

SHROPSHIRE COUNCIL

Budget Consultation 2024/25

Period: 18 December 2023 - 28 January 2024

Background information

Like councils up and down the country, we face a very tough financial position and need your help in shaping some difficult decisions that lie ahead. Nationally, councils face a £4bn shortfall over the next two years, while one in five councils are now warning that they may need to declare themselves bankrupt in the next year.

We've outlined how we plan to close our £50m budget gap, which is caused by ever increasing demand for council services, particularly social care, rising costs and stubbornly high inflation.

We want your views on our plans to reduce what we spend while delivering on our priorities in the Shropshire Plan, bringing our budget into balance so that we're a modern, efficient and sustainable council.

In the current financial year we've already identified £41m towards our current spending reductions target of £51.4m, principally by changing how we deliver services, doing so more efficiently and focusing on prevention.

However, this hasn't stopped a rising tide of demand for social care for the most vulnerable adults and children in Shropshire, which already accounts for around £4 of every £5 we spend. It means that we'll still need to find further ways to reduce our spend by around £50m next year - this is in spite of us proposing to raise council tax by 4.99%, as the government's own funding calculations expect us to.

Our challenges are made harder because of some of Shropshire's unique characteristics. For example, it costs more to run many services in such a large and sparsely populated county. We also have a larger older population than many other places in the UK, a group that is only getting bigger as people live longer and, often, needing more social care support.

This consultation seeks your views to help us prioritise our approach to that very difficult task of making the spending and demand reductions we need to make, and continuing to deliver on our priorities for Shropshire: a healthy population, a healthy environment and a healthy economy with a healthy and well-run council.

There are several ways we can do this...

Demand management

We can try to manage increasing demand for services by addressing it before the need becomes more acute. This may include introducing or enhancing interventions by supporting people earlier, differently, and promoting independence. These interventions improve outcomes for those involved and also reduce costs. The aim is to provide the right help (service) at the earliest opportunity, to prevent issues escalating to a point where more support is required.

Increasing efficiency

Our most effective tool to make spending reductions is already underway, with more than 40 projects now included in our ambitious transformation programme, modernising our approach to service delivery and doing things very differently. This might be using more digital or automation services, like our virtual care project, which uses technology to support independence and to help people stay safely in their own homes for longer.

Increasing income

Our plans include ways that we can increase the income we generate and so lessen the need to reduce spend elsewhere. This could focus on some of the discretionary services we provide, such as charging more for parking and leisure.

Reduce third-party spending

A significant proportion of our budget is spent with businesses, such as agencies who provide staff for us to deliver services. One of our priorities is to reduce this dependency, which is costly, and focus on increasing our own workforce in these areas. As well as reducing spending, this will also lead to an overall improved quality of service.

Becoming a 'right-sized' organisation

We'll have to become a smaller organisation and review our staffing levels. Some services may need fewer people to deliver them, while others may need more to ensure we have the right skills and people in the right place to deliver on our priorities. Where we need to reduce staff, we'll always aim to do so by using vacancies first and then redeploying people wherever we can.

This will then inform many of the decisions we'll take about specific services and, where changes are planned, further consultation will take place on these proposals if required. Feedback from the consultation will inform the final budget proposals which will come back to the council at the end of February.

The consultation runs until **Sunday 28 January 2024**.