

INDEPENDENT ALLIANCE GROUP –2015/16 ALTERNATIVE BUDGET AND MEDIUM TERM FINANCIAL PLAN

The Independent Alliance Group (IAG) has great pleasure in presenting its alternative budget for 2015/16 to Bromsgrove District Council at its full Council meeting on the 18th February 2015.

Introduction

The IAG would like to thank the HO Financial Services, Ms Jane Pickering and her team for supporting the Group in this submission.

The IAG believes that this budget is fair and equitable across the whole of the district of Bromsgrove and seeks to present to the people of Bromsgrove an alternative budget and a Financial Strategy that safeguards the future of Bromsgrove District Council.

The tabled alternative budget presents a balanced budget for 2015/16 and sets in place recommendations that we believe are essential to future proof the Council services without relying on unsustainable government funding from the New Homes Bonus (NHB) and undue Council tax increases whilst at the same time supporting the district's many groups of volunteers and parish Councils in their local community governance and investment in community projects.

A significant risk to this Council is the burden from servicing its borrowing costs over a fifty year period; the burden of short term capital replacement costs; depleted capital reserves and pressure on front line services.

For these reasons the IAG is proposing that the Dolphin Centre redevelopment is suspended and Fleet replacement is reviewed as a matter of urgency as part of an overall review of this Council's waste collection services. The review of the waste collection service is to be undertaken by the Overview and Scrutiny Board.

The IAG is concerned that it is only now that the true cost of borrowing and the repayment period runs into 2066 is exposed. To saddle this Council's future generations of Tax payers is an unacceptable risk and an unacceptable repayment burden.

For this reason the IAG is proposing that the redevelopment is suspended and a full review of the business case is undertaken by the leaders of the main groups with support from HO Service. The Leader led report is to be scrutinised by the Overview and Scrutiny Board by September 2015.

It is a concern of this Group that the forecast of the number of new houses built in any year causes surpluses in future years. Therefore we are recommending that a midyear review is carried out to consider the appropriate use of surpluses caused by the delivery of new houses in the district above the budgeted estimate.

Recommendations

The IAG is supporting a zero per cent district council tax rise.

The IAG believes that previous year's surpluses are partly as a result of efficiency savings. As a result IAG believes that a rise in the Council tax base is unwarranted and unnecessary.

1 Recommendation: 2015/16 District Council Tax rate to be held at the 2014/15 level to result in a zero per cent rise in 2015/16.

The IAG is asking this council to support a cut in the ICT budget by £100,000 in the year 2015/16.

The IAG believes that the cost of Transformation and ICT has had a significant impact upon both the Council's revenue budgets and reserves. For this reason this Group recommends that the HO Service reduces the ICT budget by £100,000.

2 Recommendation: The IT Budget is reduced by £100,000 in 2015/16.

The IAG supports the actions taken to improve the visitor numbers to the Town centre. However, the Group believes that a more effective 'free parking scheme' is 'Free Sunday parking'.

Previous motions presented to this chamber for 'free evening parking' failed to recognise work being done by an Overview and Scrutiny Task Group on Town centre car parking. For this reason this Group is recommending that this decision is reversed in favour of Sunday Free parking.

3 Recommendation: That the budget is reduced from £60,000 to £30,000 in 2015/16 to offset loss of income by introducing free Sunday parking for a six month period to be determined.

3a It is further recommended that pre and post surveys of the business, commercial, community and other users of the Town are undertaken to gauge the success or otherwise of the scheme.

The IAG is asking that this council supports a reduction of £147,000 from the Discretionary Arts and Events Budget in 2015/16.

This Group has reviewed the Events budget and believes that there are more cost effective ways of holding events in the district. Therefore it is recommended that the HO Service is asked to review the events calendar with a view to meeting the proposed budget reduction.

4 Recommendation: £147,000 is taken from the Events budgets from and including 2015/16.

The IAG has looked at the costs associated with the employment of consultants, temporary and Agency staff across the service. The Group considers that there are opportunities to reduce these costs in 2016/17.

It is recognised that there are unavoidable consultancy costs which the Council has to adopt. However, this group would like the HO Service to report to an Overview and Scrutiny task group into the impact of not employing temporary or agency staff before September 2015.

5 Recommendation: HO of the relevant Services to review these expenditures with a view to reporting to Overview and Scrutiny by September 2015 on the impact on services from a reduction in costs. The scope is to be confirmed with the Chairman of Overview and Scrutiny and this Group before the end of the municipal year.

The IAG supports the intention of the Government's New Homes Bonus scheme. This Group considers that there is significant scope within the NHB accumulated fund to support the district's community champions without causing unnecessary risk to the balanced budgets, front line services or reserves.

This Group considers the use of the NHB as a positive community engagement, building pride and bringing inward investment into our communities.

An informed approach has been taken in proposing that a fixed percentage allowance based on the cumulative NHB receipts is introduced over the Medium Term Financial Plan.

6 Recommendation: This Group proposes that the Medium Term Financial Plan includes a fixed percentage of the forecast cumulative NHB over the years 2015/16, 2016/17 and 2017/18 (below) as prescribed under the current Government guidance.

6a Recommendation: It is further recommended that community groups across the district take up the Portfolio Holder for Finance's offer to make formal bids for capital grants outside the NHB scheme as announced in the Cabinet meeting on the 4th February 2015 and formal publicity of this invitation is made public.

Financial year	2015/16	2016/17	2017/18
NHB receipts (forecast)	£1,622,500	£1,942,500	£2,106,250
Percentage (fixed)	25%	20%	20%
NHB commitment	£406,000	£388,500	£421,250

This Group also recognises the imminent move to Parkside in the next financial year.

Plans for this move are advanced with the switch to Parkside targeted for post May election. Many financial decisions are underway. In order to minimise the 'pay back' period it is recommended that the HO Service is asked to consider options for this land to be sold at the highest market value.

7 Recommendation: It is recommended that a full range of options are presented to this Council in order that the highest market value for the Burcot Lane site is achieved to offset the cost of the move to Parkside.

A significant risk to this Council is the burden from servicing its borrowing costs over a fifty year period; the burden of short term capital replacement costs; depleted capital reserves and pressure on front line services.

For these reasons the IAG is proposing that the Dolphin Centre redevelopment is suspended and Fleet replacement is reviewed as a matter of urgency as part of an overall review of this council's waste collection services. The review of the waste collection service is to be undertaken by the Overview and Scrutiny Board.

The IAG is concerned that it is only now that the true cost of borrowing and the repayment period runs into 2066 is exposed. To saddle this Council's future generations of Tax payers with an unacceptable risk and repayment burden is unacceptable.

For this reason the IAG is proposing that the redevelopment is suspended and a full review of the business case is undertaken by the leaders of the main groups with support from HO Service. The Leader led report is to be scrutinised by the Overview and Scrutiny Board by September 2015.

8 Recommendation: The IAG is proposing that the Dolphin Centre redevelopment is suspended and Fleet replacement is reviewed as a matter of urgency as part of an overall review of this Council's waste collection services. The review of the waste collection service is to be undertaken by the Overview and Scrutiny Board.

8a The IAG is further recommending that the Dolphin Centre business case is reviewed by the leaders of the main groups with support from HO Service. The Leader led report is to be scrutinised by the Overview and Scrutiny Board by September 2015.

8b The IAG recommends that £60,000 is added to the Leisure budget in order to support leisure facilities in our communities.

Independent Alliance Alternative Budget 2015/16 - 2017/18

	2015-16 £000	2016-17 £000	2017-18 £000
Departmental Expenditure (Starting Position)	11,314	11,322	11,368
Exclude impact of one off savings / pressures		80	40
Additional re pay award / incremental progression	123	188	140
Bids	53		
Unavoidable Pressures (new in year)	380	0	45
Savings (new in year)	-547	-222	-25
Additional bid - Leisure provision partnership working	60	60	60
Additional expenditure savings (see below)	-277	-280	-283
Net Service Expenditure	11,106	11,149	11,345
Investment Income	-36	-24	-24
Cost of Borrowing	259	419	836
Recharge to Capital Programme	-26	-25	-25
Net Operating Expenditure	11,303	11,519	12,132
Funding of borrowing costs for Dolphin Centre from balances	-123	-331	-506
Revenue Support Grant	-1,190	-1,058	-947
Business Rates Retention (Baseline Funding)	-1,585	-1,598	-1,598
Business Rates Growth	-176	-176	-176
Funding from Business Rate Pool	-23		
New Homes Bonus	-1,298	-1,554	-1,685
New Homes Bonus Community Scheme	406	389	421
Collection Fund Surplus (Council Tax)	-127	-	-
Council Tax	-6,989	-7,157	-7,231
Council Tax Freeze Grant	-69		
Funding Total	-11,174	-11,485	-11,722
Shortfall	128	33	410
Proposed Funding from balances	-128	-33	-410
Final Position	0	0	0

Additional proposed savings 2015/16		
	Current budget 2015/16 £000	Proposed reduction £000
Events, street theatre, Christmas lights, bonfire	£235	£147
IT budget (currently £1.9m)	£1,900	£100
Switch evening to Sunday free parking	£60	£30
Total	£2,195	£277