

Monday, 1 February 2016
at 6.00 pm



Scrutiny Committee

Present:-

Members: Councillor Smart (Chairman) Councillor Ungar (Deputy-Chairman)
Councillors Blakebrough, Miah, Rodohan, Sabri and Smethers

18 Minutes of the meeting held on 7 December 2015.

The minutes of the meeting held on 7 December 2015 were submitted and approved, and the Chairman was then authorised to sign them as an accurate record.

19 Apologies for absence.

Councillor Murray.

20 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

There were none.

21 Matters Arising.

The Chairman requested that the Local Democracy Officer update the committee on the Annual Scrutiny programme actions from the 7 December 2015 committee.

A27 - The committee was advised that as yet no response had been received from Highways England regarding the proposed special meeting to discuss the improvements to the A27. That Chairman confirmed that he would contact Caroline Ansell, MP to request her assistance in encouraging a response from Highways England.

Towner – The Local Democracy Officer proposed a more detailed discussion regarding the Towner review at the next Scrutiny Monthly meeting on Wednesday 3 February 2016.

The Deputy Chief Executive confirmed the current Capita report had been distributed to Members prior to the meeting.

Following the presentation at the last Scrutiny committee members had agreed to conduct a review into the financial impact and impact on joint working following the introduction of the emerging Local Policing Programme. As yet the timescale had not been agreed and the Local

Democracy Officer agreed to contact the District Commander to discuss this further.

NOTED.

22 Corporate Performance Quarter 3 2015 - 2016.

Members considered the report of the Deputy Chief Executive and Senior Head of Corporate Development and Governance updating Members on the Council's performance against Corporate Plan Priority actions, indicators and milestones for Quarter 2 2015/16.

The committee was advised that Appendix 1 to the report provided a detailed report on the 2015/16 activities and outturns of the performance indicators listed within the Corporate Plan.

Of the 23 key Performance Indicators reported this quarter, 3 were currently showing as red, 10 were showing as green, 4 were showing as amber and 6 were data only or contextual PIs. The off target PIs were:

- CD_008 – Decent Homes Programme
- CD_051 – Difficult properties remedied/brought back into use
- CD_056 - Number of days for assistance with adaptations (Disabled Facilities Grants)

Members requested further information regarding the LTA deferred decision on player facilities until February 2016, and an update around the outstanding milestones on the feasibility work for the new flood mitigation measures. Officers agreed to discuss with the relevant responsible Officers and respond to Members following the meeting.

NOTED.

23 General Fund Revenue Budget 2016/17 and Capital Programme 2015/19.

The committee considered the report of the Deputy Chief Executive and Chief Finance officer setting out the general fund revenue budget proposals for 2016/17 and a 3-year capital programme 2015/19. The medium term financial strategy (MTFS) had been revised in July 2015 and the cabinet had agreed a draft 2016/17 budget proposal last December. The MTFS and resulting draft budget had been subject to extensive consultation and previously reported to cabinet and members of the scrutiny committee.

The budget proposals included:

- An increase in the council tax in 2016/ 17 of 1.9%; the first increase for five years.
- Overall savings/new income totalling £0.6m (4% of the net budget).
- Efficiency savings of £0.5m (3% of the net budget)
- Inflation and unavoidable costs of £0.8m (5% of the net budget)
- Other recurring service growth of £0.1m.
- Non recurring service investments of £0.6m.

- General reserves averaging in excess of £4m (against a minimum recommended of £2m).
- Capital receipts of £0.4m invested in new capital schemes.

The budget represented management of financial risks by:

- Building on a favourable outturn position.
- Balancing the base budget requirement without needing to use reserves for recurring expenditure.
- Identifiable and deliverable savings with accountability and no general unidentified targets.
- Reserves well above the minimum level.
- Zero basing of minor reward grants.
- Providing the funding required for the DRIVE change programme to deliver the future savings required by the MTFs via the strategic change fund.

The underlying methods of local government financing had changed significantly in recent years including the wrapping up of grants in the base "Standard Funding Assessment" notably:

- The council tax freeze grants (2011-15)
- Some new burdens grants
- Homelessness grant

For Eastbourne the headline figures of the government settlement were:

- A further reduction in revenue support grant of £0.9m (30%) to £1.8m (reduced from £10.4m in 2010).
- Partially offset by new homes bonus and section 31 grants (additional £0.2m in 2016/17).
- Eastbourne would receive the second largest reduction in "spending power" of all local authorities in the 4 year period to 2020.
- The government headline figure was a reduction of 16.4%; however this took into account the ability to raise council tax, predicted growth in the tax base as well as increases in the new homes bonus.

The government had announced that the council would receive £1.2m in total of new homes bonus (NHB) due to the growth in housing in the area. The grant was paid in tranches for six years. The 2016/17 figure included all 6 tranches. The funding was not guaranteed beyond the 6 year horizon for each tranche. The government was financing the additional NHB from reductions in rate support grant (RSG), therefore, whilst volatile, it was currently the preferred method of distribution of resources. A further proposal to limit future awards to 4 years was currently under consideration. At the time of writing, retention of an element NHB/RSG had been made that could equate to £100,000 for the council.

The government had asked local authorities to say whether they wished to have a four year settlement from 2016/17. There was a requirement to publish a four year efficiency statement that could only be varied by the full council. Current advice was that the efficiency target element of the MTFs would suffice in this respect and cabinet was recommended to accept the proposal.

It was proposed that council tax increase by 1.9% for 2016/17; which would result in a band D rate of £228.51. This would be the first increase for 5 years. The council was required to give an indication of likely future council tax rises. Within this context, for 2016/17, the council would raise £7.7m from its share of the council tax. In addition, there would be a distribution of £180,000 payable by the council to the collection fund due to a small collection fund surplus.

In order to achieve a balanced budget without using reserves, the council would need to set a net expenditure budget for 2016/17 of £15.2m.

The detailed budget proposals were set out in appendix 1 to the report. Details of proposed growth and savings were given in full in appendix 2 to the report. The proposals set out in the report would allow full council on 17 February to approve a balanced budget in line with available resources and without the need to use reserves.

The report detailed the principal financial risks the council was likely to face, as follows:

- Housing benefit performance.
- Inflation on goods and services.
- Income from services linked to customer choice (theatres, tourism; sports centres, car parking).
- Legal challenges.
- Savings being delayed.
- Excessive demand for services.
- Failure to realise capital receipts to finance the capital programme.

Comment was made on the scale of the £74 million capital programme and its proposed funding, including £29 million of capital receipts, £19 million of grants and contributions and £27 million of additional borrowing. The appropriate forum for a line by line review of this programme and the low levels of non- Devonshire Park capital expenditure after next year was also queried. The Chief Finance Officer responded that the programme was dynamic and regularly reviewed with quarterly reports to Scrutiny in year new items are added to the programme annually with any substantive schemes subject to specific reports to Cabinet. It was agreed to circulate the assumptions on available capital receipts to the Committee.

Members discussed the Homelessness Grant and the effect of recent Government cuts. The committee was advised that the process for reducing homelessness was robust and that where possible every effort was made to prevent homelessness. The committee also considered the use of capital receipts, Future Model phase 2, and Eastbourne Homes Investment Company.

The Chairman queried the absence of a draft Housing Revenue Account (HRA) budget for presentation to the Scrutiny Committee. It was agreed that although it had not been presented in the past it would be appropriate to do so. The omission could not be corrected for this meeting but that the

2016/17 draft HRA budget would be circulated to members of the committee as it would be in future years. The Chairman also requested a further breakdown of the headings contained within the capital programme of projects to help better understand the detail and the Chief Finance Officer confirmed that this would be done.

NOTED.

24 Corporate Plan 2016 - 2020.

The committee considered the report of the Senior Head of Corporate Development and Governance and Senior Corporate Development Officer updating Members on the development of the Council's new Corporate Plan 2016-2020. Members noted that the Council remained committed to supporting the delivery of our 2026 Partnership Vision for the town:

"By 2026, Eastbourne will be a premier seaside destination within an enhanced green setting. To meet everyone's needs, Eastbourne will be a safe, thriving, healthy and vibrant community with excellent housing, education and employment choices, actively responding to the effects of climate change."

A copy of the current working draft of the 2016-20 Corporate Plan was attached at Appendix 1 of the report. The content and layout aligns with the previous version for continuity but was still subject to updating and editing as information became available. Once the final version was completed and approved, work would start on developing ways of communicating the key messages to stakeholders and the public in accessible ways.

The new Corporate Plan continued with the same 4 priority themes as the previous version – Prosperous Economy, Quality Environment, Thriving Communities and Sustainable Performance which were summarised within the report. They continued to be important areas of focus both locally and nationally and this approach would also add a degree of continuity to the projects and targets set within the plan. In order to streamline the performance reporting and focus on the chosen priority outcomes of the Corporate Plan, it was proposed that a number of changes were made to the Key Performance Indicators used; the changes were detailed within the report.

The Corporate Plan was a key document which set out the Council's medium-term objectives and priorities that were important for the town as a whole. It was important that these were chosen and developed using the consultation and statistical evidence available in order to ensure resources were allocated appropriately. Ongoing financial and performance reporting had been aligned to improve the quality of management information that was regularly reported to committees.

The committee was advised that the Corporate Management and the Leadership Team would be holding sessions dedicated to developing the updated vision statements and priority projects on 16 February and 1 March respectively. Scrutiny members were invited to submit any suggestions for consideration via the Senior Corporate Development Officer ahead of those meetings.

The Chairman requested that a priority reference to Conferencing in Eastbourne be included given the development of Devonshire Park, which should link to indicators relating to economic prosperity and the capital programme.

NOTED.

The meeting closed at 7.10 pm

Councillor Smart (Chairman)