

Monday 4 July 2011
at 6.00pm

Scrutiny Committee

MEMBERSHIP:-

Councillor GOODYEAR (Chairman) Councillors SHUTTLEWORTH (Deputy Chairman)
Councillors BELSEY, COOKE, Mrs COLES, THOMPSON and UNGAR.

1 Minutes.

The minutes of the meeting held on 11 April 2011 were submitted and approved and the Chairman was authorised to sign them as a correct record.

2 Declarations of Interest.

None were received.

3 Finance Matters – Outturn 2010/11.

Scrutiny considered the report of the Chief Finance Officer on the financial outturn for the year ended 31 March 2011 and covering the general fund revenue account, housing revenue account and the capital programme. The outturn formed part of the statement of accounts to be reported to the Cabinet and the Audit Committee on 22 and 29 June respectively.

There was a net under-spend on service expenditure of £794,897 for the year (as detailed in appendix 1 to the report). This represented an improvement by £88,000 compared to the December monitoring figure (£455,000) due mainly to the improvement achieved from the housing benefit subsidy and overpayments budget as previously reported, plus a one-off adjustment for £126,000 relating prior year's subsidy claims. The corporate services outturn had absorbed some £250,000 of one off costs which previously had been earmarked to be financed from the repairs and maintenance reserve.

The implications arising from the increased performance in the housing benefits area and the savings achieved on the insurance contract had been reflected in the budget for 2011/12.

The effect of the under spend in the outturn has resulted in the following balances on non-earmarked usable revenue reserves:

Reserve	as at 31 March 2011 £'000
Strategic change reserve	999
Capital Programme Reserve	803
Earmarked General Reserve	496
General fund	5,267

The housing revenue account performance for 2010/11 showed a surplus of £325,289 (as detailed in appendix 2 to the report) representing a variance of £213,539 against a revised budget surplus of £112,000. The principal reasons for the variance were a reduction in the level of bad debt provision required and a saving on council tax from void properties and tenants water rates recovered.

The revised capital programme for 2010/11 was £20.432m (as detailed in appendix 3 to the report) and had been substantially delivered in line with the resources allocated. The outturn of £19.131m represented a general fund variance of 4% and housing variance of 9% from forecast. This gave an overall variance of 5%. The figures included for housing spend were based on the latest information provided by Eastbourne Homes. The figures were subject to confirmation, however, it was expected that any adjustments would be negligible.

The Council had improved its base reserves position and this would be reflected in the next update of the medium term financial strategy. The

Council continued to have general balances in excess of the declared minimum and these balances could therefore be used to invest in corporate plan priorities over the medium term as well as providing funding for invest to save schemes.

Councillor Belsey queried the level of reserve available and the additional income received as a 'windfall' sum and expressed the wish to spend 'windfall' income on urgent projects such as the Congress Theatre. The Deputy Chief Executive advised the Committee that a number of projects had been included within the Corporate Plan which would draw funding from the general fund reserves such as the Devonshire Park Review and Town Centre Regeneration, in addition a number of smaller projects had also been identified, and there were a number of the Council's assets requiring funding; Town Hall, Redoubt and Congress Theatre.

Councillors Shuttleworth and Ungar agreed that the Council was demonstrating good financial management for current and future development of Eastbourne in accordance with the Corporate Plan. Councillor Shuttleworth commented on the stable nature of the Council's finances and welcomed the spend on projects highlighted within the Corporate Plan.

Councillor Belsey requested asked what proportion of the £5.2m reserves were 'windfall' sums. The Deputy Chief Executive advised that 'windfall' sums were difficult to define and that further work would be required in order to provide the information. A response would be provided to Members following the meeting.

NOTED.

4 Corporate Performance Outturns 2010/11.

Members considered the report of the Strategic Performance Manager updating the members of the Council's performance against Corporate Plan Priority indicators and action targets for 2010/11.

Members noted that the 2010/15 Corporate Plan set out a series of key actions and indicators to deliver and measure progress against key priorities. Throughout the year, performance against key indicators and actions would be reported to Cabinet and Scrutiny on a quarterly basis.

Members considered Appendix 1 containing information the 2010/11 outturns of the performance indicators listed within the Corporate Plan. The report showed the latest available outturns for the national and local performance indicators featured in the 2010/15 Corporate Plan broken down into the 4 theme chapters. There was a summary table at the beginning of each chapter's data to show the number of indicators on and off target.

Members discussed the appendix to the report and requested further information relating to who was responsible for setting the targets detailed, outturns, information on the key milestones and how the indicators were developed. Members were asked how they would like the information presented in future, and were advised that training on the Covalent system would be provided for Members in due course.

NOTED.

***5 Scrutiny Annual Programme 2011/12.**

The Committee considered the Annual Scrutiny programme for 2011/12. members noted that the three Scrutiny reviews for this year had not been included in the programme and would be added at a later date.

Members approved the attached draft Annual Scrutiny Programme. The final programme was due to be approved by Council on 20 July 2010.

RESOLVED: That the draft Annual Programme of routine work be agreed.

The meeting closed at 6.57p.m.

**Councillor Goodyear
Chairman**