

**STATEMENT BY  
THE LEADER OF THE COUNCIL  
ON THE BUDGET FOR 2018/2019**

COUNCIL MEETING – 8 FEBRUARY 2018

**Chairman, Fellow Members**

1. This evening the Council has the duty to set a budget for the forthcoming year.
2. The Council accepted the four year settlement offered by the Department for Communities and Local Government (DCLG) in February 2016. Whilst this gave us some certainty over our future funding, it does mean that the Council needs to expect a significant further reduction in its funding in 2019/20 when 'negative Revenue Support Grant (RSG)' is due to become a reality. This means the Council will have to hand back to Central Government a further £1million of business rates income, meaning that of every £1 of Business Rates we collect we will keep less than 5 pence. The four year settlement period also comes to an end in 2019/20, and forecasting funding beyond then becomes very uncertain.
3. The provisional finance settlement did not make any further changes to the way that New Homes Bonus is funded. So this means that the only change that has an additional impact this year is the reduction in the period over which the grant is received down to 4 years. Again it is uncertain what will happen to this funding source in the future that still provides income of £1.2 million per year.
4. The Council has achieved significant expenditure reduction and income generation in recent years, delivering efficiencies totalling £6.5 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.
5. The Medium Term Financial Strategy agreed by Council in August forecast the need to deliver a further £4.2 million of annual savings by 2021/22. Of this £1.9 million had been identified as to where it would come from, but still needed to be delivered. The successful tendering of the Council's waste and street cleansing contract has significantly increased the level of savings that have been identified, but there is still work to do to ensure that they are delivered.
6. Whilst the level of efficiencies that still need to be identified is significantly reduced, it is clear that achieving them is going to be very 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 investment to deliver service transformation, working with others and commercialisation opportunities.
7. 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. Given that there are more savings to find and the uncertainty over future funding, the proposal is to increase Council Tax by 2.99% for 2018/19.

8. I would like to thank all members and officers who have taken part in working up the proposals before us this evening, especially Mr Ian Couper and his team, and our Executive Member for Finance, Cllr Cunningham, who will be presenting the details of the Administration's recommendations to you.
9. The three major priorities of the Council for 2018/19 continue to be providing an attractive and safe environment for our residents, promoting sustainable growth, and delivering cost effective and necessary services.
10. 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.
11. The Green Space Strategy for 2017-21 will continue to ensure significant, sustainable investment in the District's green spaces over the coming years. This includes funding for a Multi-Use Games Area at Bancroft (Hitchin) and renovating the play area at the District Park in Great Ashby during the next year.
12. We have continued to enhance our leisure facilities. This includes the opening of the new teaching pool at North Hertfordshire Leisure Centre and continued investment in our other facilities. We have set aside capital funding next year for the Royston Leisure Centre to see if the centre can be expanded to provide a better facility for our residents whilst also providing additional income to the Council.
13. We have maintained the allocation of funding for John Barker Place in Hitchin. Whilst North Herts Homes are leading on the redevelopment of this area, the Council can see the benefits that a contribution to a successful scheme in this area would provide.
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 Cunningham to expand on the budget situation and proposals.

**As Presented by COUNCILLOR L. Needham**  
*Leader of the Council*