

## Policy and Scrutiny

### Open Report on behalf of Debbie Barnes, Executive Director of Children's Services

Report to:	<b>Children and Young People Scrutiny Committee</b>
Date:	<b>09 September 2016</b>
Subject:	<b>Update on Saving Proposals in the Children's Services Budget 2016/17</b>

#### Summary:

This report provides an update for the Children and Young People Scrutiny Committee on the saving proposals in the Children's Services budget for 2016/17 and anticipated cost pressures for 2016/17 and beyond.

#### Actions Required:

The Children and Young People Scrutiny Committee is invited to note and comment on the current position in relation to the 2016/17 saving proposals for Children's Services and anticipated cost pressures for 2016/17 and beyond.

## 1. Background

### Overall Budget Position 2016/17

For the last two years (2015/16 and 2016/17), only one year budgets have been set due to short term Government grant settlements; significant and sustained reduction in grant funding; and increasing cost pressures.

A four year settlement is now available which will cover this year and the next three. It will be for the Council to decide in September 2016 whether to accept this settlement. This would allow the potential for a three year budget.

The use of reserves is not a sustainable strategy and further savings for 2017/18 and beyond are essential. Modelling is looking at the next three years (i.e. until end of 2019/20).

The current position in relation to the Council's Revenue Budget for 2016/17 is set out in the table below.

## Revenue Budget for 2016/17

	£m
Current year base budget	476.3
Cost Pressures	31.2
Savings	<u>(41.6)</u>
	<u>465.9</u>
Funding:	
Business rates	103.5
Revenue support grant	70.4
Other grants	17.2
Council tax	<u>253.8</u>
	<u>444.9</u>
Shortfall to be funded by reserves	21.0

The projected budget deficit relative to the 2016/17 base is:

<b>2017/18</b>	<b>£59.3m</b>
<b>2018/19</b>	<b>£70.0m</b>
<b>2019/20</b>	<b>£78.1m</b>

### Children's Services Budget Position 2016/17

The Executive Director for Children's Services will provide a presentation to the Committee at the meeting on the current position in relation to the 2016/17 saving proposals for Children's Services and anticipated cost pressures for 2016/17 and beyond.

#### **2. Conclusion**

This report updates the Committee on the current position regarding the saving proposals for Children's Services in 2016/17 and anticipated cost pressures for 2016/17 and beyond.

With regards to the 2017/18 budget and beyond, there will be an internal budget workshop for each scrutiny committee in October or November 2016 to consider the detailed options. This will then be followed by the actual budget proposals being considered by the Executive on 4 January 2017 which will then be considered at each of the scrutiny committee meetings in January 2017.

#### **3. Consultation**

##### **a) Policy Proofing Actions Required**

Not applicable

#### 4. Appendices

These are listed below and attached at the back of the report.

Appendix A	Children's Services Presentation on Budget Saving Proposals
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#### 5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Debbie Barnes, who can be contacted on 01522 553200 or [Debbie.barnes@lincolnshire.gov.uk](mailto:Debbie.barnes@lincolnshire.gov.uk).

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