



**Cabinet – 12<sup>th</sup> February 2016**

**Comments from the Liberal Democrat Group  
On the Medium Term Financial Strategy**

When the first draft of this budget was released, the report stated that it was “the most challenging MTFS that the Council has faced, probably since it was established over 40 years ago.”

Having already been forced to cut its spending by £100 million per year, the Council now needs to make a further £78m of cuts over the next four years. That appears to be optimistic. The average growth in spending over the last five years has been £11.5m per year – far higher than assumed figures for future growth set out in the report.

The £6.6m transition fund offered by the Government is little more than a sticking plaster. The announcement that the funding formula would be re-evaluated provides some hope, but that is still a promise of “jam tomorrow”.

This year’s budget alone will require a huge cut to prevention budgets, including Early Help for children, various Public Health services and preventative services for adults. Early intervention services help to mitigate demand on the public sector for more complex and expensive services later on down the line. Strategies for reducing funding have always underlined the need to focus on prevention to keep larger costs down, but the Council can no longer even afford to do this.

The Government’s recognition that the funding formula is unfair is a start, but not enough on its own. Even if the Government was to provide us with an extra £15m, or even £30m a year, that would still only delay the Council’s problems rather than solve them.

Does the Government understand that demand for social care services continues to grow each year? Does the Government have a clear picture of exactly what services have been lost to Leicestershire residents since austerity began and what they are set to lose by 2020? Has the Council analysed its performance over the past years and assessed whether reduced funding has impacted on outcomes?

Work needs to be done to provide the Government with a full picture of the consequences that its spending decisions have on Leicestershire residents and to be sure that it understands that service losses *are* a direct consequence of its own actions and not be allowed to assume that it’s a failure of this Authority to work more efficiently.



Lastly, the problems that are faced by this Council are faced by all. It is right that we argue for a fairer funding formula but we must also recognise that we are ultimately in the same boat as other Local Authorities, even the ones who currently benefit from far more generous funding. The Government's current plans will lead to severe losses to public services across the entire Country.

It would be better if we worked with other Councils to fight for local Government as a whole, not just for our own share of the budget.

Simon Galton

Leader of the Liberal Democrat Group