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Council budget and savings programme consultation 2020/21 – have your say

South Gloucestershire Council is responsible for a range of services which your local area receives such as refuse collection and disposal, street cleaning, planning, education, social care services and road maintenance.

South Gloucestershire Council is currently consulting on its budget, council tax levels for next year, and its overall savings plan. Each year, we ask council tax payers for their views before agreeing our budget and council tax. This is your opportunity to comment on the council's priorities, its council tax and its proposals to improve services and increase efficiency.

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. You can also complete our survey online at: www.southglos.gov.uk/budget until Sunday 5th January 2020.

Over the next four pages you will find key information on the budget. 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 document

Background: Central Government Funding

The government's recent Spending Round has resulted in a number of significant changes to the council's financial plans for its 2020/21 budget and medium term financial planning. The announcement of additional funding for social care came at a point when both price and demand pressures are rising with both the rolling forward of social care grants issued in 2019/20 and a further £1bn nationally, equating to £3.3m locally. Whilst this funding is for 2020/21 only, it was recognised that ongoing core funding is required and grant funding was coupled with a ***new adult social care council tax precept of 2% (raising £2.9m locally), which residents and organisations are being asked their views upon.***

The Spending Round also confirmed that the West of England would retain its business rates pilot in 2020/21 when it had been expected that all pilots ceased in March 2020 pending the introduction of changes to the wider Local Government Finance System. With these changes delayed, the West

of England has been fortunate in retaining its pilot benefit resulting in an expected £4.4m of additional one-off resource.

Overall the estimated additional funding announced in the Spending Round equates to around £14.3m extra funding in 2020/21 – split between £11.4m on a one-off basis and £2.9m recurrent should the council proceed with the new adult social care council tax precept.

There are 3 areas we are consulting the public about:

1. The Council Budget and Savings Programme

This is wholly welcomed news for the council and taking forward these estimations and revisiting the timed use of our reserves the council is in a position where it can, at this point, balance its budget for the next 2 years. However, whilst this is a positive position to be in which supports and protects the services valued by residents and businesses, this does assume council tax will be increased in line with government limits and that existing savings programmes will be delivered in full and to time. Taking into account these assumptions, the council retains a core deficit of £11.9m at 2023/24 which will need to be revisited once the local impact of the government's changes to the Local Government Finance System is known for 2021/22 onwards.

Including spending on schools, the Council is budgeting to spend £641m in 2020/21 of which central government is contributing £76.9m towards general services and a further £227.5m specifically towards meeting Schools' expenditure. Up to 2019/20 the council will have delivered nearly £87m of savings to reduce cost pressures and keep the council's spending within its funding envelope. However, the council's medium term financial planning indicates that **more savings are required over the forthcoming 4 years to keep pace with increasing cost pressures, and it's where we make these savings that we are seeking public input.** This is not an uncommon situation for a council to be faced with and is one that this council has been adept at managing in recent years. Through financial planning over the medium term and effective management of its one-off reserves, the council has been able to develop a Transformation & Savings Programme that allows time for sustainable implementation and meaningful consultation, be that either internally with staff or externally with members of the public depending on the saving being proposed.

The council's Cabinet approved a report in July 2018, available to view at:

www.southglos.gov.uk/cabinet0718

which gave high level details of the transformation programmes to be taken forward by each department covering the proposals, consultation and decision making routes to be developed further. This was subsequently updated in February 2019 and is available to view at: www.southglos.gov.uk/cabinet0219. The key focus being to ensure the council's medium term financial plan is sustainable through the development of various initiatives to deliver improved value for money and reduce the rate of forecast increase in demand, while as far as possible improving or maintaining services.

The table below shows the services across which the council spends its funding – both as gross expenditure (£641m in total) and as net budget i.e. taking into account income (£224.9m). The table below shows the current % of savings proposed to be delivered by each department, along with the % reduction delivered to date. These proposals have been developed working in partnership with specialist consultants to ensure the proposals are as robust as possible. They continue to be regularly reviewed and take account of what is being done in other local authorities across the country.

Council Service Area by Department	Total Savings Planned to be Delivered up to 2019/20	2020/21 Expenditure	2020/21 Net Budget	2020/21 Proposed Savings	2020/21 Proposed Savings as a % of 2020/21 Departmental Budget	Total Delivered Savings as a % of 2020/21 Departmental Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Integrated Children's Services		35,838	26,145			
Education, Learning & Skills		8,704	7,177			
Adult Social Care		101,298	84,976			
Housing Services		4,917	3,284			
Public Health		11,813	1,261			
Commissioning, Partnership & Performance		4,384	3,857			
Business Support (inc. Directorate)		6,161	4,997			
Children, Adults & Health	41,506	173,115	131,697	4,449	3.4%	31.5%
Directorate		433	433			
Operational Support		1,703	589			
Safe & Strong Communities		10,132	5,892			
Strategic Planning		3,968	709			
Strategic Transport		3,894	1,534			
Streetcare & Transport		65,407	14,799			
Waste Management		21,399	17,650			
Environment & Community Services	22,457	106,937	41,606	3,077	7.4%	54.0%
Directorate		388	132			
Finance & Customer Services		55,731	6,291			
Human Resources		1,912	1,873			
ICT		2,724	2,341			
Legal, Governance & Democratic Services		4,937	3,237			
Property Services & Business Support		11,486	4,901			
Strategic Communications		668	648			
Integra Traded Services		14,440	35			
Chief Executive & Corporate Resources	20,398	92,286	19,458	235	1.2%	104.8%
Central Items		32,148	23,282			
Price and Risk Contingency		8,815	8,815			
Central Items	2,600	40,963	32,097	0	0.0%	8.1%
Council Services	86,961	413,301	224,858	7,761	3.5%	38.7%
Schools		227,817				
Total Council Services		641,118	224,858	7,761		

How the Council plans to fund its expenditure

Funded by:	2020/21 £'000	% of Total Income
Government - General Grants	13,532	2%
Government - Specific Grants	63,395	10%
Government - Schools Funding	227,488	35%
Sales, Fees & Charges and Other Income	126,307	20%
Business Ratepayers	58,744	9%
Council Taxpayers - General	137,004	21%
Council Taxpayers - Adult Social Care	12,953	2%
Use of Reserves	1,694	0%
	641,118	100.00%

2. Council Tax & Adult Social Care Precept

Prior to 2016/17 the Council had frozen council tax levels for five consecutive years. However, for 2016/17 the Government ended its council tax freeze grant scheme and allowed local authorities with Adult Social Care responsibilities to raise an additional 2% council tax 'precept' to support care for older people. This flexibility was subsequently increased to allow local authorities to increase the Adult Social Care Precept by up to 3% per annum, capped at 6% across 2017/18 to 2019/20.

In February 2018 the Council approved its 2018/19 revenue budget, confirming a council tax increase of 2.99% along with the 3% precept for adult social care. It also approved outline budgets for the following three years (2019/20 to 2021/22) to help it plan for the future. These included planning assumptions for council tax to rise by 2.99% in 2019/20 and 1.99% thereafter, in line with indicative government referendum limits. No further increase was available at this stage to the Adult Social Precept. The government's Spending Round in September 2019 proposed **a new increase to the adult social care precept of 2% in 2020/21**, whilst retaining the core council tax limit at 2% in line with the council's financial plans.

Whilst the council has based its plans on an assumed council tax rise of 1.99% for 2020/21, this is subject to approval by Full Council in February, and the feedback we get from local residents through this consultation helps local Councillors make a final decision.

A rise of 1.99% in 2020/21 would contribute £2.8m towards local council services coupled with a 2% adult social care precept contributing a further £2.9m. This would mean an increase of approximately £59.22 per year (or equivalent to £4.94 per month) for a band D household.

3. Changes to the Council Tax Reduction Scheme

South Gloucestershire Council became responsible for its local Council Tax Reduction scheme "council tax benefit" from 2013. The local Council Tax Reduction Scheme (CTR) uses a person's income to decide how much discount to apply to their council tax liability. The council is now consulting on **two possible changes in light of the wider roll out of Universal Credit** across the region. Information about the current scheme can be found here: <http://www.southglos.gov.uk/council-tax/counciltax-discounts/local-council-tax-reduction/>