

Appendix 1 Budget Proposal 2014/15

Cabinet January 2014

Proposal to Finalise Revenue Budget 2014/15

	<u>£'000</u>
Budget Shortfall 2014/15	-2,000
Pensions	
Revised assumptions around pension costs. Regulations are changing from April allowing staff to elect to pay in less and receive a smaller pension. Employer's contributions would also reduce. Saving is based on actuarial assumption on level of take-up.	300
Funding School Protection	
Passport the additional Deprivation Grant included in the Settlement to schools as well as additional corporate investment of £322k in school infrastructure through the Corporate Plan. The proposal means the council does not need to increase the general revenue budget as previously assumed.	577
Budgeted Contribution to Balances	
A budgeted contribution to balances of £300k was due to be deleted as a budget saving in 2015/16. It is proposed to bring this forward to 2014/15.	300 *
Council Tax	
Assume Council Tax is increased by 3.5%. The additional income raised is affected by the Council Tax Benefit system which reduces the sum by approximately 25%.	228
Sub Total	1,405
Service Savings Brought Forward from 2015/16	
Business Planning & Performance	
The Head of Service has proposed that two savings scheduled for 2015/16 could be brought forward. These are: <i>Partnerships & Communities Restructure (Phase 2)</i> This involves the deletion of one post and the transfer of a commissioning post to grant funding. The transfer will require WG approval.	68 *
<i>Improvement Team Restructure (Phase 2)</i> Deletion of a post.	27 *
Total Service Savings Brought Forward	95
Total of Proposals	1,500
Use of Council's General Balances	500 *
Budget Shortfall 2014/15	0

Note - those items marked * will have an impact on 2015/16.

Bringing savings of £395k forward increases the saving requirement by the same amount in 2015/16. Use of balances means that £500k will have to be funded in 2015/16. Bringing savings forward and using balances therefore creates an additional pressure of £896k in 2015/16.