

## SHROPSHIRE COUNCIL'S MEDIUM TERM FINANCIAL PLAN

### Key Messages

1. The scale of the Public Sector "funding crunch" in the UK will be unprecedented compared to changes in the past 30 years. Local councils are planning for cuts in Government funding in the region of 25% over the next 3-4 years.
2. For Shropshire, we estimate that this means that the Council will need to cut its costs by around £47 million in this period. Cuts of over £8 million are already having to be found in the current financial year, as a result of the recent funding announcements of the new Coalition Government.
3. Shropshire Council already provides a wide range of services which are of good quality and which represent real value-for-money, in comparison with other local councils. In addition, the Council is already doing more to use its resources well, by cutting back bureaucracy, removing duplication and wasteful ways of working, reducing management overheads and the costs of business travel, and freezing recruitment to all but essential jobs, as well as by improving the ways in which it purchases goods and services.
4. This approach will save millions of pounds each year, but the scale of spending cuts now needed is beyond these improvement and efficiency measures. A long-term (30 year) and more fundamental change is required in the way that the Council helps ensure that all Shropshire residents enjoy a good quality of life.
5. In response to these pressures, the Council has started to put in place an ambitious programme of transformation in the way it delivers public services, over the next 3 years. This service redesign will mean changing the way staff work, and being boldly innovative in trying new ways to meet people's needs. It is likely to mean that the scope or standard of some services will be scaled back, to provide an acceptable "no frills" approach, and some services may cease, at least in their current form.
6. Also, the Council might commission other organisations (such as those in the voluntary and community sector in Shropshire) to do more on its behalf, rather than providing services directly itself, as well as working more closely with other public services, such as Health, the Police, and Fire and Rescue, as well as with our Town Councils. The Council will look for ways that it can help local people to become more self-sufficient, so that they can do more for themselves, for their families, for their neighbours, and for their communities, in future.
7. Over time, this will change the role of the Council to focus on different forms of support for people and on contributing to ensuring we have flourishing local towns and villages in Shropshire, rather than on just delivering services. The Council remains committed to being reliable, responding quickly, being easy to do business with, and keeping its promises.

8. The Council's current policy is to have very low or no increases in the level of Council Tax each year. This will not change over the next few years. But, the Council is likely to look to compensate partially for cuts in its funding by carefully applying increases in the fees and charges it makes for a wide range of services. It might also increase the number of services for which a charge is made.
9. In the current economic recession, the Council recognises the importance of the support it provides to local businesses, and that it still has a crucial role to play in helping to create the conditions for economic growth in Shropshire. It is looking at how it can purchase locally more of the goods and services it uses, without sacrificing quality or value-for-money.
10. Over the next 6 months, the Council will be looking at all the options available to reduce its spending. At this stage, nothing will be ruled out. As part of its decision making, the Council is consulting widely on its proposals. It is interested in people's reactions to these key messages, and this feedback will influence the Council's approach to its financial plan.



Councillor Keith Barrow  
Leader of the Council



Kim Ryley  
Chief Executive

# Revenue Budget 2011/12 and Future Years

## Future Funding Levels

- Significant Cuts in Government Grant are Expected
- Our Present Assumptions are for Government Grant Cuts of 5% each year in Shropshire.
- This means savings targets for the Council of £47m in the next 3 years
- There will be no increase in Council Tax for Shropshire Council in 2011/12.
- The Government may give some help to keep Council Tax Increases to Zero for 2011/12 and 2012/13.

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For Shropshire, we estimate that this means that the Council will need to cut its costs by around £47 million in this period. Cuts of over £8 million are already having to be found in the current financial year, as a result of the recent funding announcements of the new Coalition Government.

## Managing Within Future Funding Levels

- We will achieve as much as we can through efficiencies, reductions in management and administration costs and freezing recruitment.
- This approach will save millions of pounds each year, but the scale of cuts means that this cannot be done in isolation.

Shropshire Council already provides a wide range of services which are of good quality and which represent real value-for-money, in comparison with other local councils. In addition, the Council is already doing more to use its resources well, by cutting back bureaucracy, removing duplication and wasteful ways of working, reducing management overheads and the costs of business travel, and freezing recruitment to all but essential jobs, as well as by improving the ways in which it purchases goods and services.

This approach will save millions of pounds each year, but the scale of spending cuts now needed is beyond these improvement and efficiency measures. A long-term (30 year) and more fundamental change is required in the way that the Council helps ensure that all Shropshire residents enjoy a good quality of life.

## Transformation Programme

- The Council is looking at redesigning how it delivers services, as well as at scaling back services, or stopping services in their current form
- The Council will look to work more closely with the voluntary and community sector, and other public services such as Health, Police, Fire and Rescue and the Town Councils so as to reduce costs and remove duplication.

In response to these pressures, the Council has started to put in place an ambitious programme of transformation in the way it delivers public services, over the next 3 years. This service redesign will mean changing the way staff work, and being boldly innovative in trying new ways to meet people's needs. It is likely to mean that the scope or standard of some services will be scaled back, to provide an acceptable "no frills" approach, and some services may cease, at least in their current form.

Also, the Council might commission other organisations (such as those in the voluntary and community sector in Shropshire) to do more on its behalf, rather than providing services directly itself, as well as working more closely with other public services, such as Health, the Police, and Fire and Rescue, as well as with our Town Councils. The Council will look for ways that it can help local people to become more self-sufficient, so that they can do more for themselves, for their families, for their neighbours, and for their communities, in future.

Over time, this will change the role of the Council to focus on different forms of support for people and on contributing to ensuring we have flourishing local towns and villages in Shropshire, rather than on just delivering services. The Council remains committed to being reliable, responding quickly, being easy to do business with, and keeping its promises.

## Review of Services

- The Council may need to review where it charges for services and the level that it applies.
- Local businesses are crucial in providing economic growth and the Council will support businesses by reviewing how we procure goods and services from local suppliers.

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In the current economic recession, the Council recognises the importance of the support it provides to local businesses, and that it still has a crucial role to play in helping to create the conditions for economic growth in Shropshire. It is looking at how it can purchase locally more of the goods and services it uses, without sacrificing quality or value-for-money.

## Consultation

- We will be consulting widely.
- Please make your views known
  - through your LJC.
  - through our consultations with representative organisations.
  - by responding to our web based consultation.
  - by participating in our public debate.
  - by writing to us.

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