

Report to: Governance and Audit Committee

Date: 17 January 2019

Subject: **Draft Budget 2019/20**

Director(s): Angela Taylor, Director, Resources

Author(s): Jon Sheard/Angela Taylor

1. Purpose of this report

- 1.1 To advise the Overview and Scrutiny Committee of the work underway to progress the budget for 2019/20.

2. Information

- 2.1 The Combined Authority received an update on the draft budget proposals for 2019/20 at its meeting on 13 December 2018. That report and one of its appendices are attached at **Appendices 1 and 2** for information. The appendix to that report that sets out the draft business plans is available [here](#).
- 2.2 The Combined Authority recognises the difficult funding position facing local authorities as they await the outcome of the fair funding review and comprehensive spending review in 2021. This is at a time when their funding continues to be cut and demand for their services is increasing. In the same way that local authorities are focussed on cost reduction, efficiencies and income generation the Combined Authority has also sought to ensure in developing its budget each year that it too is reviewing its activities and finding ways to deliver its services more efficiently. It also seeks to maximise third party income, such as advertising revenue and sponsorship for inward investment events.
- 2.3 The latest draft budget for 2019/20 as presented to the Combined Authority at its meeting showed a required use of reserves of £1.8 million, against the target agreed in February of £1.2 million. This position has been developed through the Member Budget Working Group, and with overview from the Chief Executives. There have been a number of changes to the figures since the strategy was agreed in February 2018 and some significant budget pressures identified. In order to reach the current position a number of reductions and cuts have been included in the draft position and some reprioritisation to enable an allowance for emerging pressures. These are set out in more detail

in the attached report. Further work is underway to reduce the funding gap down to the previously agreed use of reserves of £1.2 million and this will be progressed through the Budget Member Working Group on 10 January.

- 2.4 The paper to be presented for approval to the Combined Authority on 14 February will also include an updated version of the business plan, with clear priorities and success measures that will be monitored throughout the year.
- 2.5 Members are asked to note progress, provide any further areas for consideration and confirm if there is any information they would like to have provided to future meetings.

3. Financial Implications

- 3.1 As set out in the report.

4. Legal Implications

- 4.1 None arising directly from this report.

5. Staffing Implications

- 5.1 None arising directly from this report.

6. External Consultees

- 6.1 None.

7. Recommendations

- 7.1 That the Governance and Audit Committee provide any input to the business planning and budget process and the issues raised in the report.

8. Background Documents

None

9. Appendices

Appendix 1 – Draft business plan and budget 2019/20 report submitted to the Combined Authority (13/12/18)

Appendix 2 - Draft Budget for 2019/20 (13/12/18)