

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 26 November 2014 Delivering a Sustainable Budget 2015-16 and Budget Consultation Results	
Report No:	CAB/SE/14/004	
Report to and dates:	Cabinet	2 December 2014
	Council	16 December 2014
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Purpose of report:	On 26 November 2014, the Performance and Audit Scrutiny Committee considered Report PAS/SE/14/010 , which set out the context of the 2015/2016 budget process, including a summary of the budget consultation focus group results and the proposed saving and income generation items for delivering a balanced budget for 2015/16.	

Recommendations:	<p>It is RECOMMENDED that, subject to the approval of full Council and taking into account the public consultation results outlined in Appendix A to Report No: PAS/SE/14/010:</p> <p>(a) the proposals, as detailed in Table 2 at paragraph 1.5.1 of Report No: PAS/SE/14/010, be included; and</p> <p>(b) the proposals, as detailed in paragraph 1.5.2 of Report No: PAS/SE/14/010, be removed.</p>		
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>		
<p>The decision made as a result of this report will be published within 48 hours and cannot be actioned until seven working days have elapsed. This item is included on the Decisions Plan.</p>			
Consultation:	<ul style="list-style-type: none"> See Report No: PAS/SE/14/010 		
Alternative option(s):	<ul style="list-style-type: none"> See Report No: PAS/SE/14/010 		
Implications:			
<p>Are there any financial implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> See Report No: PAS/SE/14/010 	
<p>Are there any staffing implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> See Report No: PAS/SE/14/010 	
<p>Are there any ICT implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> See Report No: PAS/SE/14/010 	
<p>Are there any legal and/or policy implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> See Report No: PAS/SE/14/010 	
<p>Are there any equality implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> See Report No: PAS/SE/14/010 	
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/SE/14/010			
Ward(s) affected:		All Wards	
<p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p>		<p>See Report No: PAS/SE/14/010 to Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2015-16 and Budget Consultation Results</p>	
Documents attached:		None	

1. Key issues and reasons for recommendation(s)

1.1 Future budget pressure and challenges

- 1.1.1 St Edmundsbury continues to face considerable financial challenges as a result of uncertainty in the wider economy 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 (MTFS), approved by full Council on 25 February 2014 (Report E293), sets out the current and future financial pressures and challenges facing St Edmundsbury. Our MTFS document also sets out the approach that St Edmundsbury Borough Council will take to the sound management of its finances over the next two years.
- 1.1.3 Report No: PAS/SE/14/010 provided information on the budget gap; budget assumptions and the methodology for securing a balanced budget for 2015/16.

1.2 Budget consultation

- 1.2.1 A public consultation exercise was carried out over the summer 2014 in order to inform the budget setting process and help councillors to make decisions about the 2015/16 budget. The purpose of the consultation was to gauge public opinion on the main savings/income generating options and to test views on a range of issues relating to council priorities and themes in the Medium Term Financial Strategy, such as channel shift, families and communities and our commercial approach.
- 1.2.2 The consultation exercise included three public focus groups and three town and parish council focus groups. This provided quantitative feedback which helped to shape the content of the public survey. This survey was sent to 3,000 randomly-selected households across the borough and was made available online.

Extract from Report: PAS/SE/14/010

1.2.3 1.5 Budget Proposals for 2015/16

*1.5.1 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, taking into account the public consultation results outlined in **Appendix A**, in order to progress securing a balanced budget for 2015/16. It may be helpful to read **Appendix A** first before considering the proposals below.*

Table 2: Budget proposals for 2015/16

Description	2015/16 £'000 Pressure/ (Saving)
Budget gap	1,500
Budget saving proposals	
<i>Budget challenge days – including supplies and service efficiencies identified through shared services</i>	(128)
<i>Change recycling bin collection days (see 1.5.1 (a) below)</i>	(135)
<i>Contract efficiencies through new banking arrangements</i>	(16)
<i>Contract efficiencies through waste tipping arrangements</i>	(78)
<i>Further shared service staffing structural savings, includes increase in planning and enforcement staff linked to report F123</i>	(60)
<i>Grants and contributions review</i>	(54)
<i>Income generation - Apex sales (net income)</i>	(50)
<i>Income generation - CCTV expansion business case</i>	(40)
<i>Income generation - Tree services</i>	(10)
<i>Income generation - Vehicle workshop</i>	(26)
<i>Income generation - Waste and street cleansing services</i>	(50)
<i>Income – Additional planning fee income linked to report F123.</i>	(208)
<i>Income through Business Rate Retention Scheme – S31 grants compensating for the central Government’s imposed inflation cap on business rates (announced December 2013) and retention of renewable energy business rates growth under the new scheme. Final share of business rates growth, including from the Suffolk Pool, to be determined – update to be provided at January 2015 meeting</i>	(621)
<i>Reduction in bed and breakfast accommodation costs</i>	(15)
<i>Further reduction in business mileage</i>	(10)
<i>Reduction in Mayoralty budget</i>	(5)
<i>Reduction in printing costs for officer committee papers</i>	(16)
<i>Office space partnership –more efficient use of existing sites</i>	(25)
<i>West Suffolk Letting Partnership income generation</i>	(8)
<i>Removal of Discretionary Rate Relief budget (now part of Business Rates Retention Scheme)</i>	(118)
<i>Reduction in external audit fees</i>	(31)
<i>Waste management back office support and in-cab technology efficiency savings</i>	(26)
<i>Remaining community centre transfers as identified in previous Cabinet report E154 – part year saving</i>	(25)
Additional budget pressures	
<i>Reduction in interest income assumption to 0.9% following external advice from Sector our Treasury Advisors</i>	210
<i>Reduction in leisure income budgets to bring in line with last three years average level, predominately linked to</i>	65

<i>Moyses Hall</i>	
<i>Reduction in market toll income budget to bring in line with current year forecasts</i>	40
<i>Contractual increases – inflation linked</i>	25
<i>Increase in bad debt provision</i>	30
<i>Increase in utilities and business rates – inflation linked</i>	65
Remaining Budget Gap *	180

* *Proposals for the remaining balance will be presented to this committee in January 2015, at this point in time we believe the 2015/16 budget is achievable.*

- (a) **Changing bin collection days:** *It is recommended that collection rounds are reviewed and amended to allow collection of blue and brown bins on different days of the week. There was public support for this measure. A full communication plan is being developed, with changes expected to take place in January 2015.*

Recommendation: *That the Performance and Audit Scrutiny Committee support this operational change.*

- 1.2.4 1.5.2 *A number of potential savings/income generation options were explored as part of the budget consultation exercise (as detailed in **Appendix A**). Taking into account the public consultation results, it is recommended that a number of these proposals are not pursued for the 2015/16 budget. The Performance and Audit Scrutiny Committee is asked to recommend to Cabinet **that the following proposals are not pursued:***

- (a) **Charging for replacement bins:** *The council should not introduce a charge for bins that have been lost or deliberately damaged by the householder. Whilst there was public support for this in principle, it was recognised that there would be practical problems in terms of implementation and collecting payment. However, the council will continue to monitor requests for bins and usually charge if a household requires three or more replacement bins a year.*

Recommendation: *That the Performance and Audit Scrutiny Committee supports the removal of this 2015/16 budget proposal. However, the council will continue to monitor requests for bins and charge (if appropriate) a household which requires more than three replacement bins a year.*

- (b) **Use of volunteers:** *The council will (where it makes financial and operational sense) continue to encourage volunteers and support them as appropriate.*

Recommendation: *That the Performance and Audit Scrutiny Committee supports the continued exploration of this area, however a financial savings target is not included within the 2015/16 budget.*

1.2.5 The Performance and Audit Scrutiny Committee was advised that some of the budget consultation areas still require further work and are likely to be the subject of individual business case over the coming months. The Performance and Audit Scrutiny Committee is asked to note these areas.

1.3 **Performance and Audit Scrutiny Committee**

1.3.1 The Performance and Audit Scrutiny Committee considered and **noted** the progress made on delivering a balanced budget for 2015-16.

1.3.2 The Performance and Audit Scrutiny Committee scrutinised the consultation results in detail and asked questions to which responses were provided, and has put forward recommendations as set out on page two of this report.