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Budget statement – 26<sup>th</sup> February 2014

Good Evening Everyone

Before I start, I would like to thank Members for their engagement in the process that has resulted in the proposal before you tonight. The Special Scrutiny Committees particularly demonstrated that there was a recognition of the seriousness of the extent of savings required but a maturity in respect of the questioning and debate. The CHTG representatives' meetings with tenants were concluded in a similar vein. This gives reassurance that this Authority can maintain its position in respect of sound financial management moving forward as there is a realisation and acceptance of the decisions required by Council.

The extent of the increased savings identified at extremely short notice, created by an actual cash cut of £8 m to the RSG is unprecedented since CCBC was established in 1996.

These unprecedented reductions in funding have led to an unprecedented response in respect of the consultation process, evidenced by the Appendices attached to the report, the late responses

tabled tonight and the number of meetings held since the announcement of the Provisional Settlement in October 2013. There has never, to my knowledge, been such an extensive set of responses for you to consider in your decision in respect of the Budget for 2014/15.

I'll now give you a brief overview of the contents of the report which has marginally changed since the 29 January Special Cabinet. Key aspects are as follows:-

- In respect of growth, only, minimal levels of growth have been supported as in previous years.
- The Schools Pledge, in accordance with WG guidelines, has been supported in full
- A Council Tax increase of 3.9% is proposed that allows for the reinstatement of some of the original savings proposals.
- A Capital Programme detailed in Appendix 5 can be supported based on current estimates for 15/16 and 16/17.
- It is recommended that General Fund balances are retained at a level of £10 m. This will allow for some one-off additional capital and / or Invest to Save Schemes, which will be considered, reported and agreed at a later date.

- Of key consideration, is the proposal in respect of the Budget Strategy moving forward for 15/16 and 16/17. Members are asked to approve the proposals in the report, which are focused around an “early start” and a review of discretionary services, along with continuing the delivery of efficiency savings. Efficiency savings alone will not bridge the budgetary shortfall for 2015/16 and 16/17 of a further £14 m.
- As referred to in previous reports a review will be required of the Council priorities in the light of the austerity measures.
- Finally, prior to a debate and a decision I need to refer Members to the consultation responses received after the report was distributed and the petition in respect of the Splash Park. A note has been presented before you for consideration.

It is now a matter for you as Members to consider the proposals and recommendations included in paragraph 13 of the report.