

Leicester Leaders Budget Consultation

General Fund Budget

2012/13 to 2014/15

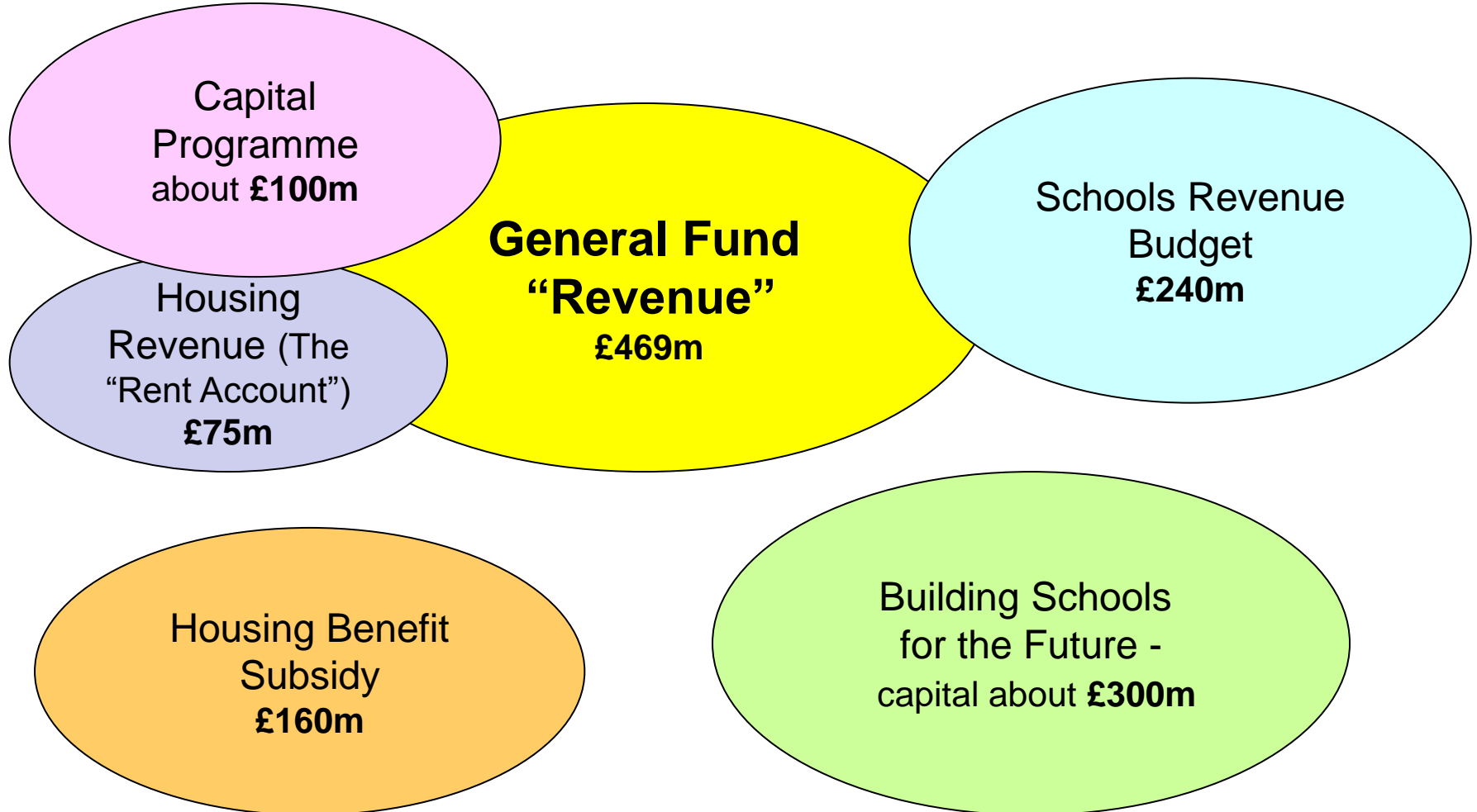
Components of the Council's Budget

- General Fund
 - “The Council's Budget”
 - Running costs of most services
 - Met from government grant, fees/charges, council tax
- Schools' Budget
 - Mostly delegated to individual schools
 - Met from government grant (Dedicated Schools' Grant) (£240m pa)
- Housing Revenue Account
 - Pays for provision of Council Housing
 - Met from rents
 - New self-financing system
 - Much better outlook than other services
 - c.£75m pa spending
- Capital Programme
 - Building and improvement projects
 - Financed by grant, borrowing, sales of assets
 - Separate review to take place
- Today is about the General Fund only

Bird's Eye View

	£bn	£bn
<u>Gross Spend</u>		
General Fund Revenue Account		
- "Pure" general fund	0.5	
- Schools	0.2	
- Housing Benefit Payments	0.1	0.8
Housing Revenue Account		0.1
Capital		0.1
		1.0
<u>Funding</u>		
Government Grant:		
- Formula grant	0.2	
- Dedicated schools grant	0.2	
- Specific grant and benefit subsidy	0.2	0.6
Fees and charges		0.1
Council tax		0.1
Housing rents / HRA resources		0.1
Capital		0.1
		1.0

Council Budgets



£1m Buys (Running Costs)

- One primary school with 300 children
- Six libraries
- Leicester Leys and Aylestone Leisure Centres
- 100,000 hours of home care (260 clients)
- Residential care for 78 people
- 5 multi-access centres
- One Children's residential home
- One year's day to day highways repairs

2011/12 General Fund Budget

- Big cuts, late government announcements
- Key focus on 2011/12 only
- Reserves used to buy time and compensate late loss of children's grants
- Forecast gaps in later years:
 - 2012/13 £17.5m
 - 2013/14 £22.8m
- £15m severance provision, £6.5m of which borrowed
- Council tax freeze

Spending Forecasts Assumptions

2011/12 budget is delivered, or compensating savings found

No new policy decisions

Inflation

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Non-teachers' pay	1.0%	1.0%	1.0%
Prices	2.0%	2.0%	2.0%
Income	2.0%	2.0%	2.0%

Our inflation is lower than general inflation but some contracts reference RPIX

Assumes pay award of more than 0.4%

Pensions:

- next revaluation 2014/15
- continued cost increases assumed

Other Specific Grants

Treated as service income

Key grants are:	<u>2011/12</u>
	£m
Early intervention grant	18.5
Learning disabilities	10.1
Housing Benefit Admin	3.5
Youth Justice	1.0
Local Services Support	1.2

CSR – Revised Picture

	<u>Cash Cut</u>	<u>Real Terms Cut</u>
CSR Published Figures	22%	29%
Revised Figures	28%	35%

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Funding Gap	15.3	20.6	38.8m

Our challenge

- £38.8m savings required
- Budget planning target
- Budget pressures
- Scope for savings –
 - General Fund
 - Early Intervention Grant

CYPS Budget Planning 2012/13

Division	Divisional Director	Gross Expenditure Budget	Net General Fund Budget	EIG	Funding in scope for savings
Access Inclusion Participation	Trevor Pringle	40,464	11,921	16,527	28,448
Learning Services	Margaret Libreri	23,836	6,231	908	7,139
Social Care & Safeguarding	Andy Smith	34,360	33,934	126	34,060
Planning & Commissioning	Trevor Pringle	17,647	6,744	1,022	7,766
Total		116,307	58,830	18,583	77,413

Strategies to meet budget challenge

- Service efficiencies
- Funding substitution
- Children and Young People's Plan priorities
- Protect front line services
- Service reductions / cessations

The priorities – a reminder

Priority 1 –

Safeguard and Promote the Welfare of all Vulnerable Children and Young People

Priority 2 –

Improve Children's Health and Reduce the Gap Between the Most and Least Deprived

Priority 3 –

Raise Achievement in Leicester to National Averages and Higher, and Narrow the Gap Between the Lowest Achievers and Other Children

Priority 4 –

Develop an Integrated Children's Workforce that 'Thinks Family' and Intervenes Early to Narrow the Gap between Vulnerable and Other Children

Priority 5 –

To Reduce and Mitigate the Effects of Family Poverty on Children's Life Chances in Leicester

Priority 6 –

Improve Outcomes for Particularly Vulnerable Groups of Children and Young People: Looked after Children, Children and Young People with Special Educational needs/ learning difficulties and/or disabilities, young offenders and children and young people who are carers for others.

Budget Process

- Cabinet budget workshop – October
- Star Chamber x 2 – November
- Public Consultation – November

Public consultation at <http://www.leicester.gov.uk/iocstrategicreviews/>

- Cabinet finalise draft budget – December
- Public consultation - January

Process challenges . . .

- Telling the story
- Focusing upon priorities
- Raising expectations/ standards
- Narrowing the gap