

**Council Overview & Scrutiny Committee
10.30am on Thursday 30 January 2014**

ITEM 7: CORPORATE STRATEGY AND BUDGET REPORT 2014-2019

At its meeting on Monday 27 January 2014, the Performance & Finance Sub-Group considered the Revenue and Capital Budget for 2014/15 to 2018/19, which forms part of item 7 of the Council Overview & Scrutiny Committee agenda for 30 January 2014.

The Sub Group noted that the budget shortfall in 2014/2015 was proposed to be met by a contribution of £26M from reserves. As this was a one-off solution for the forthcoming financial year the question on what happens in 2015/2016 was discussed and the Sub Group were pleased to note that £25m had been negotiated from Better Care Funding for 2015/16. However the Sub-Group was concerned about the uncertainty in relation to the availability of Whole Systems Funding in 2015/2016, and whether it would match or exceed the £18m for 2014/15. So it was agreed that a briefing note on this issue would be provided by the Deputy Chief Finance Officer. The Sub-Group therefore recommends that the Cabinet be asked the following question:

- Given that the shortfall in the 2014/15 budget will be met by a contribution from Reserves (and a reduction in contingency) which cannot be repeated in 2015/16, is the Council confident that it will receive sufficient funding through the Better Care Fund (and Whole Systems Funding or its equivalent) to balance the budget in 2015/16?

Subject to further information about the availability of Whole Systems Funding in 2015/16, the Sub-Group also recommended that this should be identified as a risk in paragraph 92 of the report.

The Sub-Group also requested that the following additional information be provided for the Committee:

- Details of the risk levels for the achievement of the identified budget savings in the 2013/14 budget, particularly the extent of the savings currently identified as red risks.
- Details of the RAG status for the £69m savings allocated in 2014/15 plus the £17m savings needed to be found in 2014/15 from one off savings in 2013/14 and the savings not achieved in 2013/14.
- Further information on procedures and detailed objectives of the new mechanism to track and monitor progress on the development and implementation of plans for achieving efficiencies, as described in recommendation 6 on page 1 of the Cabinet report.

The budget for 2014/15 includes an assumption of a 1.99% increase in the Council Tax, below the expected threshold of 2%, above which a referendum on the increase would be triggered. However, the Sub-Group noted that as the Government has not

yet announced the level at which the threshold would be set there is a possibility that the announcement will be made after the 11th February. Due to the risk that the threshold could be set at a rate below 2%, the Sub-Group suggests that the Committee make the following recommendation to the Cabinet:

Recommendation: That if the threshold for triggering a referendum is not known when the Council meets to agree the budget on 11 February 2014, the Council adjourn its decision on the level of the Council Tax precept in Surrey until the Government has formally made its announcement.

Nick Skellett
Chairman of the Performance & Finance Sub-Group