

**BUDGET 2011/12 AND MEDIUM TERM PLAN 2012 TO 2016  
(Report by the Overview and Scrutiny Panel (Economic Well-Being))**

**1. INTRODUCTION**

- 1.1 At its meeting held on 10th February 2011, the Overview and Scrutiny Panel (Economic Well-Being) considered the report by the Head of Financial Services on the Budget 2011/12 and Medium Term Plan 2012 to 2016. This report summarises the Panel's discussions.

**2. THE PANEL'S DISCUSSIONS**

- 2.1 The Panel has reviewed the Financial Strategy, Medium Term Plan (MTP) 2012 - 2016 and the Budget and level of Council Tax for 2011/12. To assist with their deliberations then Panel has been addressed by Mr D Morgan, Treasurer of Hunts Forum of Voluntary Organisations. Mr Morgan has informed Members of the value of the activities of voluntary organisations in terms of the income they generate for the District in the context of the funding the Council provides for them through commissioning agreements and its proposed reductions in future years. The Panel has discussed the voluntary organisations' spending, the measures they are taking to reduce their own costs and their staffing costs.
- 2.2 Members have been acquainted with the changes that have been made to the Budget and MTP since they endorsed the draft Strategy at a previous meeting. The updated Plan identifies savings of £6.6m in the period to 2015/16. The draft Budget 2011/12 does not specify a need for further savings to be made but the MTP contains a requirement for additional savings amounting to £2m. The Budget takes into account lower than expected Government grant, which should be off-set by the New Homes Grant. A decision on the latter is expected in time for the Council meeting.
- 2.3 The Panel has discussed those matters on which Members previously had requested further work to be carried out. Operating costs for CCTV have been reduced and now amount to £300k per annum for a basic service. Discussions with users will take place in the coming year on how the service will be funded in future years. Members support the retention of a basic service.
- 2.4 The Panel has had the chance to discuss the proposals relating to the Customer Service Centres on two occasions. Following their initial comments, Members has examined the results of further investigations into the options that are available for the delivery of services through the Customer Service Centres. Analysis of service demands indicates that it will not be possible to reduce employee levels at Huntingdon Customer Service Centre. However, by transferring resources from St Neots during lower periods of demand, it will be possible to maintain a presence in Ramsey and Yaxley on one day per week. The Panel has recommended that this option is implemented and that a further review is carried out in a year's time.

- 2.5 While Members support the work of the District's voluntary organisations, they are content with proposals by the Social Well-Being Panel to investigate alternative ways of sustaining them once their existing commissioning agreements have expired.
- 2.6 With regard to the risks associated with various elements in the Strategy, Members have noted that for the purpose of incorporating the impact in the MTP of the New Homes Grant, a cautious approach has been taken to predicting the number of houses that will be constructed in the next four years. A similarly prudent approach has been taken to providing for the Council's future pension liability. Having been apprised of the risks associated with the Government's plans to change the local authority grant formula, the pensions review, the savings that are still required and the challenge of delivering the savings already identified, the Panel has noted the Director of Financial Services' formally stated opinion that the Budget 2011/12 is robust.
- 2.7 An update has been received on previous suggestions by the Liberal Democrat group for savings. A number of them are being pursued, including several areas where the Council is entering into agreements with other local authorities to share services.
- 2.8 Members have commended the fact that in the order of £650k additional savings have been identified since December. A suggestion that an increase in income might be made by charging non-residents of the District a higher rate to use the Council's leisure centres has been referred to the Leisure Finance Working Group for further consideration.
- 2.9 At the conclusion of their deliberations and on the understanding that the MTP can be revised as work on it proceeds, the Panel has requested the Cabinet to submit the proposed MTP, Budget and Financial Plan to the Council for adoption and not to recommended the Council to increase Council Tax for 2011/12 (Band D charge to remain at £124.17).

### **3. RECOMMENDATION**

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Economic Well-Being) as set out above when considering this item.

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