

Cabinet



Minutes of special meeting held on Wednesday 21 September 2005 at 4.30pm

Present:-

Councillor **Lucas** (Chairman and Leader of the Council)

Councillor **Elkin** (Deputy Chairman and Deputy Leader of the Council)

Councillors **Mrs Goodall, Mrs Howlett and Williams**

51. Minutes

The minutes of the meeting held on 7 September 2005 were submitted and approved and the Chairman was authorised to sign them as a correct record subject to an amendment to paragraph 40.1 to record the comment by Councillor Mrs Bannister that the proposed collection of cardboard should be available free of charge to all residents.

52. Disclosures of interests by Members under the Code of Conduct

None were declared.

53. Financial Strategy – 2006/07 Budget (Cabinet , 13 July 2005, minute 18, page 62)

53.1 Councillor Tutt was permitted to address the Cabinet. He asked that the proposed consultation be in respect of both revenue and capital budget proposals. Councillor Williams confirmed that this was the intention.

53.2 The Scrutiny Committee had considered the report at a special meeting held on 19 September 2005 and an extract from the minutes setting out the Committee's comments was circulated for information.

53.3 Councillor Williams presented the report of the Corporate Management Team further to the update report previously considered by Cabinet on 13 July 2005.

Revenue Budget

53.4 The revenue budget gap for 2006/07 (as reported to Council in February 2005) was £947,000. This excluded any shortfall in funding for the Government's plans to require Councils to offer free concessionary bus travel from April 2006. It was reported to Cabinet on 13 July that the shortfall could be as high as £1m. depending on how the Government distributed additional funding. The Leader wrote to the Office of the Deputy Prime Minister expressing concern about this following Cabinet. The response from ODPM confirmed that the increase in funding would not be subject to "floor damping". This was reflected in the Revenue Support Grant proposals issued in July 2005 which would provide an additional

£632,000 funding, leaving a shortfall of £393,000. For planning purposes it was prudent to assume that this shortfall would remain. This increased the budget gap to £1,340,000. Without additional Government support the additional cost equated to a 6% Council tax increase or an average of £12 per annum per household. Councillor Williams reported that a Member delegation would seek a meeting with the Government to press the Council's case for full funding of concessionary fares.

53.5 Over 12,000 pensioners, disabled people and students benefited from half fares under the current concessionary travel scheme at a cost to the Council of £490,686 in the current year. This was the highest cost of any district/borough council in East or West Sussex. Further analysis of current usage of the scheme was proposed in order to consider alternatives (including withdrawal from the countywide scheme), together with inclusion of this issue in the public consultation on budget options. Restricting the Council's scheme to the statutory minimum could save £77,000.

53.6 Councillor Williams re-stated the administration's commitment that any Council Tax increase be kept at no more than the rate of inflation (currently 2.5%). Draft savings targets of £985,000 had been identified, comprising £620,000 from income and £365,000 from efficiencies. It was intended that targets would be confirmed via the service and financial planning process in the autumn and reported to Cabinet in December. Councillor Williams said that delivery of these savings targets was not intended to impact on service delivery to the public so far as was possible.

53.7 The budget plan included £250,000 of growth for service improvements for 2006/07. Final recommendations on growth would be dependent on the achievement of the efficiency and income targets. The following growth options were proposed for consultation:

53.7.1 Extension of Recycling - Cabinet had approved an updated Action Plan of recycling initiatives on 7 September 2005 with the aim on building on the efforts already being made by the Council and local residents and meeting the Government's targets in the longer term (30% of all household waste to be recycled by 2012):-

	<u>annual cost £</u>
"Recycle for Eastbourne" initiative	40,000
Two additional plastics banks at bring sites	4,500
Six cardboard banks at bring sites	12,000
<i>(or alternatively £4,000 if 10 containers purchased at a capital cost of £10,000)</i>	
Cardboard promotion (first year only)	3,000
Total:	<u>59,500</u>

It was possible that government grants would be available to offset these costs.

- 53.7.2 Expansion of Enforcement Team - To further develop the team and to give it greater capacity for achieving its objectives it was proposed that one additional Community Enforcement Officer be added to the present team of 3 three at a cost of £25,000 per annum.
- 53.7.3 Maintenance of Parks and Open Spaces – A revenue budget of £110,000 was proposed for repairs and maintenance to paths, roadways, fences, railings, hedges, walling, ditches, bins, sports surfaces, water supplies etc.
- 53.7.4 Voluntary Sector Support – A 3% inflationary increase in the current £171,000 budget for grants would cost £5,000. To assist voluntary organisations by making the funding available as from April 2006 it was intended to bring forward the timetable. Grants Panel would now meet in January and the Cabinet would decide applications at their meeting on 8 February 2005.
- 53.7.5 Community Engagement – Altogether Eastbourne, a sub-group of the Strategic Partnership, were preparing a Community Development Statement. The Council's contribution could be £30,000 subject to the other partners making their own additional contributions.
- 53.8 The report detailed proposed changes to the formulae used by the government to distribute grant to local councils and the effect these could have on Eastbourne. Because Eastbourne already benefited from some £666,000 of "floor" protection negative changes would have no immediate effect. Any changes in Eastbourne's favour would however only be of benefit if they exceeded £666,000 in total.

Capital Budget

- 53.9 The report to July's Cabinet meeting identified significant capital spending pressures and resource shortfalls. A further review had been made showing resources of £6,589,000 in 2005/06 against expenditure of £8,816,000. A further £2,361,000 was to be reserved to meet the Council's contribution to fund the Cultural Centre. This left an overall shortfall in resources of £4,588,000. With forecast resources of £5,125,000 in 2006/07 and a programme of £9,437,000 (including schemes carried forward from 2005/06) the shortfall would be £4,312,000. Resources of £3,885,000 were forecast for 2007/08 and of £1.2m in subsequent years.
- 53.10 The report detailed particular areas where capital investment was desirable, together with some of the consequences for the Council of not doing so, as follows:
- 53.10.1 New affordable housing – For the 3 years 2003/04 to 2005/06 £1.8m of match funding by the Council would generate £12m investment. The latest Housing Needs Survey had called for 369 new affordable housing units per year. Not providing these would impact on those most vulnerable in the community and the local economy and add to the Council's risk of increased costs associated with homelessness.

- 53.10.2 Private sector housing grants (including disabled facilities grants) – Current plans called for a spend of £305,000 (with a further £595,000 of government match funding). Cutting back in this area would worsen local housing conditions and prevent some disabled persons from continuing to live in their own homes.
- 53.10.3 Theatres – £6.7m investment was required to bring all the Council's theatres up to standard. £5.2 for Devonshire Park and £1.5 for the Royal Hippodrome). A key requirement in the current options/tendering proposals for the Devonshire Park complex was the need for significant capital investment to be made. Without changes to the current operation of the theatres the revenue cost of the necessary capital expenditure would add £700,000 per annum to the existing theatres subsidy of £919,000.
- 53.10.4 Seafront facilities - £6.5m was needed to bring the Bandstand, Redoubt, and Wish Tower Café up to standard. The Bandstand needed £2.2m, however only a maximum of half this amount could potentially be obtained from Lottery Funding. Future options for the Redoubt were under consideration in the hope that greater involvement by military groups or others in the running of the operation could attract external funding which would not otherwise be available to the Council. Any plans for the future of the Wish Tower Café would probably need to wait until the current lease ended in 2012.
- 53.10.5 Leisure facilities - £1m was needed for the Cavendish, Hampden Park and Shinewater Sports Centres and the Sports Park. Although transfer of the sports centres to the Eastbourne Leisure Trust was under consideration commercial investment was unlikely to be forthcoming.
- 53.10.6 The Town Hall – A full refurbishment was needed to avoid significant decline in the condition of the building over the next 10 years.
- 53.11 Options were discussed in the report, including allocation of all resources to a single priority, prioritisation of schemes and only progress when resources allowed (with likelihood that low priority schemes would not be realised) and grouping issues with a view to generating solutions that met service objectives and provided a sustainable future (e.g. seeking commercial and partnership arrangements, maximising income, generating additional capital receipts and more cost effective use of premises).

Consultation

- 53.12 It was proposed to consult widely with the public before taking final decisions on the future strategy. It was proposed that professional market research of public opinion be commissioned following a similar approach to the one carried out in 2003. This would test public support for the different investment options and revenue growth proposals. The estimated cost of this work was £20,000 and could be funded from the Strategic Change Fund. The results of the market research and other public feedback would be taken into account before Cabinet reached their final recommendations to Council on the 2006/07 budget.

- 53.13 **Resolved (Key Decision):** That consultation be undertaken on the budget options for capital spending and revenue growth proposals, including the allocation of £20,000 from the Strategic Change Fund to facilitate consultation, as set out in the report.

The meeting closed at to 4.50pm.

**Councillor Lucas
Chairman**

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