

REPORT OF: FINANCIAL SERVICES MANAGER

TO: EXECUTIVE

DATES: 22nd SEPTEMBER 2016

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Budget Savings 2017/18

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 2017/18.

RECOMMENDATIONS

2. The Executive is recommended to consider and approve the 2017/18 budget saving proposals outlined in this report for submission to Council in October 2016.

REASONS FOR RECOMMENDATION

3. To seek early approval for a number of budget saving proposals in support of the requirement to save an estimated £4.8m by 2019/20. This is the projected amount of savings required as set out in the Council's Medium-Term Financial Plan covering the three year period 2017/18 to 2019/20.

Background

4. The Council has experienced significant reductions in its core revenue funding since 2010 and this trend is forecast 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 May 2016. This has been developed using the four year settlement data offered by Government to local authorities in February 2016 and covering the period from 2016/17 to 2019/20.
5. The current MTFP identifies a savings requirement of £4.8m over the 3 year period to 2019/20. The plan is maintained under regular review and the next key external milestone which may impact on the current plan will be the Chancellor's Autumn Statement which is to be delivered on the 23rd November.

6. In support of the budget process for this year, the Executive agreed to retain the cross-party Budget Working Group. The Group is tasked with identifying options for savings for 2017/18 as well as the remainder of the plan period. The Group has met on two occasions so far this year and at its last meeting on 30th August, the Group considered an initial list of saving proposals developed by the Management Team. This included a number of proposals which officers felt could be presented to Council earlier, subject to agreement by the Executive and it is these which form the subject of this report.
7. The aim in reporting on these proposals now is to try and secure agreement, where possible, to an initial package of savings, 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. Examples of such options include a review of the Council's arrangements with Pendle Leisure Trust and the arrangements for waste services and grounds maintenance.
8. The proposals now submitted for consideration total £533k and consist of the following:

	£'000
• Transfer of Services – income from Town & Parish Councils	50
• Transfer of Services – full impact of Colne Town Hall	20
• Staffing – primarily management of vacant posts	200
• Liberata –Software rationalisation (IDOX)	50
• Rationalisation of IT/Telephony	10
• Property – reduction in reactive maintenance (greater planned maint)	30
• Waste Management – reduction in mechanical sweeping	82
• Waste Management – reduction in flyers	26
• Waste Management – vehicle changes (22t down to 18t)	25
• Discover Pendle Visitor Centre	<u>40</u>
Total	533

9. For each of the proposals listed above, there is a savings pro-forma attached at [Appendix A](#) which provides more information. In addition to the above there is also the saving arising from the proposed acquisition of the Council's leasehold interest at the ACE Centre. This is not covered in Appendix A as it was considered by the Executive in August and has been referred to Council in October for approval. If this is confirmed the total value of these early savings is £633k
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 2017/18.

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.

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