

Shropshire Council Budget Briefing

Local Joint Committee

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, but is due for review in October 2012.
- 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 Council

Shropshire Council is Funded by:

– Council Tax	£129m
– Dedicated Schools Grant	£176m
– Specific Grants and Other Contributions	£176m
– Income (e.g. Fees and Charges)	£84m
– Formula Grant	£95m
– Total	£660m

The Picture for Shropshire

- The Level of Savings we need to achieve is £85m by 2014/15.
- While we have identified ways to achieve this, we have found it difficult to accommodate the front loading of the cuts in 2011/12 and 2012/13.
- We were required to find £32m of savings in 2011/12, the majority of which has been achieved without impact on front line services.

Delivering the Financial Strategy

- Public consultation was undertaken between July 2010 and January 2011 as part of the preparation of the Council's Budget Strategy for the next 3 years
- The Medium Term Financial Plan (MTFP) 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

Delivering the Financial Strategy

- 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

Delivering the Financial Strategy

- On **15 December 2011** Council signed off Phase 2 savings amounting to:
 - £2.393m for 2012/13
 - £1.725m for 2013/14
- On **23 February 2012** Council signed off Phase 3 savings amounting to:
 - £9.328m for 2012/13
 - £14.303m for 2013/14
- Details of all savings can be found on the Council's website within the reports titled 'Financial Strategy 2012/13 to 2020/21' at Council Meetings on the dates highlighted above.