

## City Reformers Group

Monday 21st March – Tuesday 22nd March 2011

### Session 4: Breakout workshop group 4 - Public Finance and Debt

#### 1. Outline the financial situation in Sheffield City Council

- The overall amount the Council spends is £1.48 billion a year
- Only 13 per cent of the Council's budget comes from Council Tax.
- Government provide two-thirds of what we spend
- Cost Pressures: inflation, demand, expectations.
- Identified last summer the potential for the Council to have a budget gap of £84m in 2011/12 rising to £219m by 2014/15.

#### 2. How is the Council managing the spending review?

- Remain absolutely committed to our priorities - accept we may have to reduce speed and change the way we achieve some of our ambitions.
- Planned for the worst – 30% reduction over 3 years, 15% in 1<sup>st</sup> year
- Our strategy is to protect public services from service reductions wherever we can; Making 'back office' as lean as possible: protect services that support Sheffield's residents with the greatest needs, and investing in the changes that we need to make to deliver better value for money services in the future.
- We will not be increasing Council Tax next year.
- Council has made some significant changes – we need to go much further to meet the expectations of Sheffield people.
- In approaching the budget challenge, we have used seven 'policy principles' to guide our work to improve services – Future Shape:
  - Focus on Outcomes
  - Choose and Use
  - Devolution and Localism
  - Prevention
  - An enterprising Council
  - Fair Charging
  - Fairness
- £77.5 million savings

#### 3. What are the impacts on services and investment in the city?

- Maximum of 800 council posts will be removed,
- No 'step change' in the delivery of 'core policing' but will need to be a change in the way public access services.
- Expected the NHS in Sheffield will look substantially different, as more people's health needs are met in community settings, including at home, and less people need to go to hospital.
- Fire service hope to minimise the effect upon the service, however it is unlikely that there will not be some impact.
- Every individual school guaranteed 100% of its 2010 £ per pupil funding next year.
- Potential knock-on effects on the private sector of public sector funding reductions and public sector post reductions.