

**STATEMENT BY  
THE LEADER OF THE COUNCIL  
ON THE BUDGET FOR 2016/2017**

COUNCIL MEETING – 11 FEBRUARY 2016

**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.
2. The Council has already identified around £12 million 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 confirmed the finance settlement for 2016/17 on 8<sup>th</sup> February 2016. The final settlement confirmed the level of central government funding for 2016/17 and included indicative figures for the next three years through to 2019/20, with the current level of annual funding for NHDC signalled to reduce by around 45% by the end of the period. In addition, the current consultation on future changes to New Homes Bonus, a key income stream for the Council, may further impact the financial position of the Council in future years.
3. The extent of the financial problem, made more acute by the settlement announcement in February, is requiring us to look into different ways of providing services and indeed whether we can continue to provide all the services we currently do. Further change is inevitable and so we have also continued to explore and approve invest to save opportunities, 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 on how to balance continuing provision of services which our residents desire with a need to raise more income from Council Tax. Our forecast figures suggest that we will need to make further savings over the next four years even if we increase Council Tax by 1.9%. We also plan to use over half of our balances as we attempt as far as possible to restrict the impact on those essential services that residents 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 Executive Member for Finance, 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 2016/17 as providing an attractive and safe environment for our residents, promoting sustainable growth, and delivering cost effective and necessary services.
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. The strategy to develop the Careline service and improve the budgeted position has progressed and implementation is underway. The general fund estimates now anticipate that Careline will deliver a net surplus next year, including overheads, based on current levels of activity.
9. We have continued to enhance our leisure facilities, with significant investment approved to widen the service offering and extend the lifespan of the facility at North Hertfordshire Leisure Centre in Letchworth. This follows the successful opening of the changing village and multi-purpose fitness rooms at Hitchin Swim Centre last year.
10. Continued investment in the District's green spaces remains a priority for the Council and we can look forward to the opening of the new splash parks in Royston and Hitchin in May, while proposals for the coming years include the provision of a multi-use games area at Bancroft, Hitchin and a new skate park at Norton Common.
11. The publication of our draft Local Plan in July will provide a framework for future potential development in the District. The Plan will include a strategic view on our town centres that will inform individual town centre strategies.
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*