

COUNTY COUNCIL MEETING – 28TH SEPTEMBER 2016**POSITION STATEMENT FROM THE LEAD MEMBER****FOR FINANCE AND RESOURCES****MTFS**

The financial position continues to be extremely challenging. The list of authorities going public with major financial issues (eg Northamptonshire, Somerset, Buckinghamshire) continues to grow, many of whom accompany us at the bottom of the funding league table.

The position is serious with major implications for the provision of services to the people of Leicestershire. We continue to make a strong case for fairer funding to Government and recently met the local Government Minister, Marcus Jones, for the second time this year. I'm very grateful to all our MPs, Alberto Costa, Ed Argar and Sir Alan Duncan in particular, who have worked very closely with us on our alternative funding model. This was a productive meeting and will be followed up with a separate meeting with civil servants. We also continue to work closely with the leaders and treasurers of fellow low funded authorities- Worcestershire, Lincolnshire, Staffordshire and East Riding - and have produced and signed off on a joint response for the recent Fair Funding consultation.

Just to remind the Council of the scale of inequality. Leicestershire would be over £400m better off if we had the same income per head as one of the highest funded authorities, the London Borough of Camden. Our budget would more than double and we would be looking to invest in services and not cut them.

The MTFS will be rolled forward later this year. We will need to update our budget plans to reflect new service pressures including major cost and demand pressures in Special Education Needs and Looked After Children. There is no doubt we will need more savings and expect that new savings of £30m to £40m will be required to balance the MTFS over the period 2017/18 to 2020/21. It goes without saying this will be extremely challenging, particularly given savings of £32m currently in the MTFS over this period will

also need to be delivered. I'm hoping austerity is time limited. By 2021 we will have taken almost a quarter of a billion pounds out of the spending budget. This is why our MPs must succeed in their lobbying, before we become unable to fund statutory services.

We are working hard to identify income generation opportunities. We plan to develop the Airfield Farm industrial estate and have similar schemes in other parts of the county. We want to grow our commercial services using the income generated to offset savings. We are also planning for the future by paying down debt and utilising our corporate assets and Investment portfolios to best advantage. I am under no illusion that this will solve our financial problem, but it will make a meaningful contribution.

Finally, the Cabinet reluctantly accepted the offer of a four year settlement from Government. I use the word reluctantly, as we believe we are under-funded. We were persuaded as this is the 'minimum' level of funding. Thus leaving scope for our, hopefully, successful fair funding campaign to deliver greater income.