

## **COUNTY COUNCIL MEETING – 18 SEPTEMBER 2015**

**Statement from: Councillor M Jones – Executive Councillor for Finance and Property**

### **Finance Matters**

The July 2015 Summer Budget from the Chancellor set out the Government's future spending on services going forward to 2020/21, it scaled back reductions in departmental spending by £83.3bn in the 5 year period from April 2015. Spending on services will now decline by £18bn over this period, down from £42b as announced in the March 2015 budget. Expected in early December, the Government Spending Review will allocate these reductions between departments, including the DCLG, who will in turn allocate funding to each local authority later that month.

It is worth noting that defence has now effectively been given protected status along with health, education and overseas development funding.

Whilst there may be optimism that funding reductions may not be as large as previously predicted, there are some new cost pressures emerging from other aspects of the Summer Budget that will place significant additional burden on our finances, with the new national minimum wage increase impacting significantly on our social care, residential and home care contracts. Provisional estimates suggest an increase of around £15m by the end of 2018/19 in this area alone, rising to over £30m by the end of 2020. Despite the good work done as part of our 2014 fundamental budget review which identified savings of around £65m in the four years to 2018/19, our estimates are that we still need to find a further £66m in that period. This will be a significant challenge and work is underway to consider how this best can be achieved. It is our intention to keep the relevant Scrutiny Committees briefed on progress.

### **Corporate Property**

We have continued to rationalise our office property portfolio; this year nearly 20% of the workforce have moved to more efficient office space and, as a result of this, we are well on our way to achieving £1m worth of savings. Planning is now underway to identify further savings from leased office accommodation.

We have invested £23.4 million in schools properties over the last 12 months, helping to meet and improve the educational needs of our children.

We have successfully commenced the new property services contract with VINCImouchel including the introduction of the Property Service Centre (PSC). The PSC co-locates the 'helpdesk' with operational decision makers which has led to timely and well-considered responses to calls with the satisfaction rate currently standing at 92%.

**This page is intentionally left blank**