

Dear All

As the cabinet lead for finance, I wanted to let you know that a consultation on the Council's budget plans for next year is now live.

This follows the Council receiving the detail of our budget settlement from Government just before Christmas. While we had been expecting to receive a three-year budget settlement, we have however been given only one year's funding.

As such our budget proposals can focus with certainty only on the shorter term, while this Government's settlement does nothing to solve our longer-term budget issues which leaves us facing a £60 million budget deficit by 2027.

Next year, the Council's day-to-day revenue budget proposals will balance, but only because the Government funding assumes that we raise council tax by 3.99 per cent (of which 2 per cent is ring fenced for Adult Social Care). The Government assumed increase would see an extra £1.11 a week added to the Council's average Band D council tax bill. This is reluctantly what we propose to do, while we must also raise charges, reduce spending and divert almost £12 million of funds to balance the budget.

However from 2023 to 2027, we face an annual budget deficit of almost £60 million.

As I'm sure you're aware, this longer-term financial position is made worse because of how the funding arrangements work against us. Shropshire is one of England's biggest and most sparsely populated areas and current Government funding formulas do nothing to address our rural nature, which makes running many Council services cost much more.

We face pressures due to ever increasing demand for social care from our ageing population, inflation running at over 5% and extra costs pressures such as higher national insurance costs to help fund NHS social care, but no funding from this will come anywhere near local government for at least three years.

Despite this the Council must continue to spend the money it has on priorities to promote a healthy population, make Shropshire a place that is healthy, safe, great for business and living for all

The Council has secured funding for these one-off capital schemes from a range of different sources. This capital funding however cannot by law be used to meet the day-to-day revenue costs of running services.

The £271 million capital investment programme to 2027 includes:-

- An extra £59 million to boost our drive to improve our roads, tackle potholes and problems caused by years of underfunding in the county's roads. This is on top of an extra £48 million invested in our roads this year.
- £28 million to help fund the council's proportion of Shrewsbury North West Relief Road's costs, most of which is being met by funding from the Government and Marches Local Enterprise Partnership.
- An extra £16 million to support the council's 'Swimming in Shrewsbury' programme, and put in a new swimming pool in Whitchurch.

- An extra £11.7 million to expand schools capacity.
- £11m for Oswestry Innovation Park.
- £4.5 million to improve the centre of Bridgnorth, including a possible multi-storey car park.
- £3.2 million to fund the rollout of the council's optional mixed recycling purple top bin

As part of the budget process, we want to hear views from the people of Shropshire around our overall approach to the council's budget for the next year.

Our [consultation on our budget proposals](#) is now open until 16 February. Please let us know your thoughts on the plans by completing our online form.

This will be to help inform the Council's final budget proposals which will go to the Full Council meeting on 24 February

In the meantime, we will continue to lobby Government to address the very long and deep-rooted problems of our structural deficit and the extra costs of providing services in a county like Shropshire and I will be back in touch again to share thoughts on how you could help support our Fair Funding for Shropshire campaign.

Cllr Gwilym Butler, Cabinet Lead, Finance