

**REPORT OF: FINANCIAL SERVICES
FINANCIAL SERVICES MANAGER**

TO: EXECUTIVE

DATES: 17th SEPTEMBER 2015

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Budget Savings 2016/17

PURPOSE OF REPORT

1. The purpose of this report is to present a number of saving proposals for consideration by the Executive and to recommend that they be submitted to Council for early approval as part of the development of the Council's revenue budget for 2016/17.

RECOMMENDATIONS

2. The Executive is recommended to consider and approve the 2016/17 budget saving proposals outlined in this report for submission to Council in September 2015.

REASONS FOR RECOMMENDATION

3. To seek early approval for a number of budget saving proposals in support of the target saving requirement of £1.5m as set out in the Council's Medium-Term Financial Plan.

Background

4. The Council has experienced significant reductions in its core revenue funding since 2010 and this trend is expected to continue throughout the life of the current Parliament. The assumptions which underpin the latest revision of the medium-term financial plan (MTFP) were reported to the Executive in June 2015. Councillors will also be aware that the Government has launched a comprehensive spending review, the results of which will be reported in November. Our current plan assumes the Council will need to identify savings of £4.2m over the 3 year period to 2018/19 with the most immediate requirement being to identify savings of £1.5m specifically for the 2016/17 financial year.
5. In support of this, the Executive established a Member Budget Working Group. The Group is tasked with identifying options for savings for 2016/17 as well as the remainder of the three year Plan period. The Group has met on two occasions since it was established. At the last meeting on 3rd September, the Group considered an initial list of saving proposals developed by the Management Team. The full list is included in the Minutes from the Group's meeting on 3rd September which are presented elsewhere on this agenda.

6. The aim in reporting on these options now is to try and secure agreement, where possible, to an initial package of proposals, such that effective progress can be made early in the budget process and allow more time to conclude the balance of savings required to achieve the current target. The Group's discussions have also focused on more strategic considerations for savings whilst acknowledging these are matters which will take more time to progress. A potential example of such an option entails a review of the Council's arrangements with Pendle Leisure Trust.
7. During their deliberations on the initial list earlier this month, the Budget Working Group concluded that a number of proposals could be submitted to the Executive, a number were not supported with the remainder noted pending further consideration during the main budget process later in the year.
8. The focus of this report is on the former category, i.e. those proposals that have been endorsed for consideration by the Executive. These total £445k and consist of the following:

	£'000
• Removal of revenue and council tax support grants to Town & Parish Councils	78
• Changes to CCTV provision / funding arrangements	87
• Staffing – vacancy management and DFG Agency Fee adjustment	100
• Waste Management – Service Delivery savings	90
• Annual increase in fees and charges	90
Total	445

9. The last item included above is the subject of a separate report elsewhere on this agenda and is not considered any further as part of this report. The above list also excludes the potential levy saving from business rates pooling estimated at £300k for next year. This was reported to the Executive in July and was agreed in principle pending confirmation of the pooling arrangements for 2016/17 from DCLG. For the remaining proposals listed above, there is a savings pro-forma attached at [Appendix A](#) which provides more information on each. The equivalent information was submitted to the Budget Working Group earlier this month. The Group requested more information on the service delivery savings in Waste Management and a revised pro-forma will be circulated in advance of this meeting.
10. The Executive is requested to endorse the proposals outlined in [Appendix A](#) and agree that these may be submitted to Council for formal approval and adoption in support of the development of the Council's revenue budget for 2016/17.

IMPLICATIONS

Policy

11. This report outlines changes to aspects of current Council policy and will, subject to approval by the Executive, be reported to Council for final determination.

Financial

12. The financial implications are generally as set out in the report. The savings set out in paragraph 8 above would, if agreed, deliver 30% of the 'target' saving of £1.5m identified for 2016/17 in the medium-term financial plan.

Legal

13. There are no legal implications arising directly from this report.

Risk Management

14. There are no new risk management implications arising directly from this report

Health and Safety

15. There are no Health and Safety implications arising directly from this report.

Sustainability

16. There are no sustainability implications arising directly from this report.

Community Safety

17. There are no community safety issues arising directly from the contents of this report.

Equality and Diversity

18. No specific issues arise from the savings currently proposed.

APPENDICES

[Appendix A](#) – Savings Pro-formas

LIST OF BACKGROUND PAPERS: None