

COMMITTEE:	SCRUTINY
DATE:	6 SEPTEMBER 2004
SUBJECT:	FINANCIAL STRATEGY 2005/06 – 2008/09
REPORT OF:	DIRECTOR OF FINANCE AND CORPORATE SERVICES
Ward(s):	All
Purpose:	To identify options for achieving budget savings for 2005/06 onwards.
Contact:	Sue McHugh, Director of Finance and Corporate Services telephone 01323 415104 or internally on extension 5104.
Recommendations:	Members are asked to agree to public consultation on the budget proposals contained in this report.

1.0	<u>Introduction</u>
1.1	Cabinet on 14 th July agreed an overall approach to budget planning for 2005/06 onwards. The key elements of the approach are:
	- a planned increase in Council Taxes of no more than inflation
	- savings to be sought in the following areas:
	1. Delivering the maximum possible from efficiencies.

	2. A programme of procurement aimed at delivering savings and other benefits.
	3. Continued scrutiny of subsidy levels for commercial operations or activities where usage is reducing.
	4. Continued pressure on services where we are high spenders, whilst taking account of local priorities.
	5. Maximising income generation from new and existing services.
1.2	Cabinet instructed officers to develop proposals for savings in the areas set out above with a view to consideration at this meeting.
1.3	Following consideration at this meeting it is proposed that public consultation should take place on the options prior to final decisions being taken. Further details of the proposed consultation are set out in section 3.
2.0	<u>Savings Options</u>
2.1	<u>General efficiency</u>
	Efficiency targets totalling £155,000 have previously been agreed for 2005/06, in the areas of senior management, e-government and Collections Services. The following further savings opportunities have now been identified:
	- PC replacements – price reductions enable an efficient replacement programme to be maintained at a reduced cost.
	- Pay awards – the pay awards for 2004/05 and 2005/06 have been agreed at a level below that budgeted.
2.2	<u>Procurement</u>

	Members have indicated that they wish to pursue options appraisals in the current year to identify the best way of delivering the following services, including the scope for savings:
	- I.T.
	- Seafront attractions (Dotto train, bandstand etc.)
	- Leisure facilities (Sports Park, Sports Centres)
	- Printing Services
	- Fraud Investigation
	- Theatres and Devonshire Park Complex
2.2.1	<u>I.T.</u>
	Much of the Council's I.T. support is currently contracted out, with the contract due to end in June 2005. An options appraisal has been commissioned from The Society of I.T. Management. The proposed way forward is set out in a separate report on this agenda.
2.2.2	<u>Seafront Attractions</u>
	The Council carried out a best value review of tourism in 2003. This recommended that the Dotto train, bandstand and deck chairs be market tested with a view to possible outsourcing. It is proposed to take this recommendation forward in the current year with a view to new arrangements being in place for 1 st April 2006.
2.2.3	<u>Leisure facilities</u>

	<p>The Council outsourced the Sovereign Centre and Motcombe Pools to Eastbourne Leisure Trust in April 2004. The decision to outsource those facilities followed a recommendation of the best value review of Leisure Services in 2002. Outsourcing via the trust has proved to be an effective way of achieving investment in these services and lower costs (largely due to tax benefits). It is therefore proposed to pursue outsourcing of other leisure facilities via a similar route.</p>
2.2.4	<p><u>Printing Services</u></p>
	<p>The Council operates a central printing service for the whole organisation and in addition procures specialist printing services externally. An options appraisal to identify whether changes to the current methods of delivery could achieve savings will be carried out by the end of the current financial year with a view to implementing changes during 2005.</p>
2.2.5	<p><u>Fraud Investigation</u></p>
	<p>Opportunities for improving service delivery and reducing costs (including by maximising subsidy entitlement) will be pursued in the current year with a view to implementing changes during 2005.</p>
2.2.6	<p><u>Theatres and Devonshire Park Complex</u></p>
	<p>The best value review of theatres identified the need for significant investment in the current theatres facilities and recommended pursuit of a range of options for funding this. The options identified included grant funding, external partnerships and the creation of a trust.</p>
	<p>The MTFS developed during 2003 identified theatres as an area where EBC spends significantly more than other Councils (including tourist resorts) and hence where savings could be sought. This approach was supported by the public consultation carried out at the time.</p>

	Members have indicated that they wish to progress a review of the options for future delivery of these services and to obtain expert external assistance to ensure the best approach is identified.
2.3	<u>High Spending Areas</u>
	The Medium Term Financial Strategy developed during 2003 identified parks and gardens as an area where Eastbourne Borough Council spends significantly more than others. A range of short term savings were implemented for 2004/05 with a view to securing ongoing savings of £100,000 via a renegotiation of current contracts from 2005/06 onwards
2.4	<u>Income Generation</u>
	Income generation targets totalling £53,000 have previously been agreed for 2005/06 including increased income from existing seafront shelter lettings. Members have now indicated that they wish to pursue the following opportunities for further income generation:
	- Letting two additional seafront shelters.
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	- Increase income from events.
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	- Maximising income from Council owned land and buildings.
	Further details of proposals in relation to events and parking charges will be provided to a future Cabinet meeting.
3.0	<u>Consultation</u>

3.1	It is now proposed to consult with the public on the budget proposals set out in this report. The Eastbourne Review free newspaper will carry details of the proposals, and information will be posted on the Council's website www.eastbourne.gov.uk . Feedback will be invited either electronically via the website or in writing via a freepost address. In addition, discussion will take place with stakeholders.
	The results of public consultation will be reported to Cabinet in December.
4.0	<u>Summary</u>
4.1	The report sets out proposals for delivering budget savings, which will be subject to public consultation.
Sue McHugh Director of Finance and Corporate Services	
Background Papers: The Background Papers used in compiling this report were as follows: Financial Strategy 2005/06 – 2008/09 - Cabinet Report 14 th July 2004 To inspect or obtain copies of background papers please refer to the contact officer listed above.	
Cabinet 040901 Financial Strategy 2005-06 – 2008-09	