

Report To: Corporate Governance Committee

Date of Meeting: 4th September 2013

Lead Member / Officer: Head of Finance & Assets

Report Author: Chief Accountant

Title: Budget 2014/15 - Update

1. What is the report about?

The report provides an update of the latest position with regard to the process of setting the council's budget for 2014/15. The prime focus of this report is to consider a report to be presented to County Council on 10th September 2013 (attached as Appendix 1).

2. What is the reason for making this report?

The Corporate Governance Committee has an oversight role with regard to the budget process.

3. What are the Recommendations?

That the Committee note the latest position and proposed next steps and considers the saving proposals being taken to County Council for formal approval.

4. Report details

In June 2013, a report was presented outlining the latest assumptions with regard to the council's potential revenue budget settlement and possible financial consequences. Until the Draft Local Government Settlement is published in October, the position won't be clear although all indications are that the settlement will be poor. The WLGA are recommending that councils assume a reduction of -4% in 2014/15. The council will also be adversely affected by changes resulting from census data which have highlighted that the council's population is lower than had been estimated in national population estimates.

In response to the likely poor settlement, progress is being made with all services to identify saving proposals for the coming three year period. To date, new saving proposals totalling approximately £2.5m have been identified with three services still to be reviewed. These proposals will be considered in more detail with relevant lead members in September before presentation to elected members at a workshop in October.

The service challenge process during 2012/13 and 2013/14 had already identified potential savings of approximately £1.7m for 2014/15. These proposals have been considered in detail at the various service challenge meetings as part of the budget setting process for both 2012/13 and 2013/14. It is proposed therefore to take these previously identified savings to County Council for formal approval early in September so that effort can be focussed on new savings identified and proposals to deal with any shortfall in next year's budget.

5. How does the decision contribute to the Corporate Priorities?

The budget underpins the delivery of all priorities and council services.

6. What will it cost and how will it affect other services?

The report to council identifies savings of £1.7m with £782k proposed by services and £963k of corporate led efficiencies. Of these corporate efficiencies, £663k will be delivered by services.

7. What consultations have been carried out?

The saving proposals for 2014/15 have previously been considered at service challenge meetings in 2011 and 2012 and were included as part of the three-year targets identified in the Medium Term Financial Plan.

8. Chief Finance Officer Statement

Formal agreement of the previously identified saving proposals will allow political and corporate effort to be focussed on the challenging task of setting the rest of the budget for 2014/15.

9. What risks are there and is there anything we can do to reduce them?

The service and financial impact of all proposals must be properly considered as part of the budget setting process.