

Overview and Scrutiny Management Board

19th January 2017



Report of: Anna Klonowski, Interim Strategic Director of Business Change

Title Bristol City Councils Savings and Investment Proposals

Ward: City Wide

Officer Presenting Report: Denise Murray: Service Director: Finance & s.151 Officer

Contact Telephone Number: 0117 35 76255

Recommendation

Issues for Consideration / Recommendations

The proposals within this report will form the basis of the Council's Revenue budget for 2017/18 and Capital Programme for 2017 – 2022; and the Overview and Scrutiny Management Board is invited to comment on any individual matter arising from the papers.

Due to the continuing level of financial restraint within the Council the Overview and Scrutiny Management Board is asked to note that the process of delivering a balanced Revenue Budget for 2017/18 and Capital programme will include a range of service changes that will have a wide impact. To reconsider or reject any of the savings proposed based on any of the accompanying information they are also asked to suggest alternatives to ensure that the Mayor and Cabinet can consider these in the context of achieving a balanced and viable revenue budget and affordable capital programme.



Context

1. Going into 2017/18 Budget Setting the Council faced a financial gap of £23.8m (as per the MTFS agreed by Council February 2016) and new financial pressures have subsequently emerged. The Council now faces an enormous financial challenge due to austerity driven reductions in public sector funding, compounded by an increasing demand for its services (social care in particular). The Council must continue to manage every single penny in a responsible and frugal way, to ensure its resources are spent wisely and with ruthless priority given to front line delivery of services.
2. For 2017/18, the council has estimated that it needs to identify either additional income or make savings of around £52m and a further £49m taking the total to £101m over the next five years (to 2021/22). The Council is legally required to set an annual balanced budget presenting how its financial resources, are to be allocated and utilised; thus showing the Council's financial plan for the coming year with regard to statutory services as well as local key priorities and objectives.
3. In considering all of the above the Mayor will take the opportunity to set a balanced budget for 2017/18, agree the future outlook which sets the direction of travel and the Medium Term Financial Plan will be presented later in the financial year.
4. The proposals within this report will form the basis of the Council's final revenue and capital programme for 2017/18 and incorporating the following details:
 - Summary of Revenue Investment in Services (£44.8m 2017/18 - Appendix 1)
 - Saving propositions recommended for approval (£34.5m 2017/18 - Appendix 2)
 - Draft Capital Programme 2017 – 2022 (£900m – Appendix 3 - 2017-2022)
5. The allocation of Government funding for 2017/18 was outlined in the provisional Local Government Finance Settlement announced in December 2016. The provisional Settlement signalled a continued reduction in local government funding over the next 3 years. In the previous year the Council had the flexibility to increase Council Tax by up to 4% (2 % City Council's base element and 2% Social Care Precept), without holding a local referendum on the matter. In recognition of the increasing pressure on Adult Social Care services across the country the Government have increased this flexibility by a further 1% Social Care Precept, taking the maximum up to 5%.
6. In determining the budget gap outlined in paragraph 2 above, the revenue figures assumes the council will take up this additional 1% flexibility, increasing the 2017/18 council tax by 4.99% in order to increase the resources available to fund Adult Social Care services in the city.
7. Overall the report incorporates a package of changes that allows the Council to continue to deliver its key policies, as set out in the Corporate Strategy. This has been achieved due to the additional resources available to the Council, as well as a series of savings options to balance the budget. The Council is maintaining an ambitious approach to investing in its services and investing in the City.

Saving Revenue Investment in Services (Appendix 1)

8. Budget rebasing is the proper starting point for closing the Budget gap, and where it has been practical to do so; Service budgets pressures with evidenced ongoing budget pressures which cannot be contained or in need of investment to deliver priorities have been allocated additional funds.

Saving propositions recommended for approval (Appendix 2)

9. Whilst the saving ideas identified in the consultation where in the region of £51 million, it was recognized that even if they were all fully supported they would not close the budget gap and further options would need to be explored. Attached in appendix 2 is the comprehensive list of saving propositions (£64m) that are recommended be taken forward to contribute to bridging this gap. Whilst the budget will be balanced for 2017/18 with a small contribution from reserves on services; the council still has to agree measures to deliver the remaining circa.£37m of the savings required in later years.
10. If any of these proposals were not to be approved then alternative compensating savings would need to be identified and recommended to Council.

Draft Capital Programme 2017 – 2022 (Appendix 3)

11. The Capital Programme for the five years to 2022 has been updated to take account of new and emerging pressures. The Council continues to have ambitious investment plans, and the Council is asked to approve a capital programme that is likely to cost some £900m over the period. The Council finances its programme from a number of sources including specific capital grants, capital receipts and borrowing.
12. The approach has been amended for 2017/18 to improve transparency and certainty on what is in the approved programme. The previous presentation of considering Tier 1, Tier 2 and Tier 3 programmes (of which only funding for Tier 1 was reflected in the medium term financial plan) has been replaced with one programme which the Mayor is putting forward for approval – along with the estimated revenue implications of that proposed programme.

Financial Implications

13. The details within this report underpin the revenue & capital plan and council tax base 2017/18 and the full implications will be outlined in the report.

14. Legal Implications

As above

15. Public Sector Equality Duties

- 5a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each

decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to -
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

5b) The Scrutiny function plays an important part in assisting the Council in meeting its public sector equality duties and ensuring that the views of different communities and members of the public are taken into account in the development and delivery of services. Scrutiny work streams need to ensure that assessments of equalities impacts are an integral part of their work both in terms of scoping topics, gathering evidence and formulating recommendations.

Appendices

Appendix 1 - Summary of Revenue Investment in Services

Appendix 2 - Saving propositions recommended for approval

Appendix 3 - Draft Capital Programme 2017 – 2022

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: