

Item 4c

SEDGEFIELD BOROUGH COUNCIL OVERVIEW & SCRUTINY COMMITTEE 2

Council Chamber,
Council Offices,
Spennymoor

Wednesday,
24 January 2007

Time: 10.00 a.m.

Present: Councillor J.E. Higgin (Chairman) and
Councillors W.M. Blenkinsopp, T.F. Forrest, J.P. Moran, J. Robinson J.P,
K. Thompson, T. Ward and J. Wayman J.P

Invited to attend: Councillors Mrs. A.M. Armstrong, R. S. Fleming, M. Iveson,
Mrs. B. Graham and W. Waters

In Attendance: Councillors Mrs. Mrs. A.M. Fleming, B. Hall, G. Morgan and A. Smith

Apologies: Councillors J. Burton, D.M. Hancock, G.M.R. Howe and Ms. M. Predki

Tenant Representatives
Mrs. M. Thomson

OSC(2).33/06 DECLARATIONS OF INTEREST
Members had no interests to declare.

OSC(2).34/06 BUDGET FRAMEWORK 2007/08
Consideration was given to Cabinet's initial budget proposals in respect of the Housing, Leisure and Culture, Community Health and Safer Communities portfolios. Members gave detailed consideration to a report setting out the basis of the proposals and in particular the proposed changes in service provision for the above portfolios. (For copy see file of Minutes).

The Cabinet Members with responsibility for the above portfolios had been invited to attend the meeting in order to respond to questions from the Committee.

Cabinet had agreed its initial budget on 11th January 2007 (Minute No: CAB.132/06 refers) and as part of the budget setting procedure Overview and Scrutiny Committee had been asked to consider the proposals with a view to making recommendations to Cabinet before it made its final budget proposals to Council.

The Committee noted detailed budgets had been prepared based on inflation and price increases as outlined in the report.

It was explained that the Council had been provisionally notified that it would receive £9,601,288 of external Government support for 2007/08.

The grant settlement which was broadly in line with expectations showed a year-on-year increase of 5.1% or £468,000 including the base adjustments in accordance with the distribution framework.

It was pointed out that no indicative grant figures had been provided for 2008/09. During the coming summer the Government would be announcing the results of its Comprehensive Spending Review for the three year period 2008/09 to 2010/11 which was expected to be a particularly difficult period for local government with much tougher efficiency targets being imposed.

The budget framework for 2007/08 reflected the Council's key priorities set out in the Corporate Plan and took account of financial issues and pressures including the significant increase in the pay costs to be incurred by the Council and fuel price inflation.

It was reported that there would be little scope for further additional growth in spending in later years. Furthermore, all areas of Council spending were expected to continue to contribute to the achievement of efficiency gains. Over the next two years efficiency savings in the order of £750,000 must be achieved to maintain spending levels and keep Council Tax increase low as the use of the Budget Support Fund was withdrawn.

It was explained that careful planning of the budget meant that the commitment made in the Medium Term Financial Plan to restrict Council Tax increases to 2.9% could be delivered in 2007/08. The substantial additional investment in Council services would add £5.24 per year or 10p per week to Band D Council Tax. The cost to the Band A taxpayer would be £3.50 per year or 7p. per week.

It was pointed out that in the light of the level of resources available to the Council it would be possible in 2007/08 to launch the biggest Capital Spending Programme ever proposed by the Council since its inception in 1974 amounting to a minimum of £20m which would increase further as schemes attracted external funding.

Housing

Members noted the overall position in relation to the Capital and Revenue proposals for the Housing portfolio.

It was reported that the 2007/08 Housing Subsidy Settlement had left the Council's Housing Revenue Account significantly worse off. Although the Council's spending allowances for Management and Maintenance had increased in excess of inflation by 3.97% and 4.34% respectively an increase in guidelines rent levels of 7.26% had meant that the next subsidy payable to the Government for redistribution to other local housing authorities had increased by £982,700 to £3.7m.

It was pointed out that the continued implementation of the Governments Rent Restructuring methodology would lead to substantial rent increases for most of the Council's tenants over the next few years to enable full convergence with Housing Association rents to be achieved by 2012. Only

173 tenancies were expected to be targeted once the rent changes had been applied in 2007/08.

Specific reference was also made to heating charges for tenants in grouped accommodation, which had been increased in April 2006 for the first time in nine years. It was proposed that the Council would continue to make a staged increase in the charges over the next few years to fully recover the energy costs incurred.

Detailed discussions were held regarding the rent and heating cost increases, where it was explained that both systems were the responsibility of the Government, which the Council needed to take account of and follow. The Director of Housing informed the Committee that all tenants were informed in writing of any changes and any future implications to their rent. A report was also prepared to submit to Cabinet in the future regarding the current heating systems.

Leisure and Culture

The Director of Resources explained that in accordance with the Medium Term Financial Plan, in the main, Leisure Services had been provided with an inflationary increase for 2007/08. It was, however, pointed out that partnership working within Leisure and Culture allowed growth within the budget.

The Committee was informed that the total Capital Programme budget was set at £715,000 for the Leisure and Culture Portfolio.

Specific reference was made to the main changes for 2007/08, which included defining physical activity performance indicators to achieve the ambition of a healthy Borough portfolio population. Leisure Centre programmes would be redesigned to reduce direct operating costs together with developing creative pricing policies to increase access to facilities. Volunteer working would also continue to be supported.

Concerns were raised regarding the continuation of Leisure Services being provided with only inflationary increases to their budget. The Director of Leisure Services explained that although the budget was small results from satisfaction surveys had been very positive and that external funding from partnership working allowed the service to remain and develop. Specific reference was made to the need for funding to improve the entrance at Newton Aycliffe Leisure Centre in particular. The Chief Executive and Director of Leisure pointed out that investment had been put into facilities particularly gym facilities, however, it was pointed out that the whole of Newton Aycliffe Town Centre needed to be regenerated together with the Leisure Centre.

Questions were raised regarding play schemes and whether they would continue. It was explained that play schemes would be withdrawn and replaced with Sport Camps which would be more accurate at targeting the health ambitions of the Council. The camps would also be run across the Borough and over thirteen weeks rather than a six week period.

During discussion of facilities and schemes questions were raised regarding the lack of them in the Area 3 and whether consideration had been given to introducing a travel scheme to and from the leisure centres. The Committee was informed that a review was in the process and the issue had been noted.

With regard to the static budget suggestions were made to removing some of the facilities. The Chief Executive and Director of Leisure Service pointed out that the facilities were an asset to the Council and there would be no consideration given to closing facilities. The success of Leisure Services had shown that the policy to keep it as a 'discretionary' service was working.

Community Health

The Director of Resources pointed out that although the budget was relatively small it contributed to a number of other bodies the Primary Care Partnership and Carelink Club. The total Capital Programme for the Community Health portfolio was set at £70,000.

The Cabinet Member and Director of Neighbourhood Services pointed out that partnership working was a significant aspect within the portfolio with support from outside authorities and other portfolios, as Sedgfield Borough was one of the highest areas for ill-health and deprivation.

Questions were raised regarding the "Your Health Roadshow" whether it was introduced last year and who had funded the scheme. It was explained that Primary Care Partnership had implemented the roadshow, however, had requested that Sedgfield Borough Council take responsibility as financial difficulties had arose for their 2007/08 financial year. It was explained that further information regarding the scheme would be provided for individual Members if requested.

Safer Communities

The Committee was informed that during 2007 a major service review would be carried out with the budget set to sustain current levels and make any required improvement highlighted after the review.

The Cabinet Member and Director of Neighbourhood Services informed the Committee that during the review consideration would be given to new technology that was available such as wireless technology in an attempt to make savings across the service.

Questions were raised as to the safety of the control room and the current level of patrols across the Borough. It was explained that a three year contract had recently been secured together with tenders either out for consultation or being developed for contracts with other Local Authorities. It was therefore pointed out that for the foreseeable future the life of the control room was safe. With regard to patrols it was pointed out that there were currently 20 Neighbourhood Wardens at strategic points across the Borough.

Detailed discussion was finally held regarding the Local Government Pension Scheme. It was explained that it was a statutory scheme that should be self financing. However over the years funds had reduced and the scheme no longer had sufficient funds available. The Government had implemented a 22 year recovery plan, which was reviewed every three years in order to address the issue.

It was noted that the Government had proposed major changes to the current pension scheme in an attempt to make it more sustainable.

RECOMMENDED: *That the budget proposals in relation to Housing, Leisure and Culture, Community Health and Safer Communities portfolios for 2007/08 be approved.*

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Miss S. Billingham, Tel 01388 816166 Ext 4240, sbillingham@sedgefield.gov.uk

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