

Date: 18th October 2021
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Have your say on the Council budget proposals and plans to focus our resources on Council Plan priorities through the budget consultation 2022/23

South Gloucestershire Council is responsible for a range of local services including refuse collection and disposal, street cleaning, planning, education, social care services and road maintenance.

We are currently consulting on the proposed budget for 2022/23, the council tax levels for next year and the savings plan we propose putting in place. Each year, we ask local council tax payers for their views before agreeing our budget and council tax. This is your opportunity to comment on our funding priorities, council tax levels and proposals to improve services and continue delivering value for money.

As a local resident, it is important that you have a say in how we shape services in the future and our budget consultation is a key part of this. We would be grateful if you could complete the questionnaire and return it by **19th December 2021**.

You can also complete this survey online at: www.southglos.gov.uk/budget until midnight Sunday 9th January 2022.

Over the next four pages you will find key information on the budget proposals. If you have any questions or would like to send your feedback by email you can contact the consultation team using the details at the top of this letter.

Aligning resources to Council Plan priorities

The Government has confirmed that it is conducting Comprehensive Spending Review (CSR), setting Government departments' resource budgets for the next three years. This will be announced in the Autumn Budget on Wednesday 27th October. There is currently considerable uncertainty as to the level of funding that will be made available to councils for the next three years, in particular the details of how the Health & Social Care Levy and the Government's Build Back Better plan will work in practice across health and social care. The funding received by the Department for Levelling Up, Housing and Communities (DLUHC) will determine the funding available to councils in the next financial year.

The Government's plans for health and social care demonstrate the intrinsic link between council social care services and the work of the NHS. To put it plainly, for an elective operation to be able to take place, the support in the community needs to be available too. Local councils and the NHS work hand in glove up and down the country to support people get the health and social care they need in a timely and cost-effective manner. As such, it is crucial that this council continues to support our Bristol North Somerset & South Gloucestershire Clinical Commissioning Group to address the backlog of elective surgeries by ensuring funding and resources are available within social care. This is a primary focus for the Council and the proposed adult social care precept included in the council tax will assist the Council with keeping pace.

At this stage in the Council's budget-setting process, the level of funding to be made available by DLUHC is not yet known and major changes planned to the Local Government Finance System in 2022/23 continue to be delayed. The Council has made sensible assumptions based on the information available to us now and the direction of travel around health and social care whilst considering the ongoing impact of Covid-19 being felt against council tax and business rates income.

However, the Council wishes to continue to drive forward on its Council Plan commitments and is using the forthcoming 2022/23 South Gloucestershire Council budget to provide further investment in priorities alongside delivering further savings.

As a priority the Council is focussing its investment over the next four years in delivering upon its commitment to achieving the best start in life for children and young people in the local area. To do this it is proposing to invest in areas that will support this aspiration to improve performance and support the workforce in our Children's Services.

At the same time, we continue to focus our resources on delivering support to those most in need and to helping people to help themselves; and promoting sustainable inclusive communities, infrastructure and growth. All while ensuring that we continue to deliver value for money for local people.

We are consulting the public on two topics:

1. Maintaining standards of services whilst reducing costs

Balancing the need to be financially sustainable and deliver value for money to residents, the Council will need to continue to deliver efficiency savings year-on-year to manage growing cost pressures and maintain service levels. This will be dependent on the income received by the Council over the coming years which at this point remains uncertain.

In addition to £1.8m of savings currently in progress, the Council has identified further £19.7m of savings through considering how to deliver services at the same level for less cost. These savings have come about for several reasons – often technological developments, new opportunities to recover costs or collect income, as well as opportunities for different ways of working.

The Council aims to achieve these savings by:

- Adapting to different ways of working, building on what the Council has learned by working flexibly over the past two years.
- By adopting new technologies and automating systems where this can improve the way we work and improve our online offer, for example, so that more residents can access the support they need at any time.
- Ensuring that where the Council levies fees and charges, those reflect the cost of delivering services and are set at a rate comparable with other local authorities, for example in the way we charge utilities companies to compensate for roadworks that cause disruption on commuter routes.
- Implementing improved cost recovery, where the Council can charge to cover the cost of providing some services, such as recovering our full overheads against pre-application planning fees on large developments.

We would like your views on our savings proposals summarised below and detailed [here](#).

	2022/23	2023/24	2024/25	2025/26
	m	m	m	m
Different Ways of Working	£4.6	£9.3	£11.4	£13.5
New Technology & Automation	£0.2	£0.7	£1.1	£4.5
Increasing Fees & Charges	£0.8	£0.9	£1.0	£1.1
Cost Recovery	£0.5	£0.6	£0.6	£0.6
	£6.1	£11.5	£14.1	£19.7

During this time, the Council's core deficit is forecast at £2.8m in 22/23, rising to £6.3m in 23/24 and then falling to £4.3m in 24/25 before becoming a balanced budget in 2025/26. The Council is proposing to use one-off reserves over the next three years to smooth the transition to a balanced budget, allowing sufficient time for the delivery of savings. These assumptions and savings plans will continue to be revisited once the outcome of the CSR and the local impact of the Government's changes to the Local Government Finance System are known for 2023/24 onwards as well as each year through the annual budget cycle.

Including spending on schools, the Council is budgeting to spend £731m in 2022/23, of which central government is contributing £78.9m towards general services and £257.8m specifically towards meeting schools' expenditure.

Away from schools, by 2025/26 the Council will have delivered over £120m of savings to reduce cost pressures and keep the council's spending within its available funding.

The Council's medium term financial planning indicates that a balanced budget is achievable by 2025/26 however it will be necessary to drive year-on-year efficiencies to maintain existing service levels.

The table below shows the services across which the Council spends its funding – both as gross expenditure (£731m in total) and as net budget i.e., including income (250.9m). The table below shows the level of expenditure across our service areas.

Council Service Area by Department	Total Savings Planned to be Delivered up to 2021/22	2022/23 Gross Budget	2022/23 Net Budget
	£'000	£'000	£'000
Integrated Children's Services		43,884	33,168
Education, Learning & Skills		12,759	10,135
Adult Social Care		109,937	93,267
Housing Services		5,783	3,212
Public Health		12,141	1,543
Commissioning, Partnership & Performance		5,168	4,631
Business Support (inc. Directorate)		8,012	6,690
Demand & Price Contingency		11,186	11,186
Children, Adults & Health	49,692	208,870	163,832
Directorate		309	309
Operational Support		2,243	1,577
Safe & Strong Communities		12,840	6,662
Strategic Planning		3,743	798
Strategic Transport		3,886	1,819
Streetcare & Transport		49,472	12,131
Waste Management		49,187	19,566
Environment & Community Services	27,629	121,681	42,861
Directorate		1,899	1,053
Financial Services		55,079	4,833
Human Resources		2,359	1,972
Information, Technology & Digital		4,516	3,729
Legal, Governance & Democratic Services		5,403	3,780
Property Services & Business Support		15,356	4,784
Strategy & Innovation		2,184	2,000
Integra Traded Services		12,460	0
Chief Executive & Corporate Resources	21,247	99,255	22,150
Central Items such as levies, treasury management and other fixed costs		35,990	21,625
General Risk Contingency		450	450
Central Items		36,440	22,075
Council Services	98,568	466,246	250,918
Schools		264,862	
Total Council Services		731,108	250,918

How the Council plans to fund its expenditure

Funded by:	2022/23 £'000	% of Total Income
Government - General Grants	13,450	2%
Government - Specific Grants	65,422	9%
Government - Schools Funding	257,844	35%
Sales, Fees & Charges and Other Income	149,497	20%
Business Ratepayers	67,435	9%
Council Taxpayers - General	146,183	20%
Council Taxpayers - Adult Social Care	21,062	3%
Earmarked Reserves	3,677	1%
Dedicated Schools Grant Adjustment Account	6,538	1%
	731,108	100.00%

2. Council Tax options for 2022/23

In February 2021 the Council approved its 2021/22 revenue budget confirming a general council tax increase of 1.99% along with a 3% precept for adult social care. It also approved outline budgets for the following three years (up to 2024/25) to help future planning.

The government will announce local government's council tax limits in the Autumn Budget at the end of October. However, both a general council tax increase and a social care precept are anticipated to be required to provide financial support to adult social care, whilst the newly announced Health & Social Care Levy is used across 2022/23 to 2024/25 to address the NHS elective surgeries backlog.

Currently the maximum the council tax can be raised by is 1.99% with a further 2% adult social precept also available. However, the Government may allow a further flexibility which could be utilised to protect the delivery of valued services.

The increase in council tax is subject to approval by Full Council in February, and the feedback we get from residents through this consultation helps local Councillors make a final decision.

A rise of 1.99% in 2022/23 would contribute £3m towards local council services and coupled with a 2% adult social care precept would contribute a further £3m (£6m in total). This would mean an increase of approximately £64.65 per year (or equivalent to £5.39 per month) for a band D household.