

REPORT OF: FINANCIAL SERVICES MANAGER

TO: EXECUTIVE

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Budget Savings 2018/19

PURPOSE OF REPORT

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 in October for early approval in support of the Council's revenue budget for 2018/19.

RECOMMENDATION

The Executive is recommended to consider and approve the 2018/19 budget saving proposals outlined in this report for submission to Council in October 2017.

REASON FOR RECOMMENDATION

To seek early approval for a number of budget saving proposals in support of the requirement to save an estimated £3.8m by 2020/21. This is the projected amount of savings required as set out in the Council's Medium Term Financial Plan covering the three year period 2018/19 to 2020/21.

Background

1. The Council has experienced significant reductions in its core revenue funding since 2010 and this trend is expected to continue throughout the current Parliament. The assumptions which underpin the latest revision of the medium-term financial plan (MTFP) were reported to the Executive in May 2017. This was developed using the four year settlement data provided by Government to local authorities in February 2016 covering the period from 2016/17 to 2019/20.
2. The current MTFP identifies a savings requirement of £3.8m over the 3 year period to 2020/21. The plan is maintained under regular review and the next key external milestone which may impact on the current plan will be the Government's Autumn Budget which is to be delivered by the Chancellor on the 22nd November.
3. 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 2018/19 as well as the remainder of the plan period. The Group met on the 11th August

when it 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.

4. 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 post the termination of the cost sharing agreement by the County Council.

5. The proposals now submitted for consideration total £487k and consist of the following:

	£'000
• Charging for Bulky Household Waste (Ref C1)	90
• Administrative Charge for Replacement Wheeled Bins (C2)	45
• Staffing – primarily management of vacant posts / voluntary redundancy (S1)	150
• Grounds Maintenance – Contributions from local councils (S3)	90
• Review of Telephony provision (S6)	10
• Property – reduction in reactive maintenance (greater planned maint) (S7)	20
• Waste Management – reduction in mechanical sweeping (S10)	82
Total	487

6. For each of the proposals listed above, there is a pro-forma attached at [Appendix A](#) which provides more information. The Executive is requested to endorse the proposals outlined in [Appendix A](#) and agree that these may be submitted to Council in October for formal approval and adoption in support of the Council's revenue budget for 2018/19.

7. In addition to the savings summarised above, Councillors will also find elsewhere on this agenda reports on the following items which, subject to approval, will also make a positive contribution to the Council's revenue budget position for 2018/19:

- Review of waste collection, recycling and street cleansing
- Income Review

At this time no proposals are submitted on behalf of Pendle Leisure Trust. For 2018/19 the Trust has been asked to identify options to reduce the annual management fee paid by the Council by £150,000. Initial options were discussed at the Budget Working Group meeting in August with representatives from the Trust in attendance. Work is ongoing by the Trust to develop the options and these will be presented later in the budget process.

IMPLICATIONS

Policy

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

The financial implications are generally as set out in the report.

Legal

There are no legal implications arising directly from this report.

Risk Management

The key risk is considered to be the failure to make savings on the scale required leading to a greater use of reserves than is currently planned. This could result in the Budget Support Reserve being fully utilised in 2019/20 enforcing a higher savings requirement in that and subsequent years with less time to develop and implement the more strategic saving options (e.g. alternative service delivery models).

Health and Safety

There are no health and safety implications arising directly from this report.

Sustainability

There are no sustainability implications arising directly from this report.

Community Safety

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

Equality and Diversity

No specific issues arise from the savings currently proposed.

APPENDICES

[Appendix A](#) – Savings Pro-formas

LIST OF BACKGROUND PAPERS: None