

Challenges ahead...

What the national public sector cuts mean for Leicester



Background

- New coalition government elected in May 2010
- Clear intention to tackle public sector deficit quickly by cutting £81bn over four years
- Initial in-year cuts of £6bn – almost unprecedented
- Announcement in June forewarned of serious cutbacks across most government departments in autumn
- Looking for 25% savings across most departments
- Biggest reductions in public expenditure in decades



Background

- Formal announcement of CSR cuts on October 20th
- Some 'protected' areas – NHS, overseas aid, schools
- Impact on other areas varies
- Education has done reasonably well but local government has fared worse than others
- Incentive for council tax freeze offered to councils setting 0% tax rise
- Local government finance settlement late
November/early December will confirm position



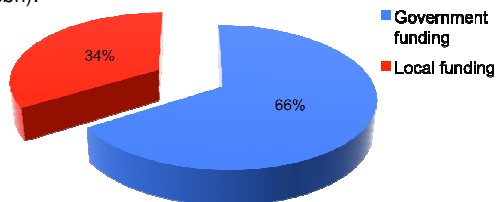
What this means for Leicester City Council

- City development plans already hit – lost approx £17m for regeneration schemes in first cuts
- Facing real terms cuts of £100m over next four years
- = £300 for every person in the city
- = 1,000 jobs (or more)
- Front-loaded to next year (2011/12)
- Need to make cuts of at least £18m from council's day-to-day budgets next year
- More will follow when future of other grants is clarified



Putting this in context

- Where the council's money comes from (net budget £0.3bn):



So – impact of government-imposed reductions is substantial



What the council spends in total

- | | |
|--|--------|
| • General services
– Libraries, social care, museums, roads, street cleaning, parks, refuse collection, etc | £0.5bn |
| • Housing and council tax benefit payments | £0.1bn |
| • Schools | £0.2bn |
| • Council housing | £0.1bn |
| • Major building/improvement projects | £0.1bn |

= £1 billion a year



What can we run for £1 million a year?

- Six libraries
- One primary school with 300 children
- Leicester Leys and Aylestone leisure centres
- 100,000 hours of home care for 260 clients
- Residential care for 78 people
- 5 multi-access centres
- One children's residential home
- Day-to-day highway repairs across the city



What is the council doing about this?

- Carried out full review of spending
- Examining options for making substantial cuts in each area
- Looking at impact those cuts would have on communities and individuals across the city
- Also now assessing the wider impact of Government cuts in other (non-council) areas
- Working with partners to examine further options for joint working



What is the timetable for this?

- | | |
|--|-----------------|
| • Local government finance settlement | Early December? |
| • Launch of council's draft budget proposals | Early January |
| • Cabinet meeting to approve final proposals | 7 February |
| • Council meeting to approve final proposals | 16 February |



In summary...

- These are cuts which have been forced on us
- Local government is being hit harder than most
- Savings targets are higher next year than in subsequent years
- Council will do what it can to protect the most vulnerable people
- The cuts will have a major impact on services across the city – this is unavoidable
- We have no choice

