



## **Cabinet**

### **15 February 2012**

#### **Report of the Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2012/2013**

##### **1. Background**

- 1.1 The Performance and Audit Scrutiny Committee plays an integral role in delivering a sustainable budget for the Council, by scrutinising recommendations for savings and growth.
- 1.2 This report provides the recommendations from the Committee arising from consideration of two reports concerning progress made towards setting the 2012/2013 budget.

##### **2. 28 November 2011 meeting**

- 2.1 At its November 2011 meeting the Committee considered a paper which updated Members on progress made towards setting the 2012/2013 budget. As reported at the previous meeting, the "banked" savings delivered approximately £800k of the overall target of £4.1m across the three years 2012/2013, 2013/2014 and 2014/2015. Following approval to progress with shared services, work had been undertaken to estimate the savings that would be delivered, and these were included in the report, split into Phase 1 (accurate savings predictions) and Phase 2 (savings subject to significant change). In 2012/2013, shared services are projected to deliver £670,500, followed by a further £458,000 in 2013/2014. Members noted that none of these savings included the cost of change, which could not yet be accurately estimated, and that the funding of these costs would be from an earmarked reserve established as part of the 2010/2011 budget process.
- 2.2 Table 3 in Section 2.2 of Report C244 set out a number of other savings areas which had been progressed since the previous meeting of the Committee, which currently amounted to £247k for 2012/2013, £88k for 2013/2014 and £24k for 2014/2015. If all of these savings, plus shared services savings, were approved, the remaining gaps would be £482,500 for 2012/2013, £554,000 for 2013/2014 and £736,000 for 2014/2015. The Committee discussed each of the proposed savings in detail, and recommended that all items in the list at Table 3 be included in the 2012/2013 budget and beyond.
- 2.3 Next the Committee considered four proposed capital growth areas required to deliver some of the savings proposed, set out at paragraph 2.3, and recommended them for inclusion in the 2012/2013 budget.

- 2.4 The relevant extracts from Report C244 are attached as Appendix A.
- 2.5 The Committee **recommended that:**
- (a) **the proposals for savings and additional income, as set out in Table 3 at Section 2.2 of Report C244, be included in the 2012/2013 budget and, where indicated, beyond; and**
  - (b) **the proposed areas of capital growth, as set out in Section 2.3 of Report C244, be included in the 2012/2013 budget.**
3. **30 January 2012 meeting**
- 3.1 At this meeting the Committee considered its final budget report for 2011/2012, which updated Members on progress made towards setting the 2012/2013 budget.
- 3.2 Table 1 in Report C302 set out the Dynamic Review – Innovation, Value and Enterprise (DR-IVE) targets and banked totals reported so far, as well as the remaining 2012/2013 gap of £556,500.. A number of further savings areas and new income opportunities had been progressed since the last meeting of the Committee, and these were presented for discussion by the Committee and recommendation to Cabinet, and were set out in Table 2 of Report C302.
- 3.3 The Committee also discussed a summary of the budget consultation exercise and outcomes which had been provided at Appendix A to the report, and noted that the preferences of the public had been followed in each instance. A detailed discussion was held on the proposals with regard to the Tourist Information Centre.
- 3.4 Members discussed the proposed areas of savings and new income, and noted that if all were approved, the 2012/2013 gap would be covered and exceeded by £240,000. However, the Chief Finance Officer informed the Committee that as a number of the shared services savings were uncertain in terms of timing and project amounts, it was prudent to continue on the basis of the proposals in Table 2, to allow some flexibility. The Committee also considered two further proposed items of revenue growth, the establishment of an Election Reserve to which £30,000 would be contributed annually and an increase in the annual contribution to the Building Maintenance Reserve of £11,250.
- 3.5 The relevant extracts from the Report C302 are attached as Appendix B.
- 3.6 The Committee **recommended that:**
- (a) **the proposals for savings and additional income, as set out in Table 2 of Report C302, be included in the 2012/2013 budget and, where indicated, beyond; and**
  - (b) **the proposed areas of revenue growth, as set out in Section 2.2 of Report C302, be included in the 2012/2013 budget and beyond.**

#### **4. Budget Report**

- 4.1 All recommendations above have been incorporated into the budget report to be considered by Cabinet at this meeting as agenda item 7, Report C353.

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**EXTRACT FROM REPORT C244  
PERFORMANCE AND AUDIT SCRUTINY COMMITTEE: 28 NOVEMBER 2011**

**Table 3 – Other savings areas**

	<b>Saving Proposal</b>	<b>12/13 £000s</b>	<b>13/14 £000s</b>	<b>14/15</b>
1	Transfer of Chalkstone, Westbury, Leiston and Newbury Community Centres (67% public support in budget consultation). <i>The phasing of these savings relates to the target set by O&amp;S Committee for two transfers per year over the next two years, and may change.</i>	30	55	
2	£100k reduction in management fee to Abbeycroft, from £340k to £240k over 4 years, mainly delivered through new income generation.	40	20	20
3	Reduction of outreach and collections budgets. Recurring saving of £27k. One-off saving in 2012/13 of a further £8k.	35	+8	
4	Reduction in routine staffing of Athenaeum - only staffed when there are events; staff will be reallocated duties in the Apex, therefore saving on the casual staff budget.	13		
5	Car parking income at West Stow; increase is a combination of the completion of the set-up costs in 11/12 (year one of the introduction of car parking), small inflationary increases and plans to increase visitor numbers.	11	5	3
6	Increase the number of car parking spaces at Hardwick Heath by 30 (capital investment required – see separate paper on this agenda) as part of Leisure Asset Management Plan (AMP).	25	1	1
7	Introduce car parking charges at Nowton Country Park, to include sports users; terminate the subsidy of parking for sports users at Hardwick so that both parks operate the same system. Season tickets will be available. (52% support in budget consultation).	30	5	
8	Income initiatives at Nowton Park (subject to outcome of AMP review for Nursery site).	10	10	
9	Reduce residual funding for drug and alcohol work (but retain £5k for a new grant pot to support organisations working in this field).	3		
10	Reduce inspection regime for playing fields and neighbourhood parks. (The public were not in favour of significant reduction in the park ranger structure, but when asked in the focus groups, were open to some minimal reorganisation, which is what this proposal reflects).	20		
11	Reorganisation within CCTV team (49% of the public wished to keep monitoring at present level, and 25% of them supported monitoring in peak time only).	30		
	<b>TOTAL</b>	<b>247</b>	<b>88</b>	<b>24</b>

## 2.3 Capital Growth

2.3.1 In order to deliver items 6, 7 and 8 in Table 3 above and one item from the list submitted to this Committee in October 2011, a limited amount of capital investment will be required, as follows:

- Item 6: Hardwick Heath extra parking: **£60k** capital to create 35 extra spaces adjacent to the existing car park;
- Item 7: Introduce car parking charges at Nowton Park: **£80k** to renew car park and bring into use for charging (resurfacing, marking bays etc.);
- Item 8: Income initiatives at Nowton Park (subject to outcome of AMP review for Nursery site). **£15k** investment in site.

**EXTRACT FROM REPORT C302  
PERFORMANCE AND AUDIT SCRUTINY COMMITTEE: 30 JANUARY 2012**

**Table 2 – Savings areas/New income**

	<b>Saving Proposal</b>	<b>12/13 £000s</b>	<b>13/14 £000s</b>
1	Increase car parking prices in the Borough car parks (when consulted, 51% of people in Bury were in favour or had no opinion; 61% of people in Haverhill were in favour)	165	
2	Reduction in Haverhill Town Hall Arts Centre grant, due to the Haverhill Town Council decision to precept the equivalent sum locally. (£50k retained for Haverhill grants fund)	158.75	
3	Procurement savings across a range of budgets	91.35	
4	Charge for off-street blue badge parking ( <i>70% of people consulted about this were in favour; 36% of blue badge holders were in favour</i> )	85	
5	Restructure Heritage and TIC services ( <i>although the consultation was more specifically around the buildings used by these teams, and moving the TIC into Moyse's, there was clear support for maintaining both services but doing so more cost-effectively</i> )	80	
6	Efficiency savings in ICT (not related to shared service)	51.4	
7	Efficiency savings in Finance due to internal restructuring	40	
8	Efficiency savings in Planning and Development Control	25.8	
9	Reduction in disposal costs of recycled waste	24.4	
10	Cut staff homeworking allowance (subject to consultation with the Union)	18.5	
11	Reduction in service charge for underground car park	13.85	
12	Restructuring in Democratic Services	12	11
13	Reduction in Audit Commission fees	9.5	
14	Other small savings across a range of budgets	8.35	
15	Staff saving in Environmental Health and Housing (student post deleted)	7.7	
16	Increased trade waste income	7.25	
	<b>TOTAL</b>	<b>798.85</b>	<b>11</b>

## 2.2 Growth Bids

2.2.1 There are two further items of revenue growth:

2.2.1.1 Establishment of an **Elections Reserve**, to which **£30,000** will be contributed annually. This effectively will spread the cost of elections over 4 years.

2.2.1.2 An increase in the annual contribution to the **Building Maintenance Reserve** of **£11,250**.