

**Report To: Corporate Governance Committee**

**Date of Meeting: 18<sup>th</sup> December 2013**

**Lead Officer: Head of Finance & Assets**

**Report Author: Chief Accountant**

**Title: Budget 2014/15 - Update**

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**1. What is the report about?**

The report provides the third update with regard to the process of setting the council's budget for 2014/15.

**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 progress made to date and consider the proposed next steps.

**4. Report details**

Analysis of the Draft Local Government Settlement and the consequences for the council indicated that savings of approximately £8.5m would be required.

The budget process has so far resulted in savings of £1.7m for 2014/15 being approved by County Council in September (Phase 1) and £4.7m (Phase 2) on 3<sup>rd</sup> December.

The savings included in Phase 2 were presented to a member workshop on 21<sup>st</sup> October and each proposal was presented by lead cabinet members, providing details of the saving, the impact and an assessment of risk. Following the workshop, elected members were invited by the Lead Member for Finance & Assets and the Head of Finance & Assets to comment on any of the proposals prior to the council meeting in December. Responses were received in respect of savings proposed in the school music service (£52k) and a review of the work opportunity service for adults with a learning disability (£50k). The Head of School Improvement presented more detail in support of the music service saving as an appendix to the council report and a task and finish group involving elected members has been established to oversee the review of work opportunities.

The budget process so far has identified savings of £6.459m, leaving a gap of approximately £2.0m to find. This will be the focus of the next member

workshop to be held on December 9<sup>th</sup>. Feedback from this session will be presented to the Corporate Governance Committee as an appendix to follow this report.

In response to a request raised by this Committee, in order to allow elected members time to analyse papers to be presented at the budget workshop, all papers will be sent to members before the 6<sup>th</sup> December.

Final budget proposals and the level of Council Tax for 2014/15 will have to be agreed by County Council in February 2014.

**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 saving target for 2014/15 is £8.5m. Savings of £6.5m have been identified leaving a gap of £2.0m to find.

**7. What consultations have been carried out?**

Savings agreed so far have been discussed with Heads of Service and Lead Members, presented to member budget workshops and have been circulated to staff. Members were invited to comment on all proposals before approval at County Council. The next set proposals will be discussed with members on 9<sup>th</sup> December.

**8. Chief Finance Officer Statement**

The council faces significant financial challenges over the coming years. The budget process has so far identified 76% of the savings required to deliver the budget for 14/15. Proposals to cover the remaining gap will be discussed with members on 9<sup>th</sup> December.

**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.

The budget process and medium term financial plan assumptions are risks identified both in the corporate and departmental risk registers. The corporate risk register and mitigating actions is regularly reviewed by CET.