

**GOSC and HOSC
24th November 2014
Budget Scrutiny**

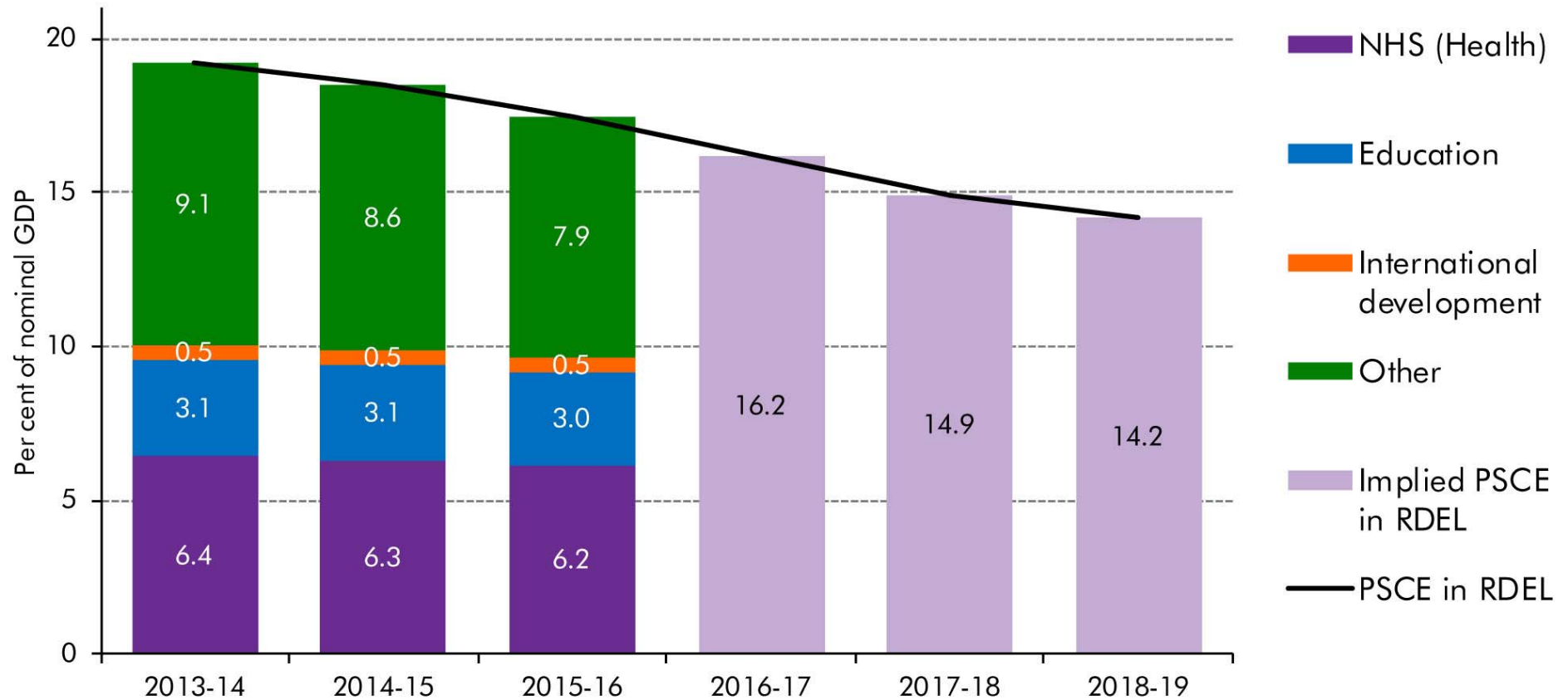


National Picture

- Austerity will continue
- NHS will have preferential treatment
- Other services squeezed further

Treasury Budget 2014/15

% Public Spending of GDP



Office for budget responsibility September 2014

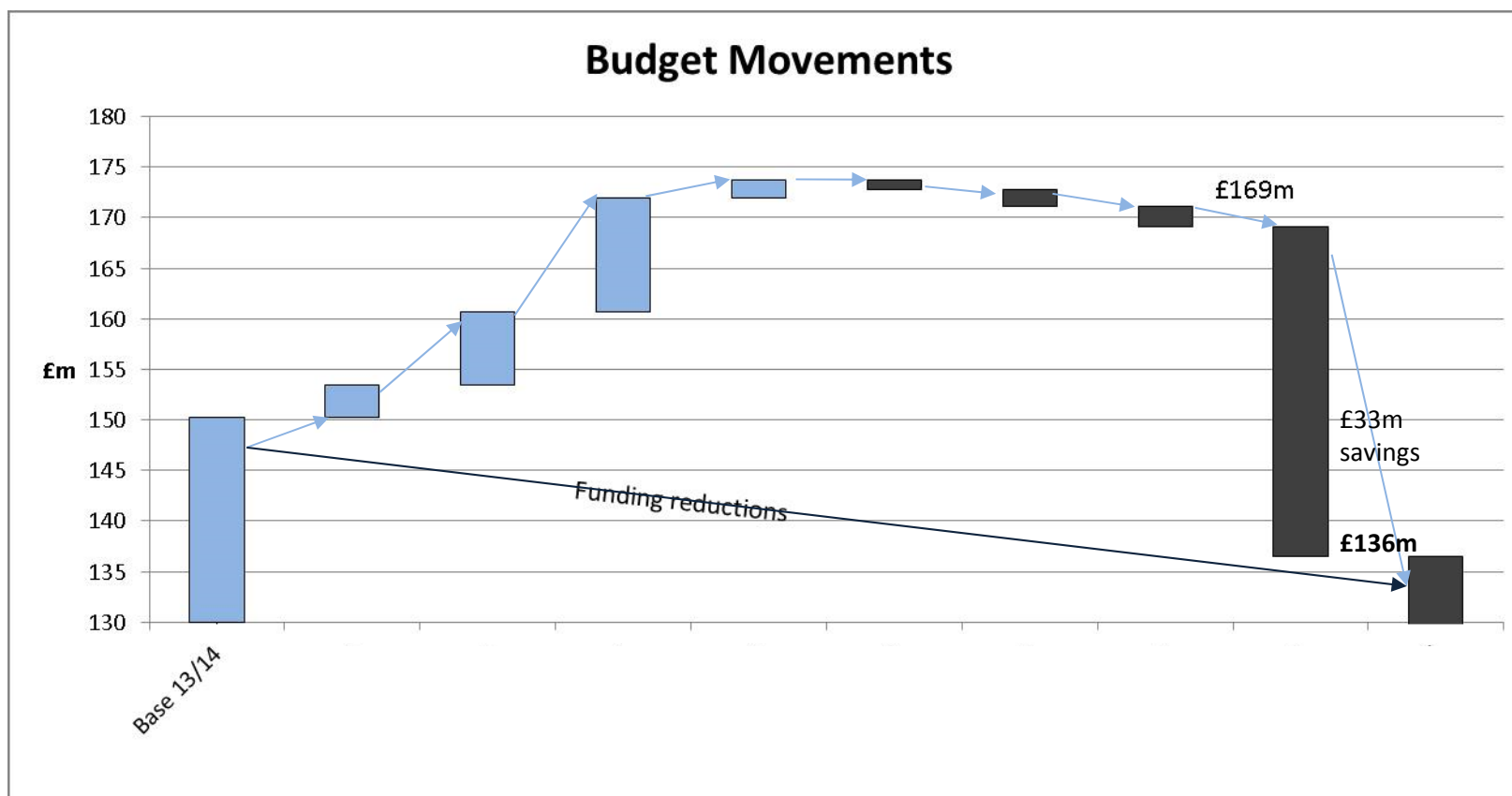
PSCE – Public Sector Current Expenditure

RDEL – Day to day expenditure on Public Services

Cuts to Departmental Spending

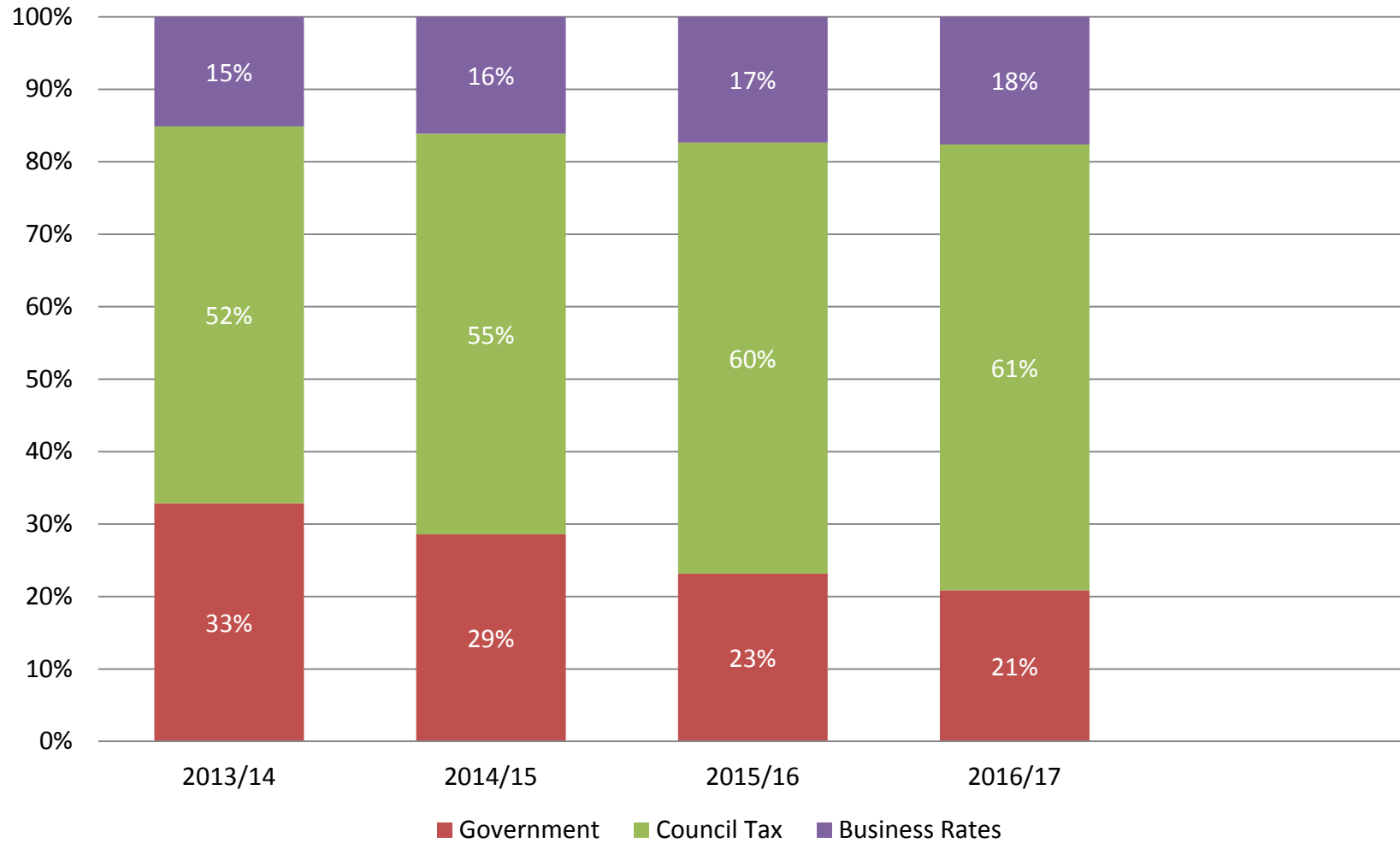
	2010/11 - 2014/15	2014/15 - 2018/19
Average Annual Cut	2.3%	3.1%
Cumulative	8.9%	11.9%
Unprotected Departments Cut	4.6%	6.1%
Cumulative	17.3%	22.1%

Herefordshire Budget Changes 2013/14 to 2016/17



The funding line includes business rates (including government top-up), council tax and revenue support grant

Projected Breakdown of Council Funding Sources 2013/14 - 2016/17 (%)

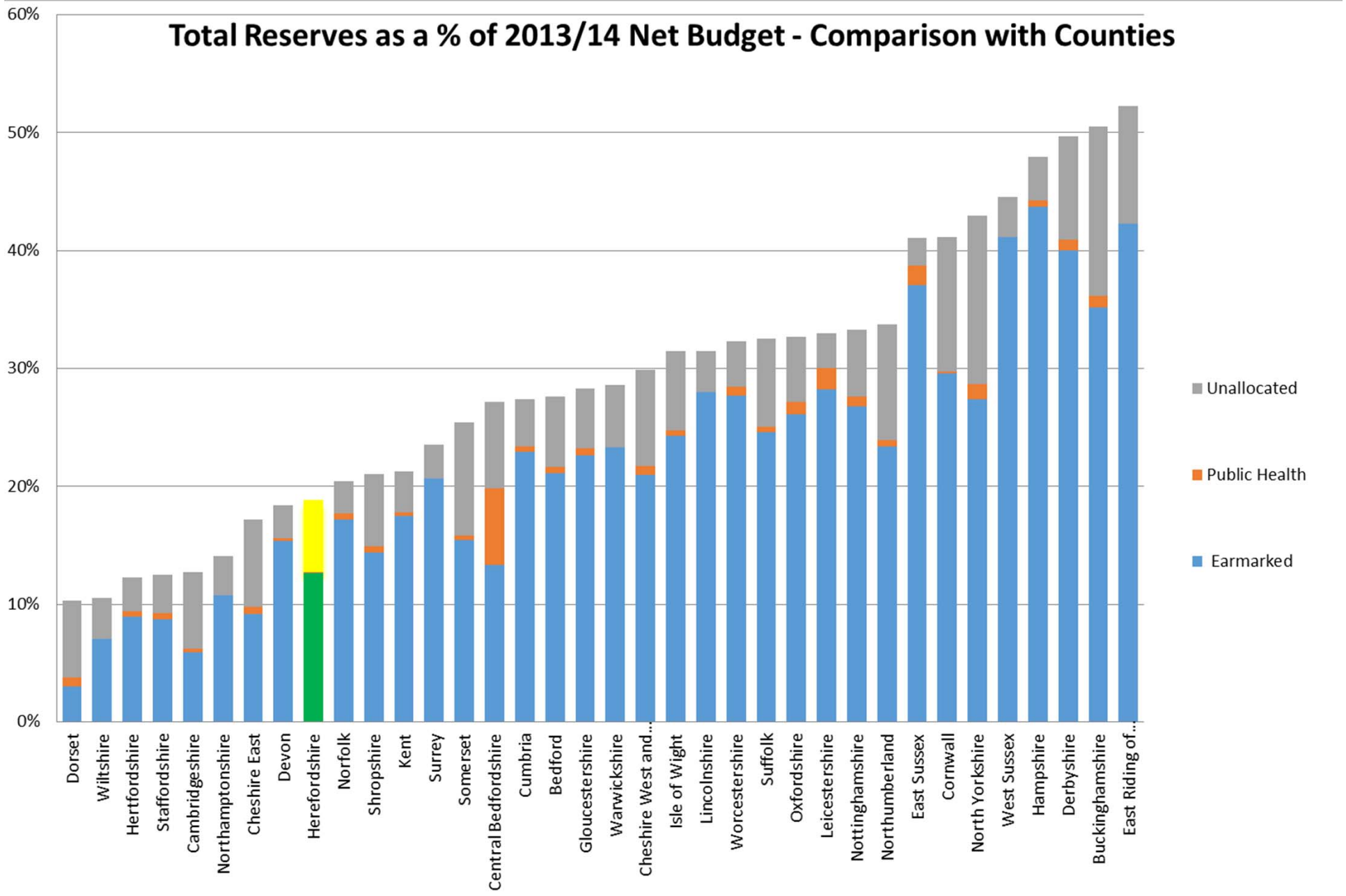


Herefordshire Financial Health

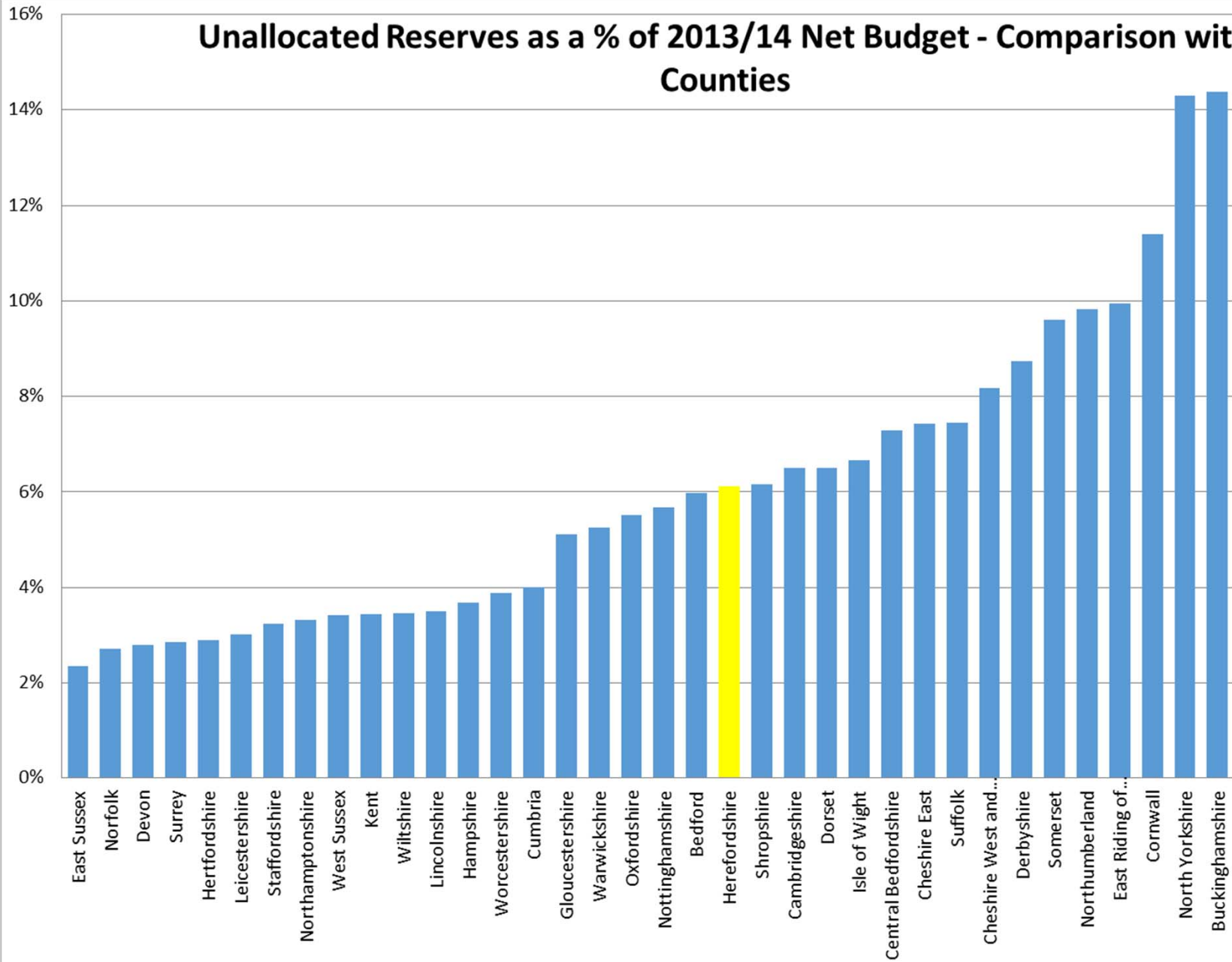
- Key indicators of financial performance
- Strategic Financial Planning
- Financial Governance
- Financial Control

External Auditor rated all areas as Green
- September 2014

Total Reserves as a % of 2013/14 Net Budget - Comparison with Counties



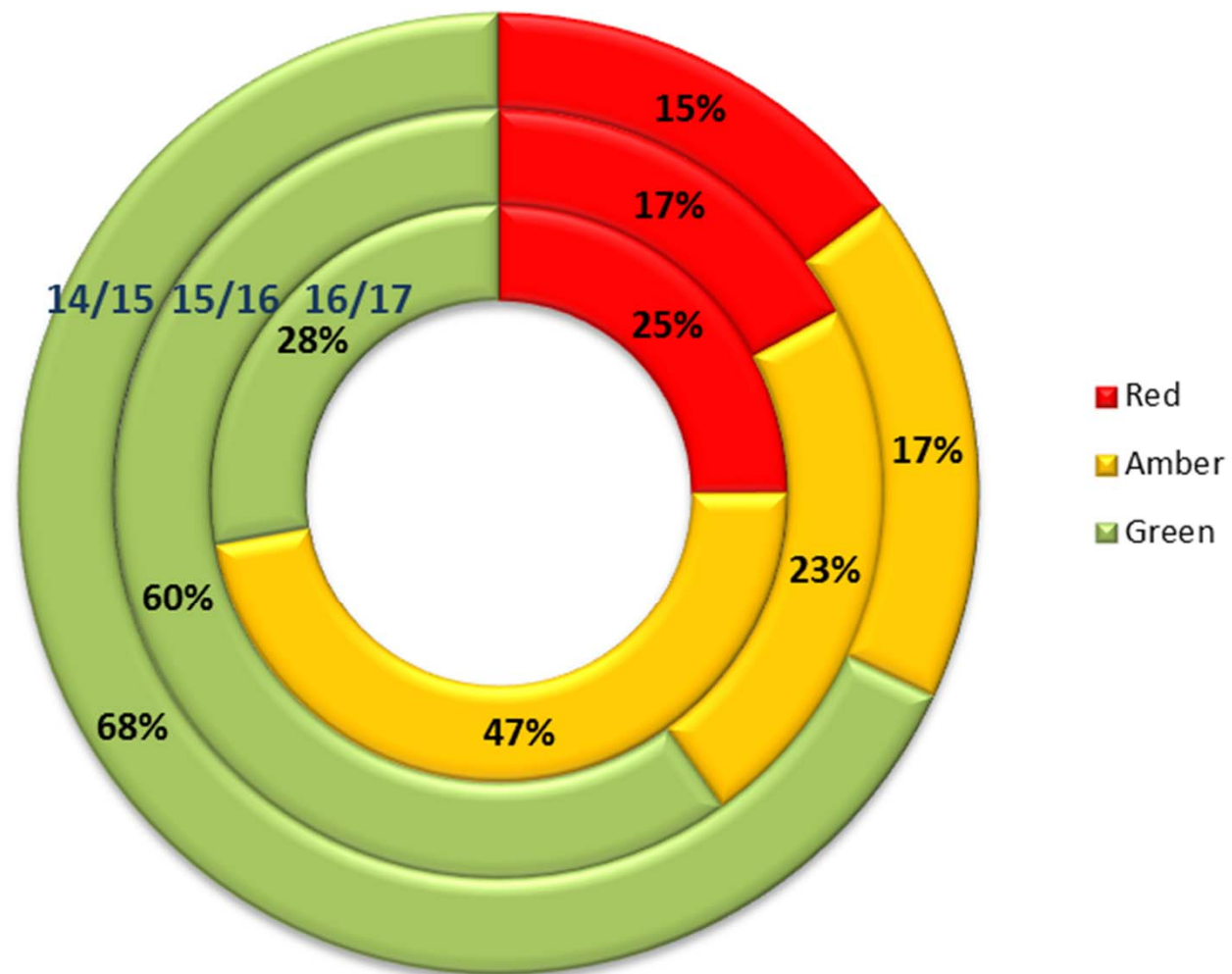
Unallocated Reserves as a % of 2013/14 Net Budget - Comparison with Counties



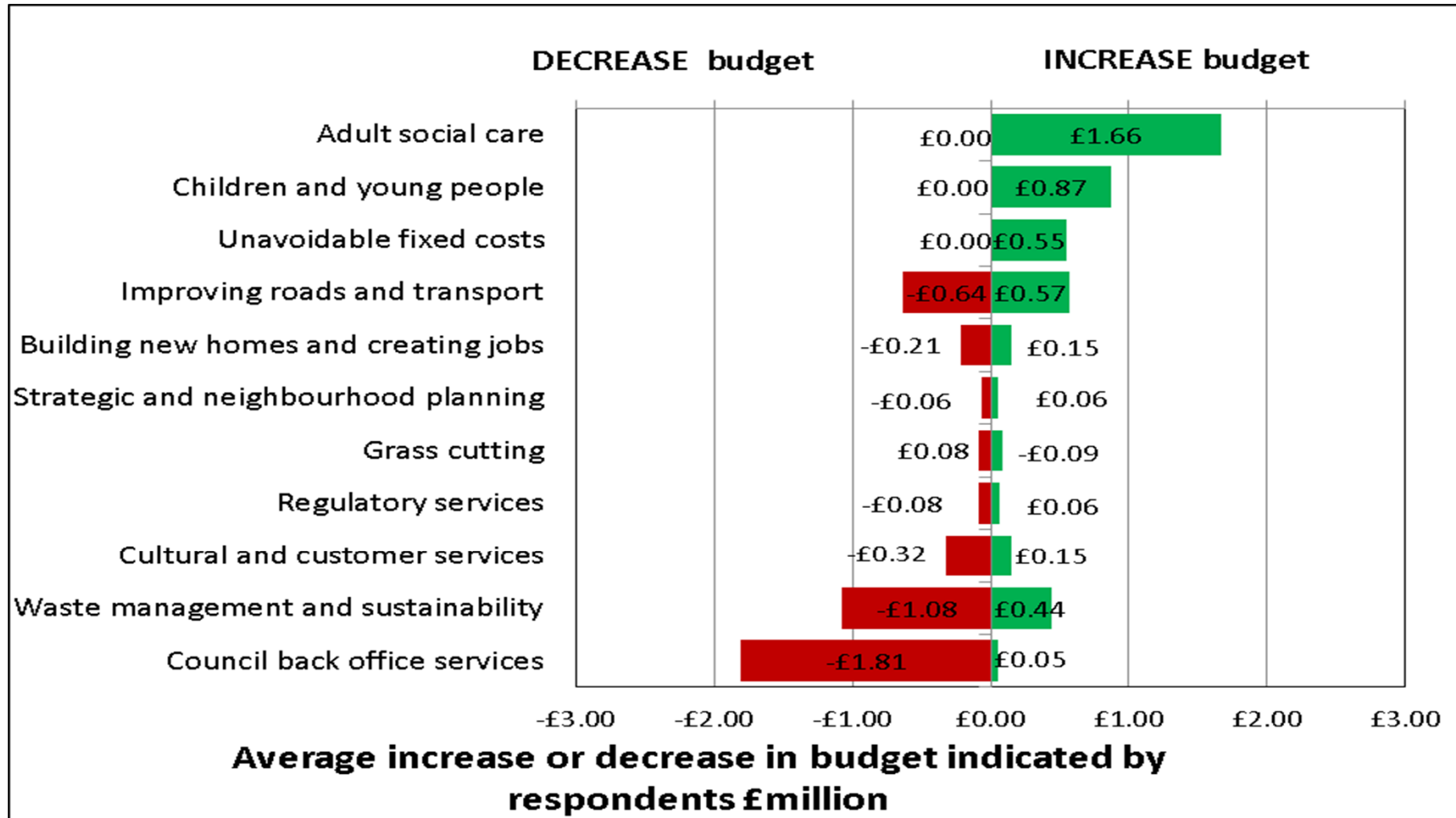
Options for Reducing Debt Levels

- Increasing current minimum repayment from £10m pa
- Selling Assets
- Asset Sales Plans Slipped
 - MTFS - £20m in 15/16, 16/17 & 17/18
 - Now - £7m 15/16, £10m 16/17, £25m 17/18 & £18m 18/19

Herefordshire Council Savings 2014-17



Budget Consultation



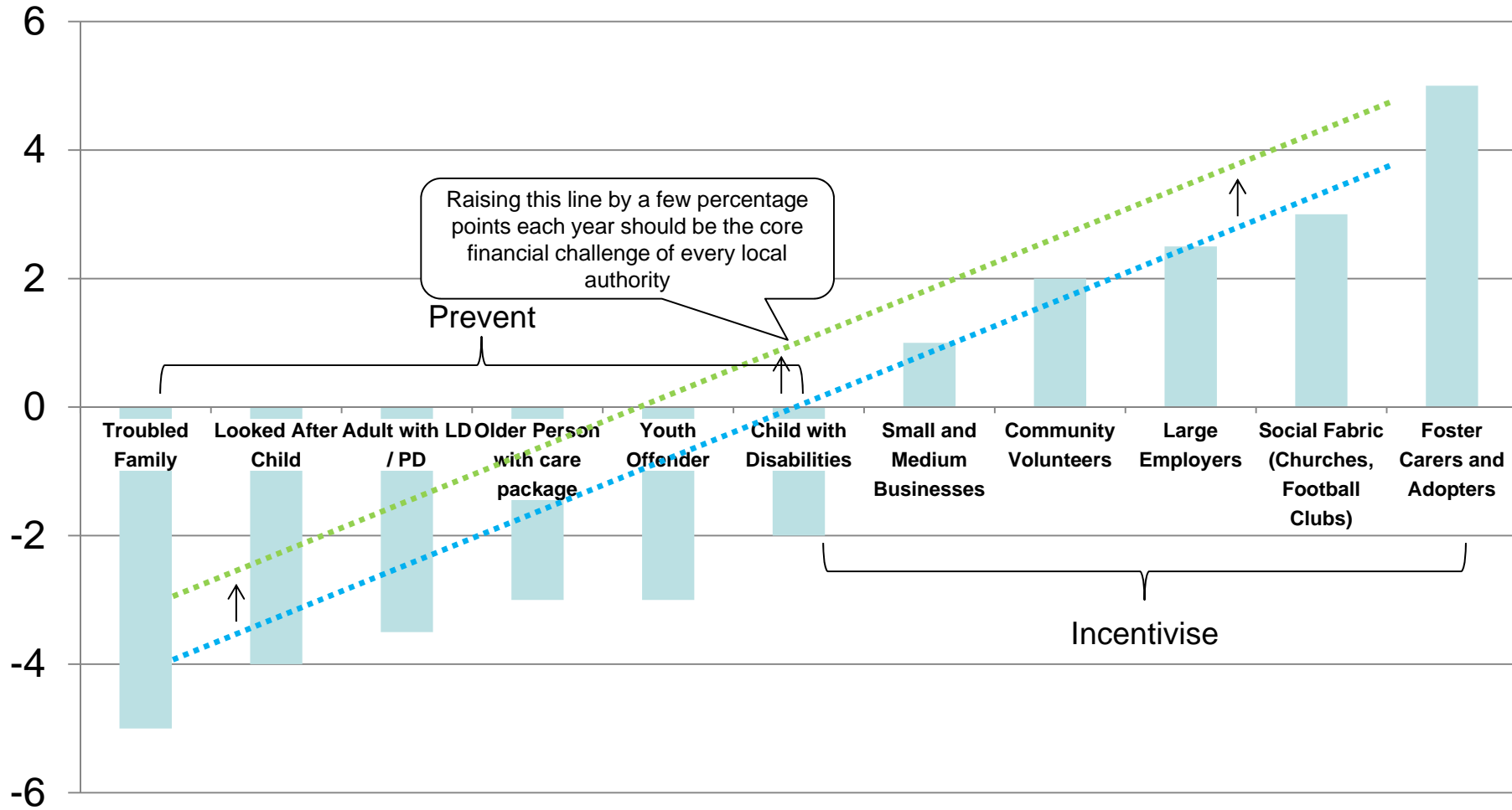
On average the results indicated a reduction in the council tax increase to 0.9% from 1.9%

Pressures Above Plan 15/16- £2.9m

	£000
• Children's and Adults Placements	2,000
• Safeguarding Board	100
• Children's Sexual Exploitation Prevention	100
• Capital Investment and Insurance	300
• Grass Cutting	400

Demand Management

(Illustrative) Average Net Benefit to Authority



Pressure Management £2.1m

- Savings in Waste PFI Contract
- Contingency for slippage built into MTFS
- Savings B/Fwd from 16/17 to 15/16

Risks

	£000
• Care Bill	600
• Council Tax Capped	750
• Council Tax Reduction	160

Summary

	2015/16 £000	2016/17 £000	Total £000
Slippage/(additional)savings	(514)	4,258	3,744
Pressures	2,876	1,490	4,366
Pressure management	(2,106)	(3,499)	(5,605)
Net	256	2,249	2,505

Revised Savings Plans			
2015-16	2016-17	Total	
£'000	£'000	£'000	
Adults	4,300	1,863	6,163
Children's	1,129	1,220	2,349
ECC & Central	3,754	2,310	6,064
Total	9,183	5,393	14,576

