

**STATEMENT BY  
THE LEADER OF THE COUNCIL  
ON THE BUDGET FOR 2015/2016**

COUNCIL MEETING – 12 FEBRUARY 2015

**Chairman, Fellow Members**

1. This evening the Council has the duty to set a balanced budget for the forthcoming year and will do so under the shadow of continued reductions in public sector spending. This is the third budget to be set under the new Local Government Funding regime which was introduced in the 2012 Local Government Finance Act and brought with it significant changes to local government finance.
2. The Council has already identified over £11.5million of savings over the last ten years and striving for continuous improvement and value for money has become a regular part of the annual corporate business planning process. It is clear that achieving further efficiencies is going to be increasingly challenging, particularly if we want to continue delivering the services that are most valued by residents. The Secretary of State for Communities and Local Government has confirmed the finance settlement for 2015/16. This settlement made no mention of funding for 2016/17 onwards. As such there is considerable uncertainty about the level of government funding the Council will receive in future years. The budget assumptions for the local council tax reduction scheme and the retention of business rates will continue to be closely monitored as the full implications of the new funding regime are realised. More of the financial risk of the collection of Business Rates has been transferred to the Council but there may also be some potential opportunities to explore as a result of business and housing growth.
3. The extent of the financial problem we continue to face has required us to look into different ways of providing services. Further change is inevitable and so we have also continued to explore and have approved invest to save opportunities by investing significant capital resources upfront to release pressure on the revenue fund and ensure a reasonable payback term. We have also examined how we can work more efficiently or in different ways, such as by sharing services with other Authorities or organisations.
4. At a time when everyone is facing financial pressures, Cabinet faced a very difficult decision as to whether to recommend a freeze on Council Tax. Our forecast figures suggest that we will need to make further savings over the next four years if we freeze Council Tax. Raising it by 1.9% would reduce the savings target and in doing so ensure that we can continue to provide the services that people want.
5. I would like to thank all members and officers who have taken part in working up the proposals before us this evening, especially Mrs Norma Atlay and her team, and our Finance Portfolio Holder, Cllr Hone, who will be presenting the details of the Administration's recommendations to you.

6. The three major priorities of the Council are confirmed for 2015/16 as promoting sustainable growth, working with our communities and living within our means.
7. In short, I can report that we have continued to review our services to ensure that they provide best value for money and looked for opportunities to improve our services.
8. We have continued to improve our leisure facilities and earlier this year the new changing village and multi-purpose fitness rooms at Hitchin Swim Centre opened. Attention has now turned to looking into options for the North Hertfordshire Leisure Centre in Letchworth, with a proposal to enhance and extend the lifespan of this well used facility.
9. Continued investment in the District's green spaces remains a priority for the Council and there are plans to repeat the success of the splash parks in Letchworth and Baldock with new facilities in Royston and Hitchin.
10. Construction work is well underway at Hitchin Town Hall to provide a new community facility and modern, accessible North Hertfordshire Museum.
11. We are working towards publication of our draft Local Plan which will provide a framework for future potential development in the District. This is an important piece of work that will require a significant amount of investment of time and money for us to deliver.
12. Members have contributed to the Corporate Business Planning process through a series of workshops. I feel sure that this level of participation will assist the agreement of our budget, which I believe represents a reasonable balance of savings and income generation.
13. I now invite Cllr Hone to expand on the budget situation and proposals.

**As Presented by COUNCILLOR L. Needham**

*Leader of the Council*