

Notes of a Budget Consultation meeting between representatives of the Council and the Chamber of Commerce held at Sunderland Civic Centre on Monday 1 February 2010 at 11.00am

Present:

Council Representatives

Councillor Paul Watson	-	Leader of the Council
Councillor Mrs Florence Anderson	-	Deputy Leader of the Council
Keith Beardmore	-	Director of Financial Resources
Sue Stanhope	-	Director of Human Resources and Organisational Development
Graeme Farnworth	-	Head of Regeneration Programmes
Keith Lowes	-	Head of Planning and Environment
Stephen Pickering	-	Deputy Executive Director, City Services

Chamber of Commerce Representatives

Mick Thurlbeck
Rachel Anderson
Jill Haley

The Leader of the Council welcomed representatives from the North East Chamber of Commerce and asked Keith Beardmore, Director of Financial Resources, to outline the current position with regard to the Council's budget for 2010/2011.

The Director of Financial Resources advised that informal meetings had been held with the Chamber of Commerce and they had more recently been provided with the relevant Revenue Budget reports considered by the City Council's Cabinet. This meeting formed part of the statutory consultation process for the Council's budget proposals and any views and comments would be presented to the Cabinet at its next meeting when it is to consider the final budget proposals for next year.

The Director of Financial Resources reported that the budget had been particularly difficult in light of the current economic climate and that the Government grant increase of 1.84% which would present the authority with challenges in the next year. It was also apparent that the Council could expect significantly reduced levels of grant increases in future years.

Attention was drawn to the spending pressures and priorities which were outlined in the Revenue Budget report. Proposed additional provisions in each strategic and corporate improvement priority improvement area included: -

- Healthy City – additional provision is proposed to meet the costs of the second year of an agreement with independent providers of care in respect of fees, to recognise the need to support the expanded Telecare service and a contingency

- for additional costs which may arise from the government's intention that personal care should be provided free to those with assessed high needs;
- Children and Learning City – further investment is proposed to support the implementation of the Foster Care Recruitment and Retention Strategy, the expansion of youth initiatives; and additional staffing in Safeguarding services;
 - Safer City – provision is proposed to enable the enhancement of the Citywide Events Programme, to support the Family Intervention Project and to support the identification of vulnerable people at risk of Anti-Social Behaviour and crime and address their needs;
 - Sustainable Communities – additional investment is proposed to seek to reduce further the number of empty properties; to plan to meet the funding implications of the new Strategic Waste Solution; and to address community cohesion initiatives;
 - Attractive and Inclusive City – these proposals include additional provision to fund the improvement and development of the Transport and Engineering service; to meet the full year running costs of the new Silksworth Pool; to meet ongoing maintenance costs associated with the new Play Parks; and to meet the costs of the 'Kerb It' replacement scheme;
 - Provision is also to meet the higher levels of investment required in respect of the Occupational Health Unit and to provide support for the implementation of the Community Leadership Programme.

The Director of Financial Resources circulated a list of proposed one off investments and selected Capital Programme schemes within the Revenue Budget 2010/2011. The Director then highlighted the Council's plan to realise efficiency savings in 2010/2011 and beyond and emphasised that the Council was intent upon having regard to the medium to long term context for the future funding of local government and the need to set a sustainable budget for the next year.

The Leader invited views and questions from the Chamber of Commerce representatives.

Mick Thurlbeck thanked the Leader and the Director of Financial Resources for affording the Chamber of Commerce the opportunity to discuss the budget proposals and congratulated the Director and his team for the excellent work that they had done to achieve the efficiency savings without any detriment to service provision. He highlighted that the Economic Masterplan was vital to the City but the delivery of it would be the crucial element. The success of the bid to be a World Cup 2018 host city had been an excellent example of partnership working. Mick Thurlbeck also commented on the positive developments at Nissan, the success of the BSF scheme and Academies which were ensuring that young people were well positioned for the future. Statistics showed that new businesses were being started up in Sunderland and a commercial business bank was soon to be opening in the City.

Jill Haley reiterated the comments about the Revenue Budget report and stated that as the new Vice Chair of Sunderland Chamber of Commerce, she was pleased to have the opportunity to take part in this discussion. With regard to the proposed efficiency savings, she asked what the additional sources of income might be, and if there was a strategy for business growth.

The Director of Financial Resources responded that the additional income referred to was not focused on raising fees and charges but principally about maximising opportunities for attracting and utilising a range of grants to best effect. These were being received both from the government and a range of third parties. A Single Investment Plan was being developed for the City looking at how community based services were provided and how they could be improved through greater partnership working and it was clear that there was both the opportunity and the imperative for Partners to work together to develop new models of delivery in the future. In relation to business growth, the Director of Financial Resources advised that officers within the Business and Investment team would be best placed to outline the current arrangements.

Jill Haley commented that Sunderland had some excellent services and enquired as to what plans were in place for the Council to sell these services to third parties. The Head of Planning and Environment highlighted that this currently happened with building control services as the legislation allowed a competitive market. Whilst income and trading was restricted for local authorities the constraints were being increasingly relaxed. The Council did have powers to trade but could not use them without establishing a separate company. The Leader noted that the 'power of well-being' allowed Councils to expand their reach but they had to ensure that private business was not disadvantaged.

Rachel Anderson welcomed the work which had been done by the Council on procurement but expressed concern that an aggregation of some contracts might lead to small businesses being disadvantaged when it came to bidding for work. The Leader advised that representatives from the Council's procurement team were talking to business forums in order to get businesses on a local register. 'Buy Sunderland First' was to be promoted for contracts valued at less than £75,000 and the register of Sunderland providers would be launched in March 2010.

Mick Thurlbeck stated that businesses would welcome this focus on Sunderland business for Sunderland but there was a job to do in ensuring that businesses were adequately prepared and 'fit for purpose' so that they could be placed on the register of Sunderland providers.

Rachel Anderson noted the pressures which the Council would face in the provision of social care and queried how safe the budget priorities would be, given these pressures. The Leader stated that there were some statutory duties which the Council had to fulfil, but the Council needed to continue to focus on making the city more prosperous as this was the key to improvements in others areas such as health. He stated that the focus would be on sustainable investment and continuous innovation to ensure that the Council was getting the best possible results.

With reference to the capital budget, Rachel Anderson asked about Sunderland's policy for local borrowing at the current time. The Director of Financial Resources advised that specific provision had been made for 2010/11 for a number of initiatives which would be funded, subject to a satisfactory business case being brought forward. With regard to the proposed Accelerated Development Zones (ADZs), he commented that the current proposals would lead to a loss of money to the central exchequer to enable resources to be used to support the infrastructure requirements

associated with new developments. The government's approach to this type of initiative would be likely to be heavily influenced by the scale of national debt and borrowing.

Rachel Anderson highlighted that the North East Chamber of Commerce was campaigning against empty property rates and were looking for support in this. It was considered that these charges were working against getting smaller commercial properties back into use. The Leader replied that he understood the reasoning behind the empty property rating changes as it was intended to be a tool to stimulate the turnover of properties, but supported the steps that the government had take to alleviate the effects of the changes during the economic downturn. The Leader added that a 'Just the Job' scheme had been launched to help people get into training for work, including self employment.

Mick Thurlbeck took the opportunity to thank the Council again for the opportunity to comment on the budget proposals both this year and in previous years during his time as Chair of the Sunderland Chamber of Commerce and emphasised the Chamber's desire to do all it could to enhance the Sunderland business community. The Leader thanked the Chamber's representatives for their attendance and for their comments which would be taken into consideration by the Cabinet. The Leader then closed the meeting.