

# Council spending plans for 2016/17

Leicestershire County Council is responsible for delivering services like: education; transport; planning; social care, libraries; waste management; and trading standards.

These services are funded by Council Tax, business rates, Government grants and income from fees and charges.

**The council budget for 2016/17 is £345.3 million.**



Here we explain our spending plans ►

## Government funding

The Government continues to cut spending across the public sector in order to reduce borrowing.

Over the next four years we expect to lose all our Revenue Support Grant which is forecast to reduce from £56m in 2015/16 to £0m in 2019/20. This follows significant reductions in recent years. This is an extremely tough funding position.



## Council Tax

Our plans are based on an increase of 3.99% in Council Tax in 2016/17, followed by 3.99% increases in the following three years. This includes the 2% Adult Social Care precept recently introduced by the Government.\*

## Low funding

Leicestershire is the lowest funded county in the country. If we received the same Government funding and Council Tax per head as the average County Council in 2015/16 we would be £48m better off.



**Council Tax to increase by 3.99%**

## Spending pressures

We are facing large increases in expenditure because of the need to provide care to the increasing number of older and other vulnerable people.

Disposing of waste in more environmentally ways is also more costly.

Extra resources have also been allocated to fostering and other children's social care budgets and also to Special Educational Needs transport budgets.

Over the next four years we face spending pressures of £85m. This includes inflation.



**Leicestershire is the lowest funded County**

\* The Secretary of State for Communities and Local Government has made an offer to adult social care authorities. ("Adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.)

The offer is the option of an adult social care authority being able to charge a "precept" of up to 2% on its council tax for the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. Subject to the annual approval of the House of Commons, the Secretary of State intends to offer the option of charging this "precept" in relation to each financial year up to and including the financial year 2019-20.

In relation to the financial year beginning in 2016 the Secretary of State has determined (and the House of Commons has approved) a referendum principle of 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure), for adult social care authorities. These authorities may therefore set council tax up to this percentage in 2016 without holding a referendum.

## Savings

The reduction in Government funding and unavoidable spending pressures means savings and increased charges of £78.3m are required over the next four years. The County Council has proposals in place to generate £58.8m in savings as set out below:

<b>Efficiency savings</b>	<b>£ 27m</b>
<b>Service reductions</b>	<b>£ 27.4m</b>
<b>Increased income</b>	<b>£ 4.4m</b>

The remaining £19.5m of savings will be required by 2019/20. Savings proposals will be developed over the next few years.

### Efficiency savings

Efficiency savings of £27m include reductions in management and administration, more effective purchasing of goods and services and changes to the way services operate.

### Service reductions

The proposed service reductions of £27.4m over four years are in the following areas:

<b>Children and family services</b>	<b>£ 2.9m</b>
<b>Adults and communities</b>	<b>£ 11.5m</b>
<b>Public health</b>	<b>£ 3.1m</b>
<b>Environment and transport</b>	<b>£ 8.3m</b>
<b>Other services</b>	<b>£ 1.6m</b>

**£78.3m**  
**savings to be**  
**made before 2019/20**



## Examples of savings include:

- Remodelling children's social care and early help services
- Review of adult social care external contracts
- Reduced funding for libraries and museums
- Review of Public Health Services
- Switching off or dimming street lights after local consultation and investment in low energy LED lights
- Revised approach to highways maintenance including improvement schemes
- Reduced expenditure on subsidised public bus services
- Reduction to funding to community groups, agencies and businesses
- Reviews of support services



## Budget

The council will spend £695m on local services in 2016/17. The net budget after income from specific Government grants, fees and charges is £345.3m (see table below).

2015/16			2016/17			
Gross Spending £m	Income £m	Net Cost £m		Gross Spending £m	Income £m	Net Cost £m
204.1	204.1	0.0	Schools (funded by Government grants)*	198.0	198.0	0.0
87.5	12.8	74.7	Children & Family Services	92.4	12.1	80.3
240.7	95.0	145.7	Adult Social Care	241.0	89.1	151.9
54.3	19.8	34.5	Highways, Roads & Transport Services	51.0	18.4	32.6
49.4	7.1	42.3	Cultural, Environmental & Planning Services	48.7	6.3	42.4
26.5	26.5	0.0	Public Health	28.2	28.2	0.0
3.3	1.1	2.2	Regulatory Services	3.3	1.2	2.1
28.1	16.0	12.1	Other Services	32.7	21.0	11.7
<b>693.9</b>	<b>382.4</b>	<b>311.5</b>	<b>Total cost for all services</b>	<b>695.3</b>	<b>374.3</b>	<b>321.0</b>
		37.6	Capital Financing Charges & Interest			28.6
		0.0	Transition Grant			-3.3
		-1.0	Contribution from Earmarked Funds			-1.0
		<b>348.1</b>	<b>Total Budget</b>			<b>345.3</b>
		-56.2	Revenue Support Grant			-37.0
		-56.1	National Non Domestic Rate Income			-57.1
		-2.4	Net Surplus on District Council Collection Funds			-3.7
		<b>233.4</b>	<b>Amount to be met from Council Tax</b>			<b>247.5</b>

\* reductions in 2016/17 reflect estimated transfers of schools to Academy status

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