



BUDGET BRIEFING PAPER 1 – BUDGET UPDATE

REVENUE BUDGET 2015/19

In February 2014, Aberdeenshire Council approved a five year budget from 2014/15 onwards. This included a balanced one year budget for 2014/15. For the years between 2015/16 and 2018/19 the budgets were left with a cumulative shortfall of £49 million.

BUDGET STRATEGY 2015/19 – INITIAL PROPOSALS

The initial proposals regarding the budget for 2015/19 are that the Council have set up 4 Budget Strategy Groups to consider options for transforming the Council's business to meet future financial challenges. Each group is to consider options under the themes contained within the Council Plan i.e. Lifelong Learning, Strong and Sustainable Communities, Caring for Communities and Public Service Excellence.

The officer groups have been set up under the chairmanship of Area Managers with all Heads of Service assigned to a group. Contact with political groups will be through the established route of a named Finance officer.

Approach

To ensure that the budget strategy is progressed as required to inform the budget setting process for 2015/19 a 4 stage process has been set with a timeline in place.

Stage 1 – Proposals to be identified for service redesign

Stage 2 – Consider all options in Stage 1 in terms of acceptability

Stage 3 – Timelines for the implementation of the remaining options following Stage 2 to be determined

Stage 4 – Financial implications to be calculated in detail at this stage

Timeline

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|--------------|----------------------------------------------------------------------------------------------------------------------------------|
| 5 March 2014 | - Strategic Leadership Team (SLT) considers strategic approach
- Service Management Teams identify initial options |
| 2 April 2014 | - SLT reviews options identified by Service Management Teams
- Officer budget groups consider, challenge and validate options |
| 14 May 2014 | - SLT reviews progress to date
- Further discussion and detailed consideration of options by officer groups |

6 August 2014 - SLT reviews initial budget proposals

It is envisaged that political input will be received during the above indicative timeline.

Update

Service Management Teams have identified a range of options for consideration and these have been presented to the SLT. The options fell into a range of categories as follows:

- 1 - savings proposals that we should just be doing
- 2 - savings proposals we should seriously consider undertaking
- 3 - radical transformational change proposals

On the basis of this review SLT grouped the latter category 3 into four strategic cross cutting headings of:

- Review and transform the provision of education
- Reviewing the provision and funding of transport and travel
- Alternative service delivery models
- Income generation opportunities

Underpinning all of the above will be a workstream ensuring workforce issues are addressed as necessary and appropriate.

Head of Finance

07/05/14

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