

Scrutiny Committee

MEMBERSHIP:-

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

18. Minutes.

The minutes of the meeting held on 12 December 2011 were submitted and approved and the Chairman was authorised to sign them as a correct record.

19. Declarations of Interest.

None were received.

20. General Fund Revenue Budget 2012-2013 and Capital programme 2011-2012.

The committee considered the report of the Chief Finance officer regarding the detailed General Fund Revenue Budget 2012/13 and Capital Programme 2011/2015.

A summary of recommended budget proposals was as follows:

- No increase in the Council Tax in 2012 / 13
- Overall savings totalling £1.222m (8% of the net budget)
- Efficiency savings of £0.899m (6%)
- Inflation of £0.606m (4%)
- Recurring service growth of £0.299m
- Non recurring service investments £0.568m
- All recurring expenditure met from recurring resources
- General Reserves averaging in excess of £4m (against a minimum recommended of £2m)
- Strategic change fund £0.4m
- Regeneration reserve of £0.7m
- Repairs and maintenance reserve of £0.8m
- Capital receipts of £0.5m invested in new capital schemes

Members noted that the grant settlement of £6.806m represented a reduction of £0.772m which was a 10% cut in cash terms plus the effect of inflation. This is on top of the 12.8% reduction in 2011 / 12. In aggregate terms this represents around 75% of the planned reduction over the life of the current parliament. In addition to the formula grant the Government was financing the cost of a 2.5% increase in council tax (£206,000) for the

one year only. This was in addition to the current year's freeze grant (£203,000) which was guaranteed for the lifetime of the parliament.

The Government awarded the Council £187,000 of new homes bonus in 2011 / 12, guaranteed for six years. In addition a further £190,000 for 2012 /13 had been awarded which would be added to the economic regeneration reserve to be used for future schemes to promote growth.

Members supported the proposal for no increase in council tax for 2012 / 13 resulting in an unchanged Band D rate of £224.19 for the Council (14% of the total bill).

The budget represented management of financial risks by:

- Building on a sound outturn position
- Balancing the base budget requirement without needing to use reserves
- Identifiable and deliverable savings with accountability and no general unidentified targets
- Reserves well above the minimum level
- Having no speculative budget increase in interest receipts
- Continued zero basing of reward grants
- Substantial progress towards the three year targets set out in the MTFs in July 2010 and 2011

Members were advised that the following reserves had been set aside in addition to the general reserve in order to facilitate projects under the DRIVE programme. The available balances were projected to be:

Reserve	Purpose	Amount £'000
Strategic Change	To fund internal projects under DRIVE	441
Repairs and Maintenance	To support the Asset Management Plan	759
Economic Regeneration	To promote economic growth	672

Members discussed the budget implications for staff and Councillor Ungar asked that information on any potential job losses be reported to Members following the meeting. The reduction of the training budget, and funds allocated for the demolition of the Wish Tower were also discussed. The committee were asked to consider and comment on the proposals, their comments would then be reported to Cabinet on 8 February 2012 and Council on 22 February 2012.

NOTED.

21. Corporate Performance Quarter 3 2011/12.

Members considered the report of the Deputy Chief Executive and Chief Finance Officer updating Members on the Council's performance against Corporate Plan Priority actions, indicators and milestones for 2011/12.

Members were advised that **Appendix 1** was a detailed report on the Quarter 3 activities and outturns of the performance indicators listed within the Corporate Plan. This report shows the latest available outturns for the National and Local Performance Indicators featured in the 2010/15 Corporate Plan broken down into themed areas.

Members were advised that each project had been allocated a number of in-year actions and milestones to be completed in order to progress the project efficiently. Some projects may be completed within the year whereas larger scale priorities would be delivered over a longer period. The summary action table at the beginning of each section shows the percentage of in-year actions/milestones completed so achieving 100% would not necessarily equate to final completion of the whole project. The specific milestones for Quarters 1, 2 and 3 were set out in the Actions report in Appendix 1 and details of the milestones for the whole year were available on Covalent or could be supplied on request. In order to provide a full picture of current performance, any milestones from Quarter 4 that had already been completed had also been included in the report.

Members were advised that position to the end of December showed a negative variance of £58,000 which was a reduction of £1,000, compared to the position reported at the end of September. This was as a result of a number of variance the major items being improved performance in housing benefit overpayments of £80,000, additional expenditure offset by a short fall in lettings at the Towner of £123,000.

The projected outturn showed a negative variance of £5,000 - a £98,000 improvement on the position at the end of September. This improvement was as a result of management action including the subsequent reversal of £62,000 for bad debt provision for Treasure Island no longer required less additional costs and shortfall in income at the Towner.

The audit of the Housing Benefit Claim for 2010/11 was almost complete and would lead to a technical adjustment in the region of £260,000 going back to 2001/02. Over the last two years the council had overachieved on the Housing Benefit Budget by over £800,000. The total value of the government housing benefit subsidy was over £50m per annum. It was probable that the adjustment would be partially offset by increased performance from housing benefits overpayments in 2011/12, over that already included in the provision outturn.

Currently the 2011/12 outturn did not include any surpluses expected from Solarbourne. The financial implications would be quantified once the scheme was completed and would be included in the budget for 2013/14.

General Fund Revenue performance, HRA performance, Capital Programme and Treasury management for quarter three was set out at Appendices 2 and 3 to the report.

Members discussed the repayment of arrears at Treasure Island, investment performance against risk and theatre income.

Councillor Belsey queried some aspects of performance information contained within the Covalent report including the promotion of commercial and community events and their benefit to Eastbourne.

Councillor Belsey asked for further information about any proposed budget allocation for the Eastbourne Carnival and the Health and Safety implications of running the Carnival. Members were advised that this information would be forwarded to the committee following the meeting.

Councillor Goodyear highlighted the submission for funding to the tennis foundation. The Senior Head of Tourism and Leisure agreed to forward details of the submission and its progress to members following the meeting. Councillor Belsey raised concerns about the use of the Members room for the review of the local history collection and access by members of the public. The Head of Strategy and Democracy advised that he would raise this issue at CMT and request consideration of alternative accommodation for the review until its completion.

NOTED.

The meeting closed at 7.29p.m.

Councillor Goodyear
Chairman