

BODY: Scrutiny

DATE: 8 February 2010

SUBJECT: Finance Matters – Including Consultation on the 2010/11 Budget.

REPORT OF: Chief Finance Officer and Head of Strategy and Democracy.

Ward(s): All

Purpose: To update Members on the position of the Council’s revenue budget and capital programme as at the end of December 2009 and update on the budget consultation process.

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Recommendations: Members are asked to:

- i) Note the latest forecast position for 2009/10.
- ii) Note the consultation responses to date on the 2010/11 budget as summarised in **(appendix 1)**

1.0 Introduction

- 1.1 Cabinet receives regular reports on the Council’s financial position during the year to enable it to oversee financial performance, agree appropriate actions and request reports on specific areas.
- 1.2 Following Cabinets request in October, financial performance monitoring has now been integrated with service performance monitoring and reported quarterly. The next formal quarterly report is due at the March Cabinet.
- 1.3 This report summarises the responses to the various strands of consultation on the 2010/11 budget launched following the draft budget proposals agreed in December.

2.0 Overview – General Fund 2009/10

- 2.1 In December it was reported that the General Fund indicated a net adverse variance of £550,000, which was reduced to approximately £150,000 following extensive interventions agreed at the December Cabinet.
- 2.2 Whilst the Council is still seeing the effects of the recession in income levels and demands on services, the position is currently expected to be within

tolerance (1% of net budget) although work is ongoing in order to bring the variance as near to zero as possible.

- 2.3 In particular there is a more stringent approach to vacancy management, which requires a business case to be agreed before any vacancy is filled.
- 2.4 The use of agency staff has reduced significantly from an average of £136,000 per month in quarter 1 to £54,000 in quarter 3. Since September there has been a reduction each month and December was £42,000.
- 2.5 An area of risk previously identified was the Towner as it is the first year of operation. A project is well underway in order to refine the detailed budgets within the envelope agreed as part of the 2009/10 budget setting process. An update on the project will be reported to the March Cabinet.
- 2.6 As reported in December the Council may be over providing by up to £250,000 for bad debts in housing benefits. A review of this will be undertaken in time for the year end and this is likely to offset any remaining adverse variances in year.

3.0 Housing Revenue Account

- 3.1 The Housing Revenue Account budget has been reviewed as part of the 2010/11 budget setting process and the implications of the current year have been taken into account in preparing the 2010/11 budget, a report is included elsewhere on the agenda.

4.0 Capital Programme

- 4.1 As a result of the budget setting process for 2009/13 the current years programme has been re-profiled between 2009/10 and 2010/11 to match the expected progress on schemes. It is intended to include significant capital schemes in the new performance framework being developed for 2010/11.
- 4.2 A three year programme has now been developed during the service and financial planning process and is reported elsewhere on this agenda.
- 4.3 The principal risk in the existing programme continues to be the final outcome of the final account on the Towner construction, which will be reported back to Cabinet once it is finalised under the delegation given by Cabinet.

5.0 Budget Consultation 2010/11

- 5.1 The budget consultation began in the autumn following publication of the Council's medium term financial strategy.
- 5.2 A general consultation was launched following publication of the draft budget proposals and corporate plan by Cabinet in December. This took the form of a web based questionnaire supplemented by a paper based version in the customer contact centre. The responses are summarised in **(appendix 1)**
- 5.3 In addition to the general consultation, specific consultation has been undertaken with the following groups together with a summary of the

response.

Organisation	Summary of Response
Unison	Generally positive about proposals, especially the low likelihood of compulsory redundancies. Formal consultation on potential effects on employment and services now underway.
Hospitality Association	Interested in developing an "Eastbourne Sculpture Trail" to assist with signposting visitors.
Eastbourne Strategic Partnership	Consultation in December and January meetings no specific group response, partners invited to respond individually.
Chamber of Commerce	Due 9.2.10 – Cabinet to be updated on 10th
Local Hard to Reach Groups	Referred to and incorporated within the responses set out in appendix 1

- 5.4 Once all consultation has elapsed, a summary of the suggestions received and the Council's response within the context of the finally approved budget will be posted on the web site.

6.0 Implications

- 6.1 The Cabinet will need to make a judgement on the suggestions received during the consultation process and consequential decisions in recommending the overall 2010/11 budget to Council.
- 6.2 There are no other significant implications arising from this report.

7.0 Conclusions

- 7.1 The 2009/10 general fund revenue account is predicted to outturn within acceptable tolerances.
- 7.2 The Consultation process on the 2010/11 budget to date has provoked reasonable response levels and more than meets the statutory minimum requirement.

Alan Osborne
Chief Finance Officer
and
Peter Finnis
Head of Strategy and Democracy

Background Papers:

The Background Papers used in compiling this report were as follows:

Budget 2009-10

Cabinet Reports: – Finance Matters 27 May, 8th July 2009, 2nd September 2009, 21st October 2009 and 16 December 2009.

*-MTFS and Budget Setting February 2009.
-MTFS 21 October 2009.*

Audit Committee- Final Accounts- 22 June, 24 September, and 14 December 2009.

*Budget Consultation Minutes of Meetings with Stakeholder Groups and Individual
Comments arising from general consultation.*

To inspect or obtain copies of background papers please refer to the contact officer listed above.

COUNCIL BUDGET 2010/11 – PUBLIC CONSULTATION RESULTS

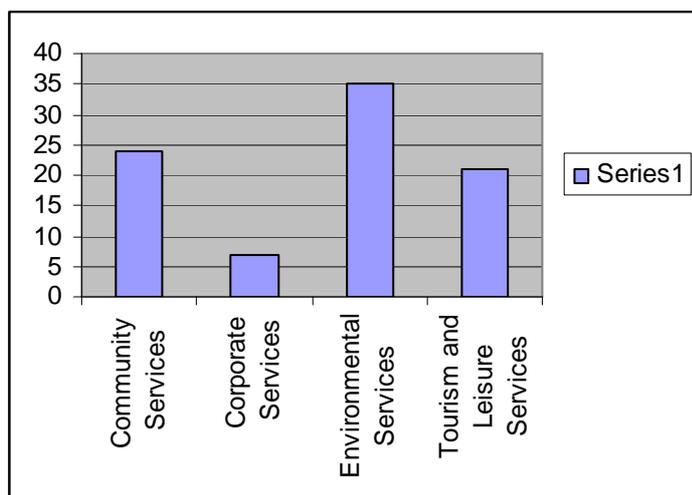
Members of the public and stakeholders have been asked to comment on how the Council spends its money through a public consultation exercise. The consultation asked people to consider the following:

- 1. Please suggest areas or services where you would most like to see savings made**
- 2. Please suggest areas or services where you think we should increase resources**
- 3. Please give any general comments on Council services**

This consultation exercise has been available electronically on the Council’s web site and in hard copy format in the Customer Contact Centre from mid December 2009 through to the end of January 2010. In addition, we have emailed 2985 people who have contacted the Council on various matters over the last year to specifically draw their attention to the opportunity to comment. Invitations to respond have also been sought from hard to reach groups through the Disability Involvement Group, Faiths Forum, Bourne Out and via the Eastbourne Cultural Communities Network web site.

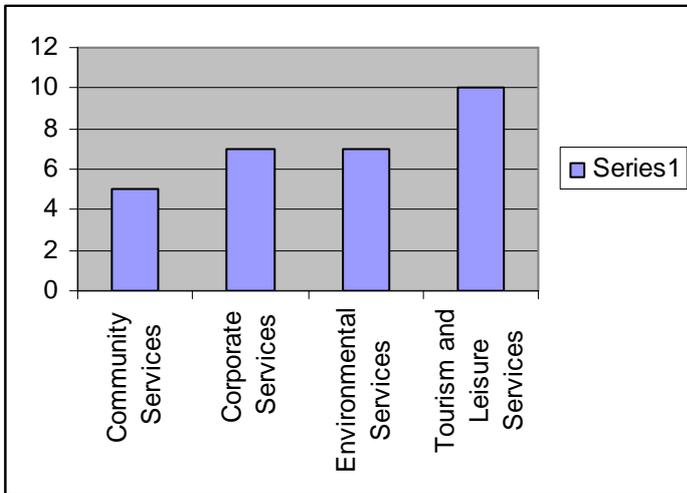
As a consequence of this exercise, a total of 58 individuals and/or groups (as at 26 January 2010) have responded to the consultation and submitted a total of 87 comments/suggestions as to where savings can be made or where further money should be spent.

The overall total comments received (savings and growth) across the Council’s main service area are illustrated in the following graph:

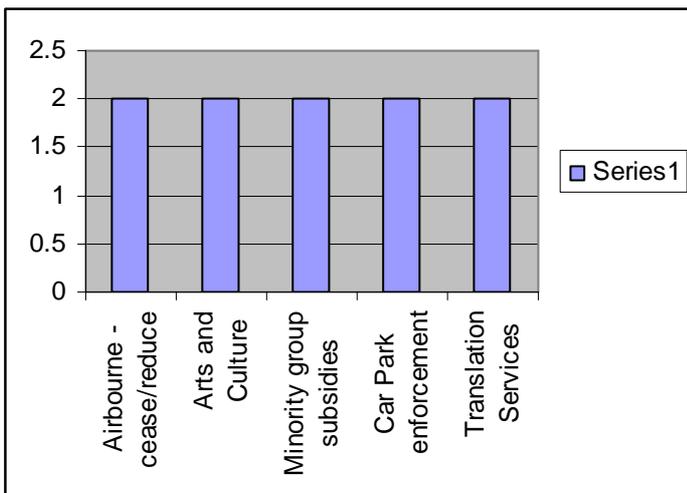


Suggested Savings Summary

On the specific question of where savings should be made, consultees submitted a total of 29 comments spread across the main service areas as illustrated in the following graph:

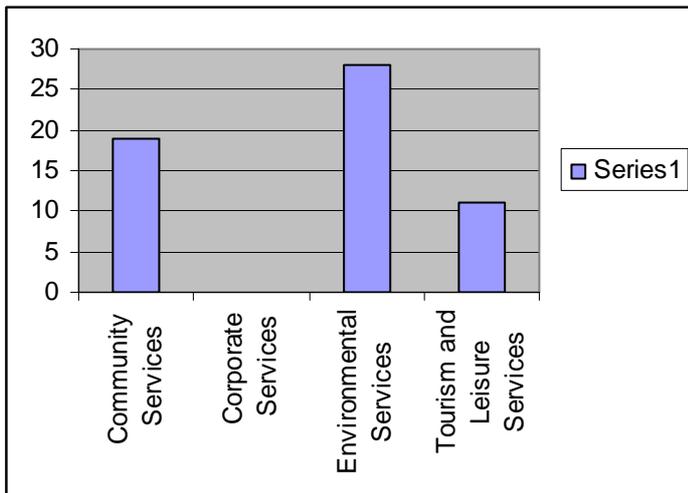


Of the suggested areas for savings, the areas most favoured by consultees are shown on the following graph:

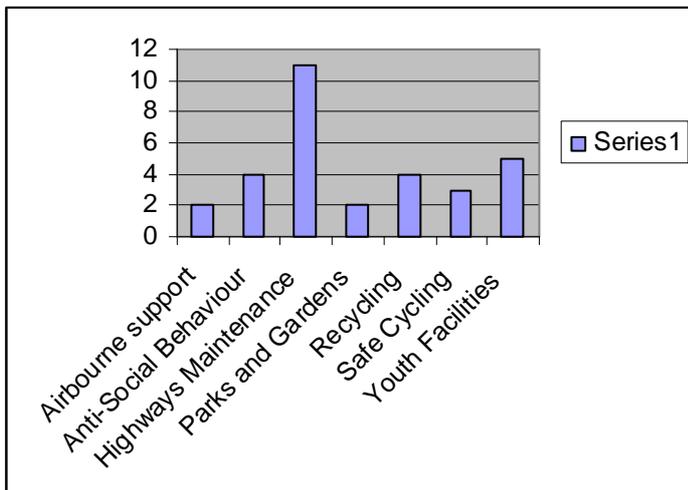


Suggested Growth Summary

On the specific question of where financial growth or service improvements should be provided, consultees submitted a total of 58 comments spread across the main service areas as illustrated in the following graph:



Of the suggested areas for growth, the areas most favoured by consultees are shown on the following graph. Please note that the consultation took place during a severe weather period and 7 of the 11 comments received in respect of highway maintenance related to gritting icy roads:



Arising from the summary graphs above, the detailed comments/suggestions that have been received are set out in the two tables below:

Services where people would most like to see savings made (*indicates similar comments from 2 or more responders)		
	Service Area	Total No. of Comments within Responses
1	Reductions in tourism and leisure services costs: <ul style="list-style-type: none"> • *Cease/reduce Airbourne (2) • *Arts - money spent should be proportionate to use and income and/or costs reduced (2) • Reduce marketing spend re theatres • Close the Towner Art Gallery 	10

	<ul style="list-style-type: none"> • Reduce staff levels at the Towner Art Gallery • Close and demolish Sovereign Centre • Sell Devonshire Park Tennis facility • Stop providing Wednesday night fireworks at Bandstand 	
2	<p>Reductions in environmental services costs:</p> <ul style="list-style-type: none"> • *Car Parking - Reduce parking attendants and traffic wardens and associated admin support (2) • Sell farmland at Beachy Head • Reduce grass cutting - designate areas as wildflower conservation areas - especially roundabouts and roadside verges • Energy savings in council buildings • Involve community service offenders in gardening, litter collection, painting seafront/council buildings • Introduce paid parking all the way up to Helen Gardens to increase revenue 	7
3	<p>Reductions in corporate services costs:</p> <ul style="list-style-type: none"> • Only produce documents/information in English (2) • Reduce unnecessary Health and Safety costs • Reduce councillor expenses and admin costs • Reduce staffing at the council generally by contracting out as many services as possible • Pay freeze for Council staff • Joint working with other Local Government agencies 	7
4	<p>Reductions in community services costs:</p> <ul style="list-style-type: none"> • *Stop subsidising minority groups/immigrants, who are in need of council accommodation (2) • More should be done to tackle benefits and housing fraud • Cut back on OAP concessionary bus fares • Close down all public toilets and get cafes to let people use theirs for a small charge 	5

**Services where people would most like to see increased resources
(*indicates similar comments from 2 or more responders)**

	Service Area	Total No. of Comments within Responses
1	<p>Environmental - Highway related improvements:</p> <ul style="list-style-type: none"> • *Road gritting and provisions for bad weather (7) • *Repairing /relaying the roads of Eastbourne (4) 	21

	<ul style="list-style-type: none"> • *More safe cycle lanes to schools, town centre and/or increased cycling provision generally (3) • Pavement conditions and repair • More road sweeping on all side roads • More free disabled parking in the town centre • More dropped kerbs • Better parking controls on Sovereign Harbour (enforcement of double yellow lines) • Introduction and enforcement of residents-only parking in all side roads off royal parade, and a ban on all large commercial vans. Provide commercial park for these • Improved access for disabled people on pavements and highways 	
2	<p>Environmental – Waste/recycling and open spaces increases:</p> <ul style="list-style-type: none"> • *More green/recycling initiatives/collections (4) • *More investment in the upkeep of local parks (2) • A proper waste disposal site in Eastbourne with well organised sections and parking facilities 	7
3	<p>Community Services generally:</p> <ul style="list-style-type: none"> • *Tackling anti-social behaviour, in particular more to tackle street drinkers, teenage drinking, graffiti, fly-tipping, litter (4) • More dog refuse bins • Improved services at Upwyke House (and other similar venues) • Improved facilities for elderly people • Improved access for disabled people to services and buildings • Support for 'Project-We' involving all voluntary organisations across Eastbourne • Improve community engagement resources • More investment in housing need – acting on Section 106 Agreements involving partners on a practical level • Need to replace discontinued grant to Open Door • Need to retain the Access Officer post in order to get the advice needed • Growth/support for the work of the local VCS, either in grant form or Service Level Agreements 	14
4	<p>Community - Youth facilities:</p> <ul style="list-style-type: none"> • *More investment in facilities for children and teenagers (2) • Increase leisure facilities for outer town children with free transport to get to facilities • Improved facilities for children confined to 	5

	<p>wheelchairs in eg. wheelchair swings</p> <ul style="list-style-type: none"> • An adventure playground for older children 	
5	<p>Tourism and Leisure Services:</p> <ul style="list-style-type: none"> • Increased resources for Airbourne (2) • Greater investment in linking leisure and theatre initiatives could be set up with the hotels, thus helping Eastbourne to become an even greater tourist attraction. • Maximise use of attractions such as the Redoubt and The Royal Hippodrome and keep in a good state of repair. • Support/sponsorship for the Eastbourne Festival • An EBC run street party on gay pride day with celebrity prize giving could get national media attention and be self funding • More ICT wireless infrastructure in the town • Improved access for disabled people to leisure facilities • Sovereign centre to be tidied up and kept clean with the addition of a fun slide of the size found at Brighton's pool. • Provision of an ice rink • Introduce a scheme to keep the front of the buildings in better condition by owners especially around Cavendish/Pevensey Road 	11