

**STATEMENT BY
THE LEADER OF THE COUNCIL
ON THE BUDGET FOR 2017/2018**

COUNCIL MEETING – 9 FEBRUARY 2016

Chairman, Fellow Members

1. This evening the Council has the duty to set a balanced budget for the forthcoming year.
2. The Council has achieved significant savings in recent years, delivering efficiencies totalling £5.2 million since 2011/12, 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. Recognising the limited opportunity for savings from reducing resources and staffing levels, the focus is now on service transformation and making best use of assets.
3. The Council accepted the invitation from the Department for Communities and Local Government (DCLG) to sign up to the four year settlement announced on 8th February 2016 and compiled the required 4 year efficiency plan. This was submitted and an acceptance letter has been received. Subject to any transfer of responsibilities or exceptional circumstances, the Council must plan on the basis that the annual settlement funding from Central Government will reduce drastically again in two years time, when the prospect of 'negative RSG' becomes a reality, with the Council having to hand back to Central Government a further £1million of business rates income.
4. The extent of the financial problem was made more acute by the changes to the New Homes Bonus funding announced in December 2016. The impact of the baseline introduced into the calculation of the funding allocation is greater than previously forecast, removing £1.6million from the total estimated funding that had been anticipated over the next four years.
5. The situation is requiring us to look at 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 deliver ongoing revenue savings. We have also examined how we can work more efficiently or in different ways, such as by working with other Authorities or organisations.
6. At a time when everyone is facing financial pressures, Cabinet faced a very difficult decision on how to balance continuing provision of those services which our residents desire with a need to raise more income from Council Tax. Our forecast figures suggest that we will need to identify and achieve £3.4 million of savings over the next four years alongside increasing Council Tax by £5.00. This is so that the

Council can meet inflationary pressures whilst funding from Government continues to fall. To try and restrict the impact on those services that our residents want we will be using £3.6 million of reserves by the end of 2020/21, so that we can deliver the required savings in a planned way.

7. 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.
8. The three major priorities of the Council for 2017/18 continue to be providing an attractive and safe environment for our residents, promoting sustainable growth, and delivering cost effective and necessary services.
9. 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.
10. The new Green Space Strategy for 2017-21 will still ensure significant, sustainable investment in the District's green spaces over the coming years. This will include renovating and replacing the play areas at Jackmans (Letchworth) and Brook View (Hitchin) during the next year.
11. We have continued to enhance our leisure facilities, and look forward to the opening of the new teaching pool at North Hertfordshire Leisure Centre in late June of this year. This is alongside improvements at Hitchin swim centre and the two outdoor pools.
12. We will provide investment to replace CCTV cameras that are reaching the end of their life. This will help us to continue to provide a safe environment for our residents.
13. We have allocated funding to provide market housing. Alongside generating income for the Council, we will look at how this can be used to increase the supply of housing within North Herts. This will contribute towards delivery of sustainable growth.
14. 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.
15. I now invite Cllr Hone to expand on the budget situation and proposals.

As Presented by COUNCILLOR L. Needham
Leader of the Council