

Comprehensive Spending Review

HEADLINES

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Timeline

- Global financial crisis
- Public spending “too high” as proportion of UK’s budget

General Election

June 2010	Emergency Budget £6bn in year cuts
October 2010	Comprehensive Spending Review (CSR)
December 2010	Local Government Financial Settlement
February 2011	Set Council Tax
April 2011	Start 2011/12 Financial Year

The Challenge for all Public Authorities

- ➔ Given the 'financial storm' that lies ahead can performance / service delivery be maintained let alone improved?
- ➔ There are also continuing pressures to provide more services.
- ➔ There will be implications for all residents of North Yorkshire.
- ➔ What are they, and are there choices that can be made?

CSR – the National Headlines

Reduced Local Government (inc Police) Grant

		£bn
2010/11	Baseline	28.5
2011/12	-8.4%	26.1
2012/13	-6.5%	24.4
2013/14	-0.8%	24.2
2014/15	-5.4%	22.9

Total Cash Reduction	-19.6%	-5.6
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But increased by impact of inflation -7.4%

= reduction in real terms 27%

Average 7% pa but different for local authorities / Police / Fire and front loaded

Other “Highlights” (i)

- Schools + 0.1%
but £2.5bn for Pupil premium
- Social Care + £1bn “new” money
+ £1bn from NHS } re ageing population
- Capital – 45% ⇒ roads / schools
- Council Tax grant equivalent to 2.5% if freeze Council Tax increase in 2011/12
- Housing Benefit reduce funding by 10%
- Housing 150,000 new Affordable Homes

Other “Highlights” (ii)

- ➔ NHS budget to rise every year until 2015
- ➔ ½ m public sector jobs lost
- ➔ increase retirement age – 65 to 66 by 2020
- ➔ incentives for local economic growth

- new homes bonus
- business increase bonus scheme
- retaining locally raised business rates
- tax increment finance
- renewable energy projects
- regional growth fund

watch this
space !



NYCC's Position

Existing Plan			CSR			
Reduction	Each Year £m	Aggregate £m	Reduction	Each Year £m	Aggregate £m	
2010/11	VFM Plan Year 3 Budget savings June mini-budget	10.1 5.3 3.7	}	19.6	NOT APPLICABLE	
2011/12	-6%	10.6				-13%
2012/13	-6%	10.6	21.2	-8%	13.5	36.5
2013/14	-6%	10.6	31.8	-1%	2.1	38.6
2014/15	-6%	10.6	42.4	-5%	8.5	47.1
	-24%		106.0	-27%	47.1	145.2
2015/16	At Day 1 ongoing	-42.4		-47.1		



POLICE – Local Picture

- ➔ Home office reduction – overall 20%; Police – 14%
- ➔ Prior to CSR, NYPA/NYP working to 25% reduction – still are, possibly in following ratios
 - 2011/12 - 6.81%
 - 2012/13 - 9.09%
 - 2013/14 and 2014/15 - 4.55%
- ➔ Current revenue budget - £139.7m reducing to £118.6m in 2014/15 but assuming no CT increase in next 2 years

- overall NHS budget will increase in real terms over next 4 years
- demand issue
- interaction with 'social services' will be critical
- significant structural changes – GP commissioning
- choice/control for patients

- will be squeezed as a consequence of reduced funding in public sector
- needs ongoing support of public and private sector if to sustain itself and 'exploit' opportunities that all this consequential change will create
- PRG £200k small grants
 £400k endowment fund
 £600k

VARIATIONS OF LESSNESS

More for less (= VFM)

Same for less (= VFM)

Less for less (= VFM + cuts)

Less less for much less (do-able?)