



<u>Committee and date</u> Council	<u>Item No</u>
24 June 2010	19
10.00	Public

Leaders Statement

1. The Coalition Government's Proposals for tackling the public sector budget deficit are now becoming clear. The Queen's Speech announced a package of measures to make £6.2 billion savings in 2010-2011 including £1.165 billion for local Government by reducing grants to local authorities.
2. Further details will have emerged in the Emergency Budget which is being announced after dispatch of Council papers. Longer term implications will then become clear through the Comprehensive Spending Review (expected by October or November this year), which will clarify the scale and nature of funding reductions planned from April 2011 onwards. Government has already indicated that spending on School, Sure Start and spending on education for 16-19 year olds will be protected from these in year cuts. Government has also given an assurance that there will be a 0% increase in Council Tax for 2011-2012 and is likely to expect similar for 2012-2013.
3. Last week's announcements on reductions to the Area Based Grant received by all Local Authorities make clear that the Council is expected to make savings of almost £2.2 million across areas including education, road safety and supporting people. Officers are currently working hard to find practical solutions that will limit the impact this will have on the service, where possible.
4. Anticipating the scale and implications of the coming funding cuts, Shropshire Council has been preparing to make savings both in this financial year and to sustain and accelerate these for future years. A comprehensive transformation programme is being developed to redesign the way the council works, generating year on year savings, and seeking, as far as possible, to safeguard key services. This includes putting the customer at the centre of how we work, integrating services with key partners, supporting our market towns as key to Shropshire's future, and delivering increased value for money. By radically changing how we work – locally in our communities, centrally, and with partners, we can get the most from reduced resources and safeguard the services that matter most.
5. The challenge of this year's Budget, and those that follow, will be unprecedented for all public services. In line with the promises we have made to the people of Shropshire, we are committed to actively engaging with local people, businesses and our own staff to ensure that any decisions made, reflect the priorities and concerns of our communities as a whole. We are therefore planning a more comprehensive, extensive public engagement process than ever before. This will be in two phases, either side of Summer and will strongly inform how we set the budget for 2011/12. This will enable Council to agree a well informed budget in

February 2011 and take account of emerging clarity from the Comprehensive Spending Review in the Autumn.

6. The first phase of engagement will begin immediately and work through a range of means including Local Joint Committees where cabinet members and senior officers will talk to local people in each community and listen to their views to help understand the services they value most where they live, and where savings could be made. This will be supplemented by a range of consultation events including with key stakeholder groups representing children and young people, older people and the local business community.
7. Plans are being drawn up for a number of summits, attended by the whole Cabinet, where people can hear about the challenges ahead, have their say and make suggestions about areas for more efficiency in how we work. These will lead into the second phase in September and early October where people will have an opportunity to hear how we've taken their views on board, and how they've been reflected in our proposals. Again, we will be encouraging people to challenge whether we've thought radically and creatively enough about our future plans.
8. All members will have an opportunity to be engaged throughout this challenging timescale. Scrutiny will be able to review the emerging budget strategy throughout the Summer, Autumn and Winter. A final overview of the whole Budget Strategy will be possible in Spring 2011 before Council agrees the Budget.
9. Although we are working through a period of challenging times we remain steadfast in our aim to continue to deliver excellent public services at a price we can all afford and will work hard to achieve this aim.