Notes of a Budget Consultation meeting between representatives of the Council and Chamber of Commerce held at Sunderland Civic Centre on Wednesday 4 February 2009 at 10.00am

Present:-

Council Representatives

Councillor P Watson	-	Leader of the Council
Councillor Anderson	-	Deputy Leader of the Council
Councillor Allan	-	Cabinet Portfolio Holder for Resources
Keith Beardmore	-	City Treasurer
Phil Barrett	-	Director of Development and Regeneration

Chamber of Commerce Representatives

Mick Thurlbeck
Rachel Spence

The Leader welcomed Mick Thurlbeck and Rachel Spence from the North East Chamber of Commerce and asked Keith Beardmore, the City Treasurer to outline the current position regarding the Council's budget for 2009/10.

The City Treasurer advised that informal meetings had been held with the representatives of the Chamber of Commerce and they had been provided with relevant Revenue Budget reports. This meeting formed part of the statutory consultation process for the Council's budget proposals and views and comments would be presented to the Cabinet.

The City Treasurer reported that the budget had been particularly difficult in light of:

- the fact that the Government grant increase for 2009/10 was low in comparison with recent years at 2.16%.
- the cessation of the Neighbourhood Renewal Fund (NRF) which had made it necessary to make provision in the mainstream budget for some high priority projects and schemes which had been funded through NRF. This fund had been replaced by the Working Neighbourhoods Fund (WNF) which is being focused particularly on worklessness and enterprise.
- the need to deal with the effects of levels of inflation, which although now reducing had impacted significantly on the budgetary position, particularly in relation to energy.
- the need to provide for waste disposal, specifically in relation to increased landfill tax and the new Strategic Waste Solution which was being developed with Gateshead and South Tyneside Councils in order to seek to avoid reliance on landfill.

Most importantly, reference was made to the need for the budget to address the impact of the economic downturn particularly in relation to the impact on the

Council's financial position and the need to invest in services which faced greater demand pressures as a consequence.

Finally, the City Treasurer referred to Government guidelines to restrict Council Tax rises and it had been requested that the increases should be significantly below 5%.

The City Treasurer explained that the approach to budget setting had been to maximise efficiency savings - £11.681m had been identified - and to allocate resources to high priority areas. In the wider financial environment, there had been massive changes since October 2008. The Budget Planning Framework had been required to respond to those changes but had stood up well to this challenge.

The Leader stated that Sunderland as a Council wanted to be aspirational and to inspire residents of the City, but at the same time would still provide excellent services for the most vulnerable people. A number of high priority areas had been highlighted for investment including: -

- Adult Social Care – investment in preventative and community based services aimed at retaining people's independence and improving their quality of life;
- Children's Services – investment in Fostering and Adoption Services to better meet the needs of children;
- Additional resources for youth services to enable wider deployment of the youth village model;
- Neighbourhood Services – investment in waste to enable the City to move away from a reliance on landfill and utilise a cleaner method of disposing of the City's waste;
- Additional Enforcement Officers to address environmental crime;
- Provision for pay and single status issues.

The Leader then invited views and questions from the Chamber representatives.

Mr Thurlbeck expressed his compliments to the City Treasurer and his Team and stated that the City should be proud of the strength of the finances and robust budget proposals. He also stated that the NECC appreciated the continued access that they had to the Council's Officers.

Mr Thurlbeck commented that NECC welcomed the establishment of the Economic Prosperity Group and would work with the Council to offer local business support and made particular reference to the business surgeries which they had recently arranged. Councillor Anderson congratulated the NECC for this initiative and emphasised the need for mutual support between the Chamber and the Council.

It was noted by NECC that, partly in response to the change from NRF to the Working Neighbourhoods Fund (WNF), the Local Strategic Partnership Board had shifted its focus accordingly to a more commercial outlook. Mr Thurlbeck stated that he felt this was timely and necessary in the current economic climate.

Mr Thurlbeck reported that the NECC Board had agreed that current projects which were coming to their natural end would not be funded into the next financial year. This meant that funding would not be available for the City Centre Manager and the

Council's Head of Land and Property had been made aware of this. Mr Thurlbeck stressed that the NECC would consider alternative proposals for this.

The NECC Board had congratulated SAFC for bringing the forthcoming concerts to the City and Mrs Spence advised that they were keen to ensure that local businesses maximised the potential from these events. A discussion took place on the ways in which the NECC could work with their members to help them achieve benefits from the events, including through the use of information to target what visitors might require and where businesses might meet these needs.

One issue which had become apparent was that there would be difficulties with the metro service on the evenings when the concerts were taking place. The Director of Development and Regeneration undertook to liaise with Nexus on this matter. He advised that the Council was working with the Football Club to identify all of the implications associated with the events and to ensure that the Council provided all support necessary to seek to ensure their success.

Mr Thurlbeck advised that NECC were operating surgeries to help develop the marketing and sales skills of those in small businesses so that they could be more aware and able to connect with other opportunities. Mrs Spence highlighted that the two elements which were important to enable businesses to survive through the economic downturn were providing quality products and services and identifying new markets. It was felt that the Council could work with NECC in re-shaping and re-training employees.

The Leader stated that the Council would do all it could to promote the economy of both the City and wider City Region. Turning back to comments made about the City Centre Manager post, the Leader noted that there had been a focus on the business parks outside of the centre but it was now clear that a greater focus should be on the City Centre and that this was recognised as being one of the keys to future regeneration and greater economic prosperity.

The City Treasurer stated that the City Centre had been recognised as a priority and highlighted some key investments which were in train:

- £3m to redevelop the Cultural Quarter of the City, potentially as part of a wider scheme.
- £1.6m for Public Realm improvements in Market Square.
- A general City Centre budget of £1m;
- £2.2m for Public Realm improvements in Sunniside.

The City Treasurer also made reference to the Council's response to the economic downturn and Mrs Spence stated that the NECC welcomed the focus and steps being taken to maximise business rate relief and suggested that the Council should publicise its provision of advice and support for businesses.

Mr Thurlbeck reiterated the appreciation of the NECC in having the opportunity to comment on the budget proposals. The Leader thanked the Chamber's representatives for their attendance and for their helpful comments which would be taken into consideration by the Cabinet. The Leader reaffirmed his commitment to

all people in the City having a voice and being consulted on how the Council moves forward. He then closed the meeting.