



To: Business Coordination Board

From: Chief Finance Officer

Date: 25th November 2013

Progressing the Balancing of the Budget for 2014/15

1. Purpose

1.1 To update the Board on the progress being made on balancing the budget for the financial year 2014/15.

2. Recommendation

2.1 The Board notes the progress.

3. Progress

3.1 On 27th June 2013 the Home Secretary wrote with regards the headline funding settlement for the next two financial years. We have used this headline statement as the basis for preparing the figures for the 2014/15 budget, as the settlement announcement is not expected until early December.

3.2 The following assumptions have been used when constructing the budget for 2014/15:-

Grant reduction of 3.3%

Council Tax increase of 1.96% equivalent to less than 7p per week on band D property

Office and Staff pay increase of 1% for cost of living increase

Increase in police regulation pay as result of Winsor 2 implementation 2%

General inflation increase of 2%

Energy and fuel increase of 4%

The table below sets out the budget gaps for the next four years which includes the latest funding for the proposed capital programme which will also come forward to BCB in December.

Table One

	Forecast 2014/15 £'000	Forecast 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000
NRE	135,186	138,490	144,627	148,737
FINANCING	131,535	130,632	130,098	130,737
GAP	-3,651	-7,858	-14,529	-18,000
		-4,207	-6,672	-3,470

Balancing the budget for 2014/15 is progressing with a full report being prepared for the Business Co-ordination Board in December. It should be noted that the projected underspend for 2013 /14 is currently £3,000k. These savings have been generated through:

- Collaboration
- Reductions in Police Staff related a continual drive for efficiency and effectiveness in this area
- A freeze on recruitment of PCSO, while a review of their functions was undertaken.
- Additional savings through procurement of supplies and savings.

We are therefore confident that a balanced budget for 2014/15 is achievable although it has not been an easy process.

4. Recommendation

4.1 That the Board note the report.