

Appendix 1

Corporate Governance Committee

18th December 2013

Budget Update

Introduction

The notes below provide the latest update since the covering report was submitted for publication.

Final Local Government Settlement

The Final Settlement was published on 11th December and was largely unchanged from the Draft settlement. The most notable change was the transfer of a specific grant called the Council Tax Reduction Scheme Pensioner Grant to the Revenue Support Grant. It therefore now forms part of the council's base budget.

Third Budget Workshop

The third budget workshop for elected members was held on Monday 9th December. The event was attended by 31 members. The papers presented at the workshop were circulated in advance to all members and have been published on modern.gov (as a Council Briefing session) and are therefore available to all members to access.

The key theme was to present details and options to be considered to bridge the £2m budget gap for 2014/15.

The key information presented included:

- An update of the in-year position of social care and education budgets
- Analysis of school funding
- Options to increase school budgets
- Review of balances and reserves
- Corporate Plan update
- Council Tax options
- Additional Savings Proposals
- Recommendation

The additional saving proposals for 2014/15 relate to bringing forward savings previously identified for 2015/16 and total £395k. Of this, £95k relates to bringing forward restructures in Business Planning & Performance and £300k is the proposed removal of the budgeted contribution to balances one year earlier than originally planned. The recommendation included a proposal to use a general balances as part of the budget in 2014/15.

At the event, members were encouraged to raise any issues about the proposals with the Lead Member (Finance & Assets) or the Head of Finance & Assets prior to formal proposals being taken to County Council for approval. The Lead Member has subsequently written to all elected members, reiterating the offer to raise as individuals or in political groups, any questions or areas requiring further information.

Next Steps

Members have several weeks to raise any issues about the recommendation proposed to balance the 2014/15 budget. The final budget proposals will be presented to County Council on 27th January 2014. This will include a range of options and a recommendation for the level of Council Tax increase for 2014/15. To satisfy legal requirements, a detailed report on Council Tax levels has to be subsequently approved by County Council in February.

At the recent budget workshop, some views were expressed informally about what the level of Council Tax increase should be. It was apparent from the workshop that the Council Tax level is likely to be the key debate in the final phase of approving the 2014/15 budget as there was general acceptance of the other items recommended (granted of course that the workshop is an informal setting and no formal decisions were made). As noted above, the intention is to provide a range of Council Tax options and the financial implications of each one to County Council in January. The Lead Member and Head of Finance & Assets are keen to engage with members as much as possible before the full council meets. Therefore, in terms of the process, the views of the Corporate Governance Committee would be welcomed as to ways of encouraging engagement and debate with individual members or groups before the report is presented to County Council in January.

Planning for 2015/16 has already commenced and will escalate once the 2014/15 budget has been approved.