

CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE

BUDGET MONITORING REPORT (considered by COSC on 23 April 2015)

COMMITTEE RECOMMENDATION:

That the Cabinet consider whether the Council could use any of the small improvements to the Council's budgetary position that were unanticipated when it set the budget, to mitigate some of the savings in children's centres and youth services.

RESPONSE:

The 2015-20 Medium Term Financial Plan (MTFP) contains additional savings of £147m over the next five years. These savings were found across all the council's services. When the council approved the five year MTFP in February 2015, it was on the basis of considerable uncertainty due to the General Election and the direction of a government's policy. This may change the level of savings required.

One of the savings within the Schools and Learning service is on Early Years. However, at present there has been no consultation on how this will be achieved.

At the time of the budget setting report in February 2015, the forecast overspending was £3.5m. By the Year End Financial Budget Outturn report last month, the gross underspending was £13m. However, £8m of this was needed to complete projects that straddled the financial year, and the cabinet approved this amount to be carried forward. This left a net underspending of £5m, which the cabinet approved to be transferred to the Budget Equalisation Reserve. This is then available to support future years' budgets as the council rises to the financial challenge of increasing demand pressures and reducing government grants.

The increases in underspends within the Central Income and Expenditure budget referred to in the Council Overview and Scrutiny recommendation were forecast in the December budget monitoring report. This was considered by the cabinet at the same meeting as the Budget Report. In addition, that report highlighted the need to create a provision to meet the potential reclaim of the Fire fighter Pension Top Up Grant by the department for Communities and Local Government.

**David Hodge
Leader of the Council
26 May 2015**

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