

# Performance and Audit Scrutiny Committee



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Delivering a Sustainable Budget 2015/16 - Update</b>	
<b>Report No:</b>	<b>PAS/SE/15/005</b>	
<b>Report to and date/s:</b>	<b>Performance and Audit Scrutiny Committee</b>	29 January 2015
	<b>Cabinet</b>	10 February 2015
	<b>Council</b>	24 February 2015
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<b>Purpose of report:</b>	The purpose of this report is to update members on progress made towards delivering a balanced budget for 2015/16.	
<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that members:</b>  (1) Note the progress made on delivering a balanced budget for 2015/16.  (2) Support the Overview and Scrutiny Committee recommendations on car park tariffs for 2015/16 as detailed in Paragraph 1.3.2 of this Report, together with Report OAS/SE/14/001, and asks Cabinet to approve them as part of the budget setting process for 2015-16.	

<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>	
<b>Consultation:</b>		<ul style="list-style-type: none"> <li>PAS/SE/14/010 - Delivering a sustainable Budget 2015-2016 and Budget Consultation Results</li> <li>OAS/SE/14/001 - Car Park Tariffs 2015/16</li> </ul>	
<b>Alternative option(s):</b>		<ul style="list-style-type: none"> <li>Not applicable</li> </ul>	
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> As detailed in the body of this report	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> The Local Government Finance Act 1988 (Sc 114) - requires the chief finance officer to report to councillors if there is or is likely to be an unbalanced budget.	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> To be considered as part of implementation of service changes	
<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*
Savings projections are not achieved resulting in budget deficit.	Medium	Budgetary control, including reporting of variances to members. Use of general fund reserves to cover budget deficits.	Low
The business rate retention scheme underachieving the yield assumed in the MTFS.	High	Work with the Anglia Revenues Partnership team to monitor the position and deliver a realistic forecast.	Medium
Adverse Changes in the assumptions, i.e provisional formula grant settlement, used in the MTFS resulting in a larger budget gap.	Medium	The assumptions are regularly monitored and updated. Use of general fund reserves to cover budget deficits.	Low
<b>Ward(s) affected:</b>		All Wards	

<p><b>Background papers:</b>  <i>(all background papers are to be published on the website and a link included)</i></p>	<p>PAS/SE/14/010 - Delivering a sustainable Budget 2015-2016 and Budget Consultation Results</p> <p><a href="https://democracy.westsuffolk.gov.uk/documents/s3547/Report%20-%2014.11.26%20-%20Delivering%20a%20Sustainable%20Budget%202015-16%20and%20Budget%20Consultation%20Results.pdf">https://democracy.westsuffolk.gov.uk/documents/s3547/Report%20-%2014.11.26%20-%20Delivering%20a%20Sustainable%20Budget%202015-16%20and%20Budget%20Consultation%20Results.pdf</a></p> <p>OAS/SE/14/001 - Car Park Tariffs 2015/16</p> <p><a href="https://democracy.westsuffolk.gov.uk/documents/s5007/OAS%20SE%2014%20001%20-%20Car%20Park%20Tariffs%202015-16.pdf">https://democracy.westsuffolk.gov.uk/documents/s5007/OAS%20SE%2014%20001%20-%20Car%20Park%20Tariffs%202015-16.pdf</a></p>
<p><b>Documents attached:</b></p>	<p>None</p>

## 1. Key issues and reasons for recommendations

### 1.1 Position at January 2015

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 It is essential that the council's financial and budgetary strategies are sufficiently robust to enable it to deliver a sustainable budget position in the short and medium term. This Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget.

1.1.3 In November 2014, the Committee received report PAS/SE/14/010- Delivering a Sustainable Budget 2015-2016 and Budget Consultation Results which set out the context of the 2015/16 budget, including details of savings targets, budget assumptions and known pressures for 2015/16. The report also detailed the result of the recent Council budget consultation.

### 1.2 Latest Budget Projections

1.2.1 **Table 1** below sets out additional pressures and the progress made to date in achieving the 2015/16 savings target. These are now being incorporated into the budgets, over and above those items brought to members' attention in November 2014 as part of report PAS/SE/14/010.

**Table 1:** Further savings and budget pressures identified

Description	2015/16 £'000 Pressure/ (Saving)
<b>Remaining Budget Gap per report to PASC in November 2014 (PAS/SE/14/010)</b>	<b>180</b>
<b><i>Further Savings Identified</i></b>	
Income through being an investing authority as per Cabinet report CAB/SE/14/009	(19)
Net reduction in Abbeycroft management fee following final negotiations (includes allowance for increased sports development role and management of major sporting events)	(28)
Reduction in Housing Benefit Payment assumptions and subsidy arrangements	(66)
Additional council tax income following approved tax base increase for council tax setting purposes, cabinet report CAB/SE/14/008	(33)
Changes to Formula Grant – provisional settlement	(25)
Leisure income/savings	(66)
Other minor budget changes	(4)
<b><i>Further Pressures Identified</i></b>	

Net effect of council tax freeze for 2015/16 – budget assumption only – Subject to Full Council at its meeting of 24 February 2015 <b>see paragraph 1.2.2 below</b>	61
<b>Final Budget Gap</b>	<b>0</b>

- 1.2.2 The above table provides for a balanced budget position for St Edmundsbury Borough Council in 2015/16. This includes an assumption of a Council Tax freeze for 2015/16. However, this part of the budget setting process is subject to Full Council decision on 24 February 2015.
- 1.2.3 The above table assumes no savings for the Bury St Edmunds bus station building. As reported to Committee in November, a marketing exercise has been carried out and a number of options are still being explored. Decisions relating to the bus station building will be subject to further consideration in due course.
- 1.3 **Recommendations from the Overview and Scrutiny Committee regarding car park tariffs 2015/16**
- 1.3.1 The annual car park tariffs report, including supporting evidence and justification for tariff changes was presented and scrutinised by the Overview and Scrutiny Committee on 17 December 2014, Report No: OAS/SE/14/001.
- 1.3.2 Following scrutiny, the Committee noted the following recommendations for inclusion in this Delivering a Sustainable Budget 2015-16 Update Report, of the Performance and Audit Committee:
- (1) In accordance with the Car Parking Charges Review Group recommendation (24 October 2012) and Cabinet approval (12 December 2012), that a full review of car parking charges should commence in June 2015 on completion of Pay on Exit/Automatic Number Plate Recognition (ANPR) feasibility investigations and completion of a review on car parking capacity across the district.
  - (2) That no increase would be applied to any existing tariff or permit on any car park during 2015/16 financial year.
  - (3) The current 'Free from 3' offer in Bury St Edmunds and Haverhill on Tuesdays and Fridays respectively would continue for a further year.
  - (4) The introduction of a new tariff structure arising on commencement of a revised Borough of St Edmundsbury Off Street Parking Places Order in 2015:
    - a) A tariff of £1.80 for up to 4hrs and £3.00 (all day) to be introduced on the new 40-space Shire Hall car park in Bury St Edmunds (which will replace the Manor House provision).
    - b) The introduction of low emission vehicle tariff of 60p for up to 4hrs, £1.20 all day on the Old Sale Yard (Rose and Crown) car park in Haverhill.