

Shropshire Council Budget Briefing

**Local Joint Committee
11 October 2011**

Britain's Fiscal Challenge

- When the Coalition Government came into power a structural budget deficit of £109 billion was identified.
- Their pledge was to eliminate the structural deficit by 2014/15.
- To achieve this, £81 billion of savings were required in public spending by 2014/15
- The 2010 Spending Review set out how this would be achieved over the four year period from 2011/12 to 2014/15
- The Spending Review sets spending limits for every Government department

Expectations of local government

- The Government expects a fundamental re-examination of council's roles and ways of working
- This includes:
 - Maximising productivity and efficiency, including better procurement and shared services
 - Greater use of the voluntary and community sector
 - Protection of frontline services, (particularly for families and the most vulnerable)
 - Greater transparency and openness, to ensure value for money
 - A shift in power to local people

The Picture for Shropshire

Shropshire Council is Funded by:

– Council Tax	£130m
– Dedicated Schools Grant	£151m
– Specific Grants	£163m
– Income (e.g. Fees and Charges)	£84m
– Formula Grant	£95m
– Total	£623m

The Level of Savings that need to be achieved is £76m by 2014/15. While we have identified ways to achieve this, we will find it difficult to accommodate the front loading of the cuts.

Details in table...

	2011/12 £m	2012/13 £m	2013/14 and 2014/15 £m	Future Years £m
Savings Target (Council 24 February 2011)	32.303	20.254	16.475	tbc
Savings Currently Identified Against this Target	31.409	17.602	24.074	tbc

With the addition of £7m in-year savings that were required in 2010/11, this amounts to a savings target of £76m

- Public consultation was undertaken between July 2010 and January 2011 as part of the preparation of the Council's Budget Strategy
- The Medium Term Financial Plan was agreed by Shropshire Council on 24 February 2011.
- The MTFP identified the savings targets, and the means for delivering those savings, over the period 2011/12 to 2013/14.
- The full reports can be viewed on the Council's website

- Implementation plans for the 2011/12 savings were signed off by Council on 24 February 2011
- Implementation plans for 2012/13 and 2013/14 savings are being considered by Council this year in three phases.
- On 22 September 2011 Council signed off Phase 1 Savings amounting to:
 - £8.107m for 2012/13
 - £4.701m for 2013/14
 - Details of these savings are shown within Appendix 5 of the report to Cabinet of 22 September 2011 'Financial Strategy 2012/13 to 2020/21, Including Phase 1 Savings 2012/13'

- On 15 December 2011 Council is due to sign off Phase 2 savings amounting to:
 - £3.545m for 2012/13
 - £2.886m for 2013/14
- On 11 January 2012 Council is due to sign off Phase 3 savings amounting to:
 - £5.950m for 2012/13
 - £8.271m for 2013/14
- In addition, savings of £8.216m have been identified for 2013/14, but implementation plans have not yet been drawn up in sufficient detail to guarantee they will be considered alongside Phase 3 savings in January 2012.
 - Details of these savings are shown within Appendix 4 of the report to Cabinet of 22 September 2011 'Financial Strategy 2012/13 to 2020/21, Including Phase 1 Savings 2012/13'