

22 January 2015		ITEM: 7
Cleaner Greener Safer Overview & Scrutiny Committee		
Additional Savings Proposals 2015/2016		
Report of: Cllr Tony Fish – Portfolio Holder for Environment		
Wards and communities affected: All	Key Decision: Key	
Accountable Head of Service: Mike Heath – Interim Head of Environment		
Accountable Director: Graham Farrant, Chief Executive		
This report is public		

EXECUTIVE SUMMARY

As a result of significant reductions in the money received from Government and other pressures on services the Council will have to make £37.7m of savings over the three years between 2015/16-2017/18.

Cleaner Greener Safer Overview & Scrutiny Committee received a report on 31 July 2014 outlining the initial savings opportunities that had been identified for savings in the Environment Budget and this report sets out the further areas that the Cabinet has identified where there is potential to reduce expenditure in order to meet the funding gap that still remains for the year 2015/16.

1. RECOMMENDATIONS:

- 1.1 That Members consider and comment on the savings proposals within Environment in respect of changes to the waste collection methodology detailed in appendix 1.**

2. INTRODUCTION AND BACKGROUND:

- 2.1** As a result of significant reductions in the money received from the Government and other pressures on services the Council will have to make a further £37.7m of savings over the three years between 2015/16-2017/18. This is on top of the significant savings already made.
- 2.2** The Council has faced unprecedented financial pressures over the last four years. Over this period, the Council has exercised sound financial

management within all services with the following headlines previously reported:

- Savings of £50m have been identified over the last four years;
- The audit of the financial statements has confirmed that the Council, despite further in-year pressures, has contained expenditure within budget for the three financial years 2010/11 through to 2012/13;
- The General Fund balance has been increased from £2.1 as at 31 March 2010 and maintained at £8.0m;
- The Council has, for the last two audited years, received an unqualified Value for Money opinion;
- The draft outturn for 2013/14, as reported to Cabinet in July, shows for the fourth consecutive year the Council has contained the financial pressures and delivered within the budget constraints.

2.3 The Leadership Group has been working over recent months to refresh the Medium Term Financial Strategy (MTFS) through reviewing the 2013/14 outturn and reflecting the latest information and forecasts within services. These have:

- Highlighted some 2014/15 pressures – Cabinet have endorsed the management actions being taken including for 2015/16 and beyond;
- Identified the need to change the approach for budgeting and accounting for transformation and procurement savings; and
- Led to a revised MTFS budget deficit for the period 2014/15 through to 2017/18 of £37.7m.

2.4 Specific pressures for 2015/16 and beyond, in addition to the overall reduction in Government grant, are set out in the body of this report. In addition Thurrock has and will continue to experience significant demographic changes. The Census 2011 showed that the population increased to 157,705, up 14,000 (10%) since 2001, and is projected to rise from 159,500 in 2012 to 176,500 in 2022. This is a 10.6% increase and is significantly higher than forecast for England (7.2%) and the Eastern region (8.6%).

2.5 This report sets out the overall context and principles upon which the MTFS is based and therefore the backdrop to developing savings proposals to address the budget gap.

2.6 A number of additional savings proposals were agreed by Cabinet for further development and public consultation. This committee is asked to consider the savings proposals and comment on them as part of the consultation process and to inform further development and decision making.

4. REASONS FOR RECOMMENDATION:

4.1 The Council has a legal obligation to set a balanced budget. The reduction in funding to the Council is unprecedented at a time when demand on services is growing, requiring a fundamental change in the way the Council approaches addressing the budget gap and in considering the future shape of

the Council going forward. Members are asked to consider the specific savings proposals proposed for Environment as part of the consultation process to inform further development and decision making.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

5.1 No impact

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

The financial implications are set out in the body of this report and appendices. Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. This must also include a consideration of the risk in achieving that budget and so robust monitoring of accepted proposals will be essential throughout the coming years.

7.2 Legal

Implications verified by: **Fiona Taylor**
Head of Legal and Democratic Services

There are no specific legal implications as a result of this report, however, Any implications of specific savings proposals are set out in individual business cases to inform consultation and final decision making. The Council's Section 151 Officer has a statutory requirement to set a balanced Budget

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

Each savings proposal with changes to the service requiring public consultation has a detailed business case setting out how the saving will be achieved including the level of service reduction and mitigating actions. As

part of developing the business case a comprehensive Community and Equality Impact Assessment (CEIA) will be completed, informed by the public consultation. An assessment of the cumulative impact from all the CEIAs will be completed by the Community Development and Equalities team to inform final decision making on the savings to be made for 2015/16.

It is recognised that there is likely to be a cumulative impact on the voluntary and community sector due to proposals to both reduce core grants and specific grants currently provided by services across the Council. A full assessment will be completed in consultation with the CVS to determine the implications for the sector and impact on the wider community.

7.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

Other significant implications \re identified within the business case to inform the consultation process and final decision making.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):

- Budget savings proposals working papers.
- Cabinet reports July 2014, August 2014, September 2014, November 2014, December 2014 Draft outturn and MTFs update; shaping the Council 2015 and beyond

APPENDICES TO THIS REPORT:

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