

Cabinet



Forest Heath
District Council

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 24 September 2015 – Delivering a Sustainable Budget 2016-2017	
Report No:	CAB/FH/15/052	
Reports to and dates:	Cabinet	27 October 2015
	Council	9 December 2015
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Lead Officer:	Joanne Howlett Acting Head of Resources and Performance Tel: 01284 757264 Email: joanne.howlett@westsuffolk.gov.uk	
Purpose of report:	On 24 September 2015, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/15/025 , which updated members on progress made towards delivering a balanced budget for 2016-2017.	
Recommendation:	It is <u>RECOMMENDED</u> that the proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/FH/15/025, be included, in securing a balanced budget for 2016-2017.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<i>The decisions made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i>			
Consultation:		• See Report No: PAS/FH/15/025	
Alternative option(s):		• See Report No: PAS/FH/15/025	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/025	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/025	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/025	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/025	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> • See Report No: PAS/FH/15/025	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
See Report No: PAS/FH/15/025			
Wards affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		COU/FH/15/004 – Budget and Council Tax Setting 2015/16 CAB/FH/15/038 – West Suffolk Strategic Plan and Medium Term Financial Strategy 2016-2020	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Future budget pressure and challenges

- 1.1.1 Forest Heath continues to face considerable financial challenges as a result of increased cost and demand pressures and constraints on public sector spending. In this context, and like many other councils, we have to make difficult financial decisions.
- 1.1.2 The Medium Term Financial Strategy 2014-2016, approved at Full Council on 27 February 2015 (Report COU/FH/15/004) sets out the current and future financial pressures and challenges facing Forest Heath.
- 1.1.3 Report No: PAS/FH/15/025 provided the Performance and Audit Scrutiny Committee with information on the budget gap, budget assumptions, proposed timetable and the methodology for securing a balanced budget 2016-2017.
- 1.1.4 **Extract from Report No: PAS/FH/15/025**

5. Budget proposals for 2016-2017

5.1 The Performance and Audit Scrutiny Committee is asked to support and recommend to Cabinet the **inclusion of the following proposals**, as detailed in **Table 2** below, in order to progress securing a balanced budget for 2016-2017.

Table 2: Budget proposals for 2016/17

Description	2016/17 £'000 Pressure/ (Saving)
Budget gap	1,058
Budget saving proposals	
Income generation - ARP bailiffs and trading company services	(27)
Income generation - Street Cleansing	(4)
Income generation - Further third party occupancy at College Heath Road offices	(10)
Income generation - Waste Services	(53)
Income generation - Internal Audit	(5)
Income generation/efficiencies - Use of Guineas Office Newmarket	(20)
Income generation/efficiencies - Use of Brandon Office	(9)
Budget assumption change - 1% for pay inflation	(30)
Budget assumption change for car parking to reflect current and future volumes in Newmarket	(23)
Business Process Re-Engineering - release of staffing capacity following efficiencies created through process redesign	(88)
Contract efficiencies including ICT supplies and services	(60)
Contract efficiencies through Facilities Management joint	(8)

venture - part year savings	
Further staffing changes including service changes and vacancy management	(47)
Mitigate Building Control overspend/reduction income through increasing market share, changes in fee levels	(46)
Reduction in Legal professional fees	(4)
Reduction in Leisure Trust Management fee - subject to negotiations with Abbeycroft Leisure	(50)
Review of previously unallocated grant funding	(51)
Supplies and services savings, including around 5% reduction on all supplies and services budgets	(52)
Continue with the Local Council Tax Support Grant level - phasing out by April 2017 (25% for 2016/17) - no financial impact as already budgeted	-
Remaining Budget Gap *	471

* *Proposals for the remaining balance will be presented to this committee in November 2015 as an update report. Meanwhile we believe there is still a considerable amount of work required for the 2016/17 budget to be achievable, as such a number of additional budget saving proposals will be considered as separate reports over the coming months through full council.*

5.2 *Councillors will recall back in July 2013 (Report COU13/633) Forest Heath District Council agreed to continue to support the District's town and parish councils in respect of the Council Tax Support Grant, introduced by the Government to help offset money towns and parishes could lose through council tax benefit changes. The Council Tax Support Grant is included but not ring fenced in the Government's overall funding to borough and district councils who must then decide whether, and how much, to pass on to town and parish councils.*

1.1.5 The Committee was further asked to consider proposals for continuing the current scheme of gradually phasing out the Local Council Tax Support Grant by April 2017.

1.2 **Performance and Audit Scrutiny Committee**

1.2.1 The Performance and Audit Scrutiny Committee scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on the budget saving proposals relating to future staffing changes, including service changes and vacancy management; and the future expected level of public sector finances.

1.2.2 The Performance and Audit Scrutiny Committee **noted** the budget assumptions, timetable and progress made to date on delivering a balanced budget for 2016-2017.

1.2.3 The Performance and Audit Scrutiny Committee has put forward a recommendation as set out on page one of this report.