

Health & Well Being Board

Meeting the Financial Challenge – An overview of the Council's Budget Process for the 2014/15 Budget and beyond

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The Financial Challenge

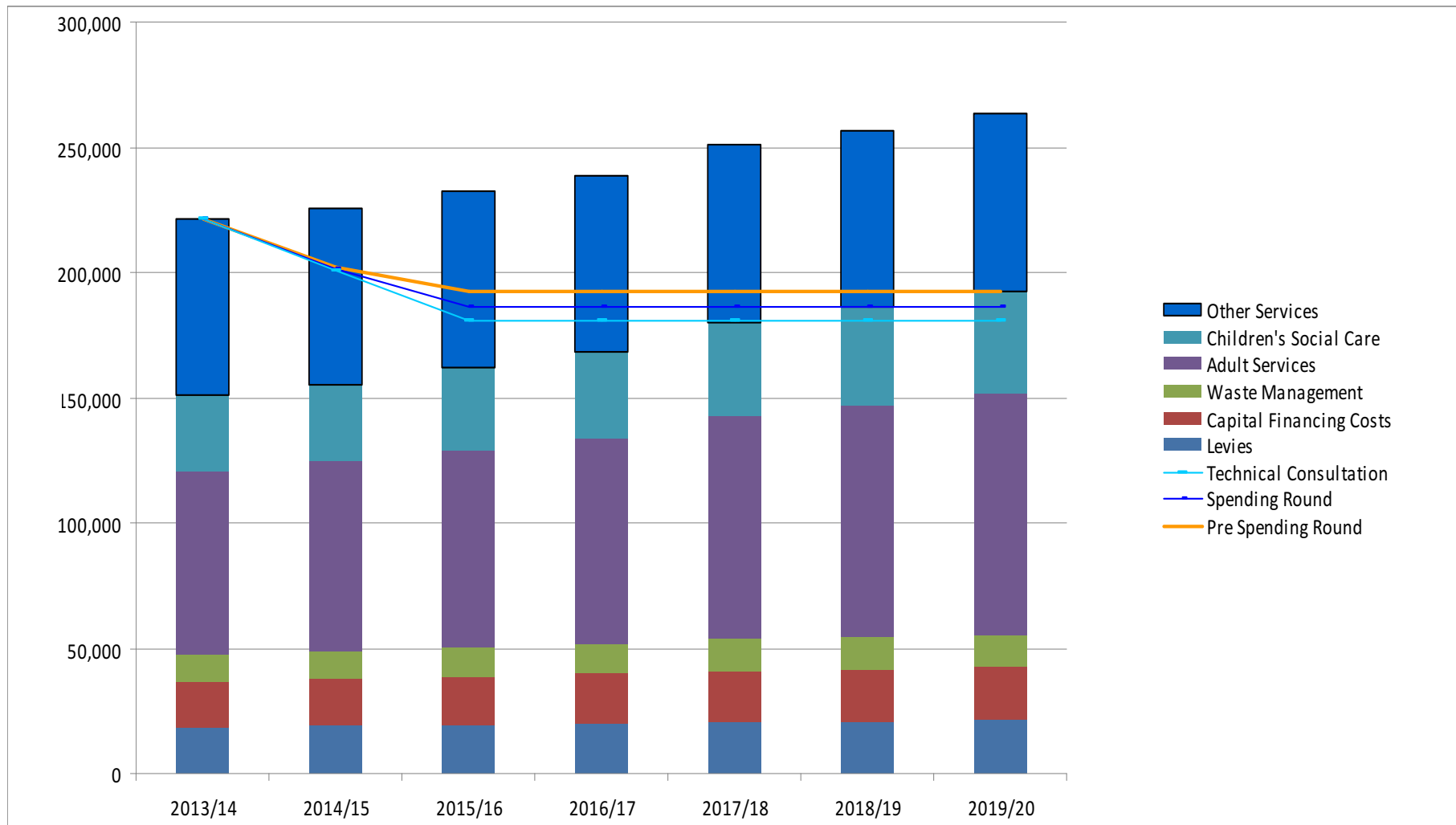
- The scale of financial challenges / risks facing local government is **set to continue at least until 2017 (possibly a decade)**.
- From 2013/14 there has been increased financial risk transferred to local councils through the local government finance and welfare reform changes and restrictions on finances eg CT Referenda.
- Sustainable medium/long term financial planning is **now even more critical!!**

What this means for Rotherham?

Never faced such financial challenges before...

- 2010/11 £5m (emergency budget)
- 2011/12 £30m
- 2012/13 £20m
- 2013/14 £20m
- 2014/15 £23m
- 2015/16 £23m (est)

Rotherham's Graph of Doom



Old Budget Principles

- Our previous Budget Principles served us well in the past, however, in the context of the Government's Finance and Welfare Reform changes a new approach is essential to meet future financial challenges;
 - Our Support Services have been pared to a minimum
 - Staff headcount has been reduced by over 1,000 and management posts reduced by 19%
 - We are a lean Council
 - We can no longer 'salami slice' services

New Budget Principles

The Council's Budget has been developed to:

- Focus on the things most important to local people
- Help people to help themselves wherever possible
- Provide early support to prevent needs becoming more serious
- Shift scarce resources to areas of greatest need, including targeting services and rationing services to a greater extent than at present.

What this means for Rotherham:

- Need to create an Investment Fund to focus on delivering Business Growth
- Not doing everything, providing fewer services directly and supporting more people needing help through forging partnerships with other Public Sector stakeholders, communities, businesses and citizens to help them to do more for themselves.
- Using our limited and shrinking resources to tackle the biggest problems for the most needy, focussing on our 11 most deprived areas, accepting some will need to get less or less frequently.
- Achieving the best quality, safest, most reliable outcome via the most affordable service delivery method.
- Direct provision of service only where we are the cheapest/best quality solution to meet the critical needs of our citizens

Rotherham's 2014/15 Budget Challenge

Initial Funding Gap in MTFS	£19.1m
- June Spending Round adjustments	+1.0m
- July Technical Consultation adjustments	+0.4m
Additional Pressures:	
- New Govt. Announcements (Reduced HB Grant / reduced ESG)	+0.7m
- Pensions Triennial Revaluation	+1.5m
- Undelivered Savings Target 2013/14	+0.3m
Revised Funding Gap	£23.0m

Meeting the challenge: Savings Proposals 2014/15

- Directorate Savings Proposals £15.6m
- Central Savings Proposals £5.3m
- Revisions to Planning Assumptions £2.1m
- TOTAL £23.0m

Financial Challenge 2015/16

.... is currently estimated to be £17.5m