

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Recommendation of the Performance and Audit Scrutiny Committee: 23 September 2015 – Delivering a Sustainable Budget 2016/2017</b>	
<b>Report No:</b>	<b>CAB/SE/15/062</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	20 October 2015
	<b>Council</b>	17 November 2015 or 18 December 2015
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<b>Purpose of report:</b>	On 23 September 2015, the Performance and Audit Scrutiny Committee considered Report No: <a href="#">PAS/SE/15/026</a> , which updated Members on progress made towards delivering a balanced budget for 2016-2017.	

<b>Recommendation:</b>	<b>It is <u>RECOMMENDED</u> that the proposals, as detailed in Section 5 and Table 2 at paragraph 5.1 of Report No: PAS/SE/15/026, be included, in securing a balanced budget for 2016/2017.</b>		
<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"/> As it is a full Council decision		
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>		
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>		
<b>Implications:</b>			
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>	
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>	
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>	
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</li> </ul>	
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>See Report No: PAS/SE/15/026</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*
See Report No: PAS/SE/15/026			
<b>Wards affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		<a href="#">COU/SE/15/002</a> - Budget and Council Tax Setting 2015/16  <a href="#">CAB/SE/15/048</a> - West Suffolk Strategic Plan and Medium Term Financial Strategy	
<b>Documents attached:</b>		None	

## 1. Key issues and reasons for recommendation

### 1.1 Future budget pressure and challenges

- 1.1.1 St Edmundsbury Borough Council 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, St Edmundsbury has to make difficult financial decisions.
- 1.1.2 The Medium Term Financial Strategy 2014-2016, approved by full Council on 24 February 2015 (Report COU/SE/15/002 refers) sets out the current and future financial pressures and challenges facing St Edmundsbury.
- 1.1.3 Report No: PAS/SE/15/026 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/SE/15/026**

#### 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**

<b>Description</b>	<b>2016/17 £'000 Pressure/ (Saving)</b>
<b>Budget gap</b>	<b>1,903</b>
<b>Budget saving proposals</b>	
<i>Income generation - ARP Bailiffs and trading company services</i>	(36)
<i>Income generation - Asset lease for Nowton Park (Cottage)</i>	(14)
<i>Income generation - Catering and events at West Stow</i>	(30)
<i>Income generation - Street Cleansing</i>	(7)
<i>Income generation - Tree Maintenance</i>	(10)
<i>Income generation - Vehicle Workshop</i>	(45)
<i>Income generation - Waste Services</i>	(98)
<i>Income generation and reduction in bed and breakfast costs linked to investment - Report XXX</i>	(105)
<i>Income generation - Internal Audit</i>	(10)
<i>Income generation/efficiencies - Apex</i>	(30)
<i>Budget assumption change - 1% for pay inflation</i>	(70)
<i>Budget assumption change for car parking to reflect current volumes</i>	(100)
<i>Business Process Re-Engineering - release of staffing capacity following efficiencies created through process redesign</i>	(163)
<i>Contract efficiencies including ICT supplies and services</i>	(98)

<i>Contract efficiencies through Facilities Management joint venture - part year savings</i>	(32)
<i>Further staffing changes including service changes and vacancy management</i>	(147)
<i>Mitigate Building Control overspend/reduction income through increasing market share, changes in fee levels</i>	(85)
<i>Reduction in Legal professional fees</i>	(7)
<i>Reduction in Leisure Trust Management fee - subject to negotiations with Abbeycroft Leisure</i>	(25)
<i>Reduction in Victory Ground grant in line with previous committee report</i>	(8)
<i>Remaining community centre transfers as identified in previous Cabinet report B12</i>	(50)
<i>Increased occupancy and share running costs of Haverhill Office</i>	(20)
<i>Supplies and services savings, including around 5% reduction on all supplies and services budgets</i>	(209)
<i>Continue with the Local Council Tax Support Grant level - phasing out by April 2017 (25% for 2016/17) - no financial impact as already budgeted - see paragraph 5.2 below.</i>	-
<b>Remaining Budget Gap *</b>	<b>504</b>

\* *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 that back in September 2013 (Report E52) St Edmundsbury Borough Council agreed to continue to support the Borough'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, and the continuation of the Rural Initiative Grant Scheme for the four year period 2016-2020, through reallocating the underspend of the previous Rural Action Plan.

## 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 proposed vacancy savings assumptions; transport fuel assumptions; building control fee levels and future proposals and assumptions regarding fees and charges for brown bins.

- 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.