemes will have had the resources in place to finance the expenditure. These total approximately £130,000.
7. Overall the 2004/05 projected outturn is affordable. The additional expenditure of £65,000 is affordable from additional capital receipts.
8. Expenditure against the agreed capital budgets will be monitored closely and further reports brought to management team and members.

Officer responsible for the report

Gary Ridley
Director of Central Resources
Ext 227

Author of the report

Stuart Reid
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CENTRAL RESOURCES COMMITTEE

26 JANUARY 2005

Report of the Director of Central Resources **REVENUE BUDGET MONITORING**

purpose of the report

1. To consider the revenue expenditure of the Authority for the first nine months of 2004/05, against budget.

background

2. This report covers the revenue expenditure of the Authority financed by the General Fund and the Housing Revenue Account (HRA).
3. The summary revenue position for financial year 2004/05 as at the end of December 2004 for the General Fund is shown in Annex 2. The figures for the HRA are shown in Annex 3. The annexes compare the approved budget for each department against forecasted outturn for 2004/05 based upon the first nine months of the financial year. Major over and under spends within each departmental budget are noted.
4. These figures have been used in determining the resources available in the current year to support the 2005/06 budget.

conclusion

5. The forecasted outturn for the General fund indicates an underspend of £281,000 for 2004/05 at this stage although this represents only a snapshot in time and may alter by the year-end. Members should bear in mind that almost £1m of reserves are planned to be used in 2004/05 to support the General Fund revenue budget.
6. The forecasted outturn for the HRA is £26,000 better than budget. The financial health of the HRA has improved as a result of increases in Government subsidy.
7. Whilst the General Fund and HRA may appear to be slightly better than originally predicted, it is important to realise that there are many spending pressures that need to be considered during the budget process. These include pay inflation, reductions in external funding for certain posts, pension costs, non-domestic rates increases, the possibility of falling interest rates leading to lower investment returns etc. There is also likely to be pressure brought to bear to minimise council tax increases next year.

8. Revenue budgets continue to be closely monitored and further reports will be brought to Committee.

RECOMMENDED that Members note the report.

Officer responsible for the report

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**WEAR
VALLEY**
DISTRICT COUNCIL

CENTRAL RESOURCES COMMITTEE

26 JANUARY 2005

Report of the Director of Central Resources **RATE RELIEF FOR RURAL FACILITIES**

purpose of the report

1. To seek Members approval for the reviewing of the rural settlement list.

background

2. The Council is obligated to review its list of rural settlements annually. The criteria is:
 - (i) Settlements which appear to have a population of 3,000 or less.
 - (ii) Settlements wholly or partly within a designated rural area as determined by the Secretary of State of the Office of the Deputy Prime Minister, outlined below.

bishop auckland area

Auckland Park	Escomb
Binchester	Etherley Dene
Coundon/Leeholme/New Coundon/ Leasingthorne/Westerton/ Middlestone Village	Etherley Moor
Dene Valley (inc. Coundon Grange, Close House, Coronation & Eldon Lane)	Newfield
	Toronto
	Witton Park/ Woodside

crook and willington area

Fir Tree	Roddymoor
Helmington Row	Stanley/Billy Row/ Mount Pleasant
High Grange	Sunniside
Howden le Wear	Sunnybrow
Hunwick/Lane Ends	Witton le Wear/Wear Valley Junction
North Bitchburn	
Oakenshaw	

weardale and tow law

Cowshill
Crawleyside
Daddyshield
Eastgate
Edmundbyers
Frosterley
Hunstanworth
Ireshopeburn/West Blackdene

Lanehead
Rookhope
Stanhope
St. John's Chapel
Tow Law/Dans Castle
Wearhead
Westgate
Wolsingham

RECOMMENDED that Members approve the reviewing of the rural settlement list.

Officer responsible for the report

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CENTRAL RESOURCES COMMITTEE

26 JANUARY 2005

Report of the Director of Central Resources
1 & 3 EDWARD STREET, ELDON LANE

purpose of the report

1. To seek Committee approval to the disposal of 2 no. surplus dwellings by confined negotiation to an interested party.

background

2. Regeneration Committee on 9th September 2004 resolved the disposal of 7 properties that were acquired in conjunction with the Eldon Lane Housing Renewal Programme. Committee further resolved that priority be given to local people who wish to occupy these 7 dwellings but consideration to be given to general requests to purchase, where appropriate.

proposal

3. Both 1 and 3 Edward Street, Eldon Lane are in a significant state of disrepair. The costs to bring each property up to a basic standard will be in the region of £7,000. The state of disrepair is such that placing the properties on the open market would create an unnecessary risk when carrying out public viewings. This is due to the lack of lighting, missing floorboards and dangerous stairways.
4. An approach has been made by Mr P & Mrs A Welch of 2 Johnson Street, Eldon Lane to acquire these properties. They own 2 Edward Street, Eldon Lane a property which they have brought up to high standard of repair and now let. They propose to carry out a similar revitalisation to the properties before letting.
5. Given the potential risk of marketing these properties to the public and Mr & Mrs Welch's record of improving the standard of dwellings in the area it is reasonable to consider disposing of the properties by way of confined negotiation with the District Valuer. Such negotiations to be on the basis that a negotiated consideration represents best price.

financial implications

6. The sale of the properties by restricted negotiation should achieve the best price reasonably obtainable and this will increase the Council's available capital resources.

legal implications

7. The Council is required to achieve market value and seek Secretary of State consent because the disposal of more than one dwelling is involved.

RECOMMENDED that 1 & 3 Edward Street, Eldon Lane be sold to Mr & Mrs Welch at a price to be negotiated with the District Valuer and which he endorses as representing market value and subject also to receipt of Secretary of State consent.

Officer responsible for the report

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CENTRAL RESOURCES COMMITTEE

26 JANUARY 2005

Report of the Asset Management Group
LAND ADJACENT TO 2 WESTERN HILL FROSTERLEY

purpose of the report

1. To seek Members' approval to refuse a request to purchase land at the above location.

introduction

2. A request has been received from Mr. and Mrs. Richardson of 2 Western Hill, Frosterley to purchase the grassed area of land hatched black on the plan at Annex 4 to enable their existing garden to be extended as a safe play area for their child. The extent of Mr. and Mrs. Richardson's property is edged in black on the plan.

director of regeneration's comments

3. The Director of Regeneration confirms that the proposed development is acceptable in principle subject to an application for planning permission being made. He assumes that any sale will be subject to conditions relating to the condition and maintenance of the land.

acting director of community services' comments

4. The Acting Director of Community Services offers no objection of a technical nature to the sale of the land subject to the purchasers providing and maintaining suitable boundary fencing.
5. He suggests however that a 300mm strip of land at the rear of the kerb be retained in order that the kerb foundations are not damaged by fence posts etc.

director of housing services' comments

6. The Director of Housing Services has no objection to the sale of the land.

durham county council's environment department

7. An officer of the County Council's Traffic Section confirms that the parking area indicated on the plan, as well as the land which the applicants wish to purchase, does not form part of the adopted public highway. However, he advises that vehicles parked in the parking area do currently overhang the

kerb and encroach into the land hatched black on the plan. He also advises that the parking area is restricted and considers that the loss of the hatched land would further restrict parking.

author's comments

8. The adjacent land owner at 1 Western Hill was consulted and in accordance with Sections 122/123 of the Local Government Act 1972 an open space advertisement was undertaken. This resulted in a number of objections being received from residents, as well as one from Stanhope Parish Council.
9. The main reasons given in the letters of objection are as follows:-
 - a) Loss of amenity space that is used regularly by the occupiers of the aged persons bungalows in Glebe Side. There is also a seat that appears to be located on the land which is also used by the occupiers of the bungalows, and because there is no suitable land available it would not be possible to relocate the seat.
 - b) Land is used for play by small children.
 - c) A turning bay which is used for the parking of vehicles lies adjacent to the land, and if the sale proceeds it would be almost impossible for the turning bay to be used safely. When large vehicles park they need to 'overhang' onto part of the land, and in the event that it is sold and a fence/wall erected on the boundary marked A-B on the plan vehicles will have to park two to three yards further back thus creating a hazard for vehicles travelling down Glebe View.
 - d) There are parking spaces for four vehicles but turning is virtually impossible if one vehicle is parked, and in the past walls, poles and a fire hydrant have been hit.
 - e) There needs to be access at all times for emergency vehicles.
10. The position of the seat mentioned above is indicated by 'x' on the plan, and is not on the land which Mr. and Mrs. Richardson have requested to purchase. However, I am conscious of the fact that if the land is sold the concerns/problems mentioned in the letters of objection will be exacerbated.
11. Although the proposed disposal will not result in the loss of the whole area of open space opposite Glebe Side, it is evident that residents would not like to see the use of any part of this amenity land diminished.

conclusion

12. In view of the comments made in the letters of objections, particularly with regard to highway safety, as well as the observations made by the Traffic Section of the County Council, it is felt that the request received from Mr. and

Mrs. Richardson to purchase the hatched' land to enable their existing garden to be extended should be refused.

13. However, in line with the Council's policy of public speaking at this Committee the applicants and the objectors have been invited to attend this meeting to afford them the opportunity to present their respective cases to you.

RECOMMENDED that Mr. and Mrs. Richardson's request to purchase the land be refused for the reasons mentioned in paragraph 12 above.

Background Papers

File Number 81381

Officer responsible for the report

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Author of the report

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CENTRAL RESOURCES COMMITTEE

INSERT COMMITTEE DATE

Report of the Director of Central Resources **ANNUAL AUDIT AND INSPECTION LETTER**

purpose of the report

1. To seek member approval for the 2003/4 Annual Audit Inspection and letter.

background

2. The Authority's external auditors have produced the Annual Audit and Inspection letter which is shown at Annex 5.

The key messages contained within it, and a comment from Officers, are:

i) Council performance

The council was assessed as a fair authority in the comprehensive Performance Assessment in 2003. It is making good progress in improving its services and the way it works, and has developed a corporate plan. It is achieving improvements in its priority services.

The council's overall approach to performance management continues to develop with the adoption of the council plan, use of the balanced scorecard technique and performance improvement teams.

The council still does not have a human resources strategy but it has accepted the need to improve its arrangements for managing people and is reviewing its human resources function.

Comment: the Council is in the process of employing solace consultants to produce an HR strategy. The requirement to do this is included as a commitment within the Authority's Council Plan

ii) Accounts

The council failed to prepare a complete statement of accounts by the earlier statutory deadline of 31 August 2004. The deadline for completion had been brought forward from 30 September in previous years. Whilst members did approve the council's accounts on 31 August, entries were missing from the statement of total movement in reserves and from the cash flow statement.

Comment: it is accepted that the cashflow statement was incomplete when presented to members. It will become progressively more

difficult to produce the Authority's annual accounts within prescribed timescales as the deadline is to be brought forward in future years. It will be necessary to ensure that adequate resources are attributed to this task in order to meet statutory deadlines.

iii) Local government re-organisation

We received a number of complaints about publicity issued by Durham councils in advance of the referendum on the proposals for local government reorganisation in Durham. The District Auditor's overall view, after reviewing the publicity, was that some of the expenditure incurred may have been unlawful as it may have contravened the publicity code.

Comment: the above is a standard paragraph inserted into all Authority's annual audit letters. Any illegal expenditure is immaterial in value and would need to be proven beyond all doubt.

iv) Other government issues

Our overall conclusion is that there are arrangements in place at Wear Valley for aspects of corporate governance. However, we have concerns about some procedures, especially relating to the legality of housing stock options appraisal publicity and controls over capital grants.

Comment: The corporate governance procedures within the Authority are considered to be adequate in relation to housing stock publicity. In relation to capital grants, revised procedures have now been introduced.

conclusion

3. The issues raised in the Audit letter will be/are being addressed, as indicated above. Progress in these areas will be subsequently reviewed by External Audit in future.

RECOMMENDED that members note the report and attached Annex.

Officer responsible for the report
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