

Budget Planning

Update for Policy and Resources
Committee

September 29th 2014

Budget planning context

- This year (2014/15), County Council is making savings of £69m – unprecedented amount in its history
- A further £40m of savings for 2015/16 already identified and agreed through consultation and included in the budget approved by County Council in February 2014
- On top of this, our forecasting shows further savings are needed for 2015/16

September 5th Policy and Resources

- Planning forecast was a need to cut spending by a further £17.5m in 15/16
- Forecast assumed:
 - £15m from the NHS Better Care Fund
 - No rise in Council Tax
- Committees asked to look at efficiencies

Current forecast

- To date £11.3m efficiencies identified, bringing the 'gap' against planning forecast down to £6.2m
- Outcome of local agreement means we will get £8.2m from Better Care Fund – £6.8m less than our assumption.
- Current gap therefore stands at £13m

'Gap' against predicted shortfall	£17.5m
New savings	<u>-£11.3m</u>
	=£6.2m
BCF shortfall	<u>+£6.8m</u>
New 'Gap'	=£13.0m

Breakdown of remaining £13m 'gap' against forecast

- Within the planning forecast, there were a number of risks:
 - Some potential overspends this year (14/15) amounting to £5.4m
 - Some savings already agreed for next year (15/16) which might not be achieved. These amount to £5.6m
 - Insurance risk £0.3m (new risk)

More detail

- Breakdown of in-year potential overspends and non-delivery of savings

	Potential overspends 2014/15	Potential non-delivery of 2015-16
Looked after Children	£1.7m	£3.4m
Adult Social Services - purchase of care	£3.7m	
Post 16 Transport savings		£1m
Second Homes Council Tax monies		£1.2m
	£5.4m	£5.6m

A suggested approach

- Agree efficiency savings of £11.3m identified to date
- Contain potential in-year overspends (£5.4m)
- Confirm delivery of savings already agreed and consulted on (£5.6m)
- Residual 'gap' of **£1.7m** is allocated proportionately across the departments

Illustrative allocation

- Allocation of the residual £1.7m would mean:
 - Children's: £310k
 - Adults: £395k
 - Cultural: £105k
 - ETD: £385k
 - Fire and rescue: £ 95k
 - Resources £320k
 - Finance general: £ 85k