

# Cabinet



**Forest Heath**  
District Council

<b>Title of Report:</b>	<b>Recommendation of the Performance and Audit Scrutiny Committee: 26 November 2014 Delivering a Sustainable Budget 2015-16 and Budget Consultation Results</b>	
<b>Report No:</b>	<b>CAB/FH/14/005</b>	
<b>Decisions plan reference:</b>	<b>Oct14/02</b>	
<b>Report to and dates:</b>	<b>Performance and Audit Scrutiny</b>	26 November 2014
	<b>Cabinet</b>	9 December 2014
	<b>Council</b>	10 December 2014
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<b>Chairman of the Committee</b>	Colin Noble Performance and Audit Scrutiny Committee <b>Tel:</b> 07545 423795 <b>Email:</b> colin.noble@forest-heath.gov.uk	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance <b>Tel:</b> 01638 719245 <b>Email:</b> rachael.mann@westsuffolk.gov.uk	
<b>Purpose of report:</b>	On 26 November 2014, the Performance and Audit Scrutiny Committee considered Report <b>PAS/FH/14/008</b> , which set out the context of the 2015-16 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.	

<b>Recommendation:</b>	<p>It is <b>RECOMMENDED</b> that, taking into account the public consultation results outlined in Appendix A to Report PAS/FH/14/008, Cabinet:</p> <p>(1) includes the proposals, as detailed in Table 2 at paragraph 1.5.1 of Report PAS/FH/14/008; and</p> <p>(2) removes the proposals, as detailed in paragraph 1.5.2 of Report PAS/FH/14/008.</p>		
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> 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 <b>48 hours</b> and cannot be actioned until <b>seven working days</b> have elapsed. This item is included on the Decisions Plan.</p>			
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>		
<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• See Report PAS/FH/14/008</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
	Low/Medium/ High*		Low/Medium/ High*
<b>See Report PAS/FH/14/008</b>			
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		See Report PAS/FH/14/008 to Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2015-16 and Budget Consultation Results	
<b>Documents attached:</b>		None	

## 1. Key issues and reasons for recommendation(s)

### 1.1 Future budget pressure and challenges

- 1.1.1 Forest Heath 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 at Full Council on 26 February 2014 (Report COU14/662), sets out the current and future financial pressures and challenges facing Forest Heath. Our MTFS document also sets out the approach that Forest Heath District Council will take to the sound management of its finances over the next two years.
- 1.1.3 Report PAS/FH/14/008 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 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 the council priorities and themes in the MTFS, such as channel shift, families and communities and our commercial approach.
- 1.2.2 The consultation exercise included five public focus groups and four town and parish council focus groups. Focus groups are an opportunity to test public opinion and can be used to discuss both specific ideas and general concepts. During the focus groups opinions were sought on specific ideas which could generate budget savings.

#### Extract from Report: PAS/FH/14/008

### 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 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**

	<b>2015/16</b>
<b>Description</b>	<b>£'000 Pressure/ (Saving)</b>
<b>Budget gap</b>	<b>1,100</b>
<b>Budget saving proposals</b>	

<i>Budget challenge day – including supplies and service efficiencies identified through shared services</i>	<i>(278)</i>
<i>Contract efficiencies through new banking arrangements</i>	<i>(10)</i>
<i>Contract efficiencies through waste tipping arrangements</i>	<i>(50)</i>
<i>Further shared service staffing structural savings, (taking into account increase in planning and enforcement staff linked to report COU14/696).</i>	<i>(29)</i>
<i>Grants and contributions review</i>	<i>(70)</i>
<i>Income generation - waste and street cleansing services</i>	<i>(13)</i>
<i>Income generation – ICT income, shop mobility and street name and numbering</i>	<i>(11)</i>
<i>Income generation from photovoltaics – linked to last two years’ average levels</i>	<i>(42)</i>
<i>Income – additional planning fee income linked to report COU14/696.</i>	<i>(85)</i>
<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>	<i>(220)</i>
<i>Further reduction in Leisure Management Fee</i>	<i>(82)</i>
<i>Further reduction in business mileage</i>	<i>(5)</i>
<i>Reduction in printing costs for officer committee papers</i>	<i>(6)</i>
<i>Office space partnership – more efficient use of existing sites</i>	<i>(10)</i>
<i>West Suffolk Letting Partnership income generation</i>	<i>(5)</i>
<i>Removal of Discretionary Rate Relief budget (now part of Business Rates Retention Scheme)</i>	<i>(21)</i>
<i>Reduction in Housing Benefit payment assumptions and subsidy income</i>	<i>(105)</i>
<i>Reduction in external audit fees</i>	<i>(18)</i>
<i>Waste management back office support and in-cab technology efficiency savings</i>	<i>(14)</i>
<b><i>Additional budget pressures</i></b>	
<i>Increase in bad debt provision</i>	<i>10</i>
<i>Increase in utilities and business rates – inflation linked</i>	<i>36</i>
<b><i>Remaining Budget Gap *</i></b>	<b><i>72</i></b>

*\* 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.*

- 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 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 three or more 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 and asked questions to which responses were provided and has put forward recommendations as set out on page two of this report.