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## **Council budget and savings programme consultation 2021/22 – 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. We would be grateful if you could complete the questionnaire and return it by **20th December 2020**.

You can also complete this survey online at: [www.southglos.gov.uk/budget](http://www.southglos.gov.uk/budget) until Sunday 3rd January 2021.

On 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 letter.

We are consulting the public on three topics:

### 1. The Council Budget and Savings Programme

The government has commenced a 4 year Comprehensive Spending Review (CSR) which sets government departments' resource budgets. This had been anticipated to accompany the Autumn Budget, however this has been delayed due to the pandemic leading to the likelihood of a one-year extension and increasing uncertainty for local authorities. The funding received by the Ministry of Housing, Communities and Local Government (MHCLG) will determine the funding available to local authorities in the next financial year.

At this stage in the council's budget setting process, the level of funding to be made available by MHCLG is not yet known and major changes planned to the Local Government Finance System in 2021/22 have been delayed by MHCLG due to the pandemic. The council has made sensible assumptions based on the information available to us now whilst taking into account the current impact of COVID-19 being felt against council tax and business rates.

Taking into account these assumptions, the council is seeing its core deficit increase to £13.8m in 2021/22 which will be managed through using council reserves. The core deficit rises to £22.5m at 2022/23 and will need to be revisited once the outcome of the CSR and the local impact of the government's changes to the Local Government Finance System is known for 2022/23 onwards.

Including spending on schools, the council is budgeting to spend £689m in 2021/22, of which central government is contributing £77.5m towards general services and a further £244.8m specifically towards meeting Schools' expenditure. By 2023/24 the council will have delivered over £102m of savings to reduce cost pressures and keep the council's spending within its available funding.

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 we would like public input on where we make these savings.***

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 here, <https://council.southglos.gov.uk/documents/s97852/TSPJulyCabinet%20Covering%20Report%202018%20FINAL.pdf> 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 annually with the latest iteration available to view here <https://council.southglos.gov.uk/documents/s115108/Final%20Revenue%20Capital%20budget%200report%20-%20Council.pdf>.

The key focus is 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 (£689m in total) and as net budget i.e. taking into account income (£238.3m). The table below shows the current % of savings proposed to be delivered by each department, along with the % reduction delivered to date. 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 2020/21	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Proposed Savings	2021/22 Proposed Savings as a % of 2021/22 Departmental Budget	Total Delivered Savings as a % of 2021/22 Departmental Budget
	£'000	£'000	£'000	£'000	%	%
Integrated Children's Services		39,829	30,294			
Education, Learning & Skills		10,112	8,579			
Adult Social Care		106,598	90,351			
Housing Services		5,097	3,177			
Public Health		11,944	1,578			
Commissioning, Partnership & Performance		4,923	4,535			
Business Support (inc. Directorate)		6,653	4,830			
Demand and Price Contingency		9,895	9,895			
<b>Children, Adults &amp; Health</b>	<b>46,410</b>	<b>195,051</b>	<b>153,239</b>	<b>2,034</b>	<b>1.3%</b>	<b>30.3%</b>
Directorate		306	306			
Operational Support		2,930	2,250			
Safe & Strong Communities		12,459	7,357			
Strategic Planning		3,453	811			
Strategic Transport		2,918	1,593			
Streetcare & Transport		48,689	11,805			
Waste Management		49,942	19,018			
<b>Environment &amp; Community Services</b>	<b>25,534</b>	<b>120,698</b>	<b>43,141</b>	<b>2,395</b>	<b>5.6%</b>	<b>59.2%</b>
Directorate		1,414	1,334			
Finance & Customer Services		54,116	4,623			
Human Resources		2,054	1,895			
ICT		2,488	2,369			
Legal, Governance & Democratic Services		5,071	3,341			
Property Services & Business Support		14,162	4,823			
Strategic Communications		844	683			
Integra Traded Services		13,161	0			
Central Items		35,077	22,823			
<b>Chief Executive &amp; Corporate Resources &amp; Central Items</b>	<b>22,281</b>	<b>128,387</b>	<b>41,891</b>	<b>171</b>	<b>0.4%</b>	<b>53.2%</b>
<b>Council Services</b>	<b>94,225</b>	<b>444,136</b>	<b>238,271</b>	<b>4,600</b>	<b>1.9%</b>	<b>39.5%</b>
<b>Schools</b>		<b>245,024</b>				
<b>Total Council Services</b>		<b>689,160</b>	<b>238,271</b>	<b>4,600</b>		

## How the Council plans to fund its expenditure

Funded by:	2021/22 £'000	% of Total Income
Government - General Grants	14,983	2%
Government - Specific Grants	62,494	9%
Government - Schools Funding	244,832	36%
Sales, Fees & Charges and Other Income	138,426	20%
Business Ratepayers	57,929	8%
Council Taxpayers - General	138,536	20%
Council Taxpayers - Adult Social Care	13,065	2%
Use of Reserves	18,894	3%
	<b>689,160</b>	<b>100%</b>

## 2. Council Tax & Adult Social Care Precept

In 2016/17 the Government 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.

The council is currently assuming the core council tax limit will remain at 2%, however, should the government allow a further flexibility then the council would be keen to utilise and 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 local residents through this consultation helps local Councillors make a final decision.

A rise of 1.99% in 2021/22 would contribute £3m towards local council services, and coupled with a 2% adult social care precept would contribute a further £3m. This would mean an increase of approximately £61.58 per year (or equivalent to £5.13 per month) for a band D household.

## 3. Potential schemes to support vulnerable residents

There is growing evidence that people are struggling financially as a result of the Covid-19 pandemic. As applications to the Council Tax Reduction Scheme have increased compared to previous years, the council is considering ways to help its most vulnerable residents.

We would like to hear your views on two ideas. Firstly, whether residents would be willing to pay more Council Tax if the increase helped residents on low incomes.

Secondly, whether residents would support the introduction of a voluntary Community Contribution Scheme.

A number of councils across the country have either introduced, or are considering introducing, a voluntary contribution scheme to fund residents' priorities. The council has recently consulted on its Council Plan 2020-2024, and is considering opportunities for funding the arising ambitions. One of the four priorities which had strong support is 'Creating the best start in life for our children and young people'.

The council is considering introducing a voluntary contribution scheme to provide additional funding towards this priority. If the decision is taken to progress with the scheme then there will be a further consultation on the detail of how the scheme will be operated.