

# **RESOURCES SCRUTINY COMMISSION COMMENTS ON 2023/24 BUDGET PROPOSALS**

## **INTRODUCTION**

The Finance Task Group met on regular occasions from late summer 2022 and onwards through the autumn/winter to receive detailed briefings as the 2023/24 budget preparation progressed.

The administration's budget consultation proposals were scrutinised in detail at meetings of the Resources Scrutiny Commission held on 22 and 23 November. The relevant sections of these meetings were also attended by members of the other scrutiny commissions, Cabinet members and senior officers.

Following the publication of the Cabinet's budget proposals in January, the Finance Task Group met and identified specific areas of focus and questions. Subsequently, the members convened as the Resources Scrutiny Commission in two sessions held respectively on 31 January and 2 February to scrutinise the budget proposals and (based on the areas of focus identified by the Finance Task Group) to ask questions of Cabinet members and officers. The relevant sections of these meetings were also attended by members of other scrutiny commissions.

Members welcome the involvement and openness from Cabinet and officers. We wish to specifically thank Denise Murray, Director: Finance and all the officers who supported the extensive series of Finance Task Group meetings, and also Stephen Peacock, Chief Executive, Executive Directors and Service Directors, Councillor Craig Cheney and his Cabinet colleagues who attended all the public meetings of the Resources Scrutiny Commission and responded to our questions.

The comments set out below have been agreed by all parties that serve on and attended the Resources Scrutiny Commission budget meeting. They are intended to inform members when considering the budget but are not intended as any form of criticism of all who have put so much effort into the budget papers. The detailed minutes of the Part 1 (31 January) and Part 2 (2 February) budget scrutiny sessions are enclosed respectively as Appendix A and Appendix B.

## **RESOURCES SCRUTINY COMMISSION - COMMENTS ON BUDGET PROPOSALS**

### **A. GENERAL COMMENTS**

1. The scale of the very significant budgetary challenges faced by the Council and the need for urgent action to balance the budget is recognised, together with the wider context of

the national issues presented through the economic situation/cost of living crisis and uncertainty over short, medium and long-term local government funding.

2. The scale/amount of budget savings proposed in the 24 January Cabinet report against a number of items nevertheless seemed arbitrary, with insufficient detail available in some cases to enable members to understand clearly and assess how some savings will be delivered – this issue was discussed in detail in relation to particular services at our meetings held on 31 January and 2 February.

3. All savings proposals should have sufficient information for members to understand impact, alternatives and likelihood of delivery. It is questionable whether the level of optimism bias applied to each proposal fully reflects both the challenge of delivering the saving, but also the previous experience of achieving savings within service areas.

## **B. PEOPLE (Children and Education & Adult and Communities directorates)**

### **1. Dedicated Schools Grant (DSG)**

Members are very concerned about the impact of very substantial pressures and significant challenges in the Early Years and High Needs blocks and how these can be sustainably resolved. The extent to which reserves are being used is a serious issue and an area of high ongoing risk for the Council.

In our discussions on 31 January, we noted that:

- a. Notwithstanding the particular circumstances in Bristol, the challenge faced around DSG deficit is a national issue with serious implications for a significant number of local authorities.
- b. In terms of the high needs block deficit, the statutory override permitted by the government allows borrowing from other council budgets to cover the deficit, but a long-term plan is needed to achieve a sustainable solution. The statutory override effectively gives the Council a maximum of 3 years to achieve a solution and reduce the deficit. This work must be progressed as quickly as possible.
- c. A DSG management plan is being developed, with the engagement of the Bristol Schools Forum, including a range of mitigations. This sits alongside the Delivering Better Value programme which will identify opportunities to improve outcomes for children with Special Educational Needs and Disabilities.
- d. Scrutiny will be kept informed of and consulted on the management plan and this will be picked up in the context of the People / Resources scrutiny work programmes.
- e. Given the seriousness of the issue, the DSG deficit will continue to be highlighted in the authority's Annual Governance Statement.

### **2. Service provision/quality of Children's Services and Adult Social Care**

#### **a. Savings**

We note that very significant savings are proposed at a time of increased demand for some services. We are concerned whether these savings/efficiencies can realistically be delivered without impacting on service quality and effectiveness.

## **b. High-cost individual care packages**

Some individual care packages continue to be very high cost (some incurring costs of £10 - 15k per individual per week through expensive, outsourced private sector provision). We are keen to see that all possible action is taken, e.g. through 'spend to save' initiatives to deliver increased, locally based solutions and to reduce the high costs of 'out of area' placements/provision. All available 'spend to save' options should be explored, for example around developing extra care housing to help enable more independent lives and reduce out of area placements.

In our discussions on 31 January, we noted that:

- a. Staffing structures across adult social care will be reviewed to ensure they are 'fit for purpose' - and that, as service redesign is taken forward, some staff roles may need to change as part of moving to a better service. It is important to bear in mind that in relation to adult social care, Bristol is a relatively high spender but not necessarily a high performer across all service areas.
- b. A key part of the approach is to provide services which will help people to live as independently as possible at home; apart from helping to improve the quality of individuals' lives, this has the added benefit of reducing costs when compared with the cost of care settings.
- c. A service transformation programme is being developed for the new Children and Education directorate which will include examining and addressing wider issues around workforce recruitment and retention with full account also to be taken in the plans of any recommendations for improvement arising from the recent Ofsted Inspection of Bristol's Children's Services.
- d. There is a wider corporate issue to be addressed and managed through with the Integrated Care Board and other partners in terms of reviewing tripartite arrangements, particularly in terms of ensuring a more equitable sharing of costs in relation to high cost placements.
- e. Improved arrangements are in place to actively monitor adult social care provision and related budgets. It is essential to continue the drive to use resources as effectively as possible.

## **C. RESOURCES DIRECTORATE:**

### **1. Savings in Legal and Democratic Services (£900k), Finance restructure (£998k), IT service (£450k)**

We are concerned to ensure that these savings/efficiencies are delivered without impacting on service quality and effectiveness.

In our discussions on 31 January, we noted an assurance that in implementing IT savings, every effort will be made to mitigate any impact on service delivery.

### **2. Mayor's/Executive office 2024/25 saving**

Cutting budgets in this area appears short-sighted e.g. savings in the Mayor's/Executive office means money is being taken out of the budget but in the knowledge that the new committee governance model will require funding from May 2024. The year 2024/25 saving is therefore unlikely to be realised as funds will likely be redeployed.

### **3. Savings in Local crisis prevention fund (£350k) and Debt collection outreach (£100k)**

We raised concerns about the impact of these proposals, especially in terms of the risk of additional pressures caused to other services.

In our discussions on 31 January, we noted that it is the administration's intention to top-up these budgets through the Household Support Fund as 2023/24 progresses.

### **4. Reserves**

We note that reserves are under pressure, not just in relation to DSG, amid current and future financial uncertainty.

## **D. GROWTH & REGENERATION DIRECTORATE**

### **1. Supported bus services/transport levy**

We note the recent decisions taken by the West of England Combined Authority on supported bus contracts, which will see a significant reduction in the number of services able to be continued (noting that the West of England Mayor does not have any precepting powers and that supported bus services are funded through the transport levy contributions made by Bristol, South Gloucestershire and Bath & North East Somerset councils as the constituent members of the Combined Authority).

We discussed this issue at length on 2 February. In acknowledging the national issues in relation to bus services, there was nevertheless a general concern among scrutiny members about the impact in the next year for residents arising from the significant reduction in supported bus services. Members also flagged the importance of the Combined Authority and Bristol (and the other West of England authorities) working together effectively to tackle the longer-term challenges in relation to bus services. In terms of the budgetary aspects, members expressed disappointment that in advance of proposals being included in committee reports, scrutiny had been given no advance information or input into discussions about the 2023/24 transport levy.

### **2. Savings in transport and highway maintenance (£1m)**

We identified concerns in advance of our scrutiny session about the level of detail provided, particularly about alternative income sources.

At our 2 February meeting, we noted that:

- a. Seeking alternative income services will be an ongoing process, i.e. not confined to 2023/24 as seemed to be indicated in the papers.
- b. It was projected that in 2023/24, potentially up to £1m of Clean Air Zone income would be available and that, under set criteria, this income could be used to support sustainable transport interventions.

### **3. Savings in City Transport discretionary activities (£940k)**

We identified concerns in advance of our scrutiny session about the level of detail provided.

At our 2 February meeting, we noted that the proposed savings (which include some savings in relation to bus stop maintenance, road safety and residents parking expenditure) have

been assessed as deliverable by the transport/highways teams whilst continuing to maintain services. Scrutiny members are concerned that it may ultimately prove to be a false economy if bus shelters are not maintained to appropriate standards, for example in relation to lighting, as this may deter some potential bus users. We noted an assurance from the Cabinet member for Transport that the savings would be implemented carefully so that bus stop standards are maintained.

#### **4. Savings in Sustainable City and Climate Change services (£286k)**

We identified concerns in advance of our scrutiny session around the likely sources of external funding required to enable this saving to be made, and whether this proposal placed the Council's net zero carbon objectives at risk.

We also feel that net zero objectives plus higher energy costs mean that all possible 'spend to save' investment opportunities should be explored/accelerated in this area.

At our 2 February meeting, we noted there was confidence within the Climate Change team around their ability to secure longer term external funding so that the delivery of the Council's climate and carbon neutral ambitions are not impacted; and that appropriate mitigation is being put in place to ensure that current work streams continue. We feel though that it will be essential to ensure that the Climate Change team has capacity to develop the required external funding bids.

#### **5. Council owned companies and related issues**

We identified the following concerns in advance of our scrutiny session:

- a. A concern that the Council budget will be approved without the detail of Bristol Waste's Business Plan being available, which constitutes an unnecessary risk.
- b. An accountability issue: staff will transfer from the Council as a result of the establishment of the City Leap Energy Partnership but how will the Council monitor developments if there is effectively no 'client' function'?
- c. The Council will still need the ability to develop energy saving proposals and higher energy costs makes this a priority.

At our 2 February meeting, we noted that in relation to the City Leap Energy Partnership, a new client function is being established.

#### **6. Savings linked to waste service charges**

We are concerned about a number of issues in relation to the proposed waste service charges:

- a. The potential impact/adverse consequences of the proposed charges on recycling rates and fly-tipping.
- b. The 'fairness' issue of charging customers for replacement bins in circumstances where bins are damaged beyond repair by crews (in response to this latter point, we received an assurance at our 2 February session that free replacement bins will be provided in circumstances where bins are damaged by crews).
- c. In relation to the proposed £5 charge for Christmas tree collections (noting that this service will continue to be free for green waste bin subscribers), we query whether there will in reality be a significant saving/benefit in overall terms if an adverse consequence of

this measure sees some trees being disposed of by fly-tipping or burning following the introduction of this charge.

We note that the revised waste service charges are subject ultimately to finalisation through the Bristol Waste business plan.

#### **7. New parking charges for small district car parks (saving of £150k)**

A number of scrutiny members raised concerns about the impact of introducing new car parking charges at small district car parks. In particular, it was highlighted that in Westbury-on-Trym, charges would impact on local residents (and residents from Southmead and Horfield) who use that car park to access the GP surgery and local banks and churches; the impact of these proposals on communities and local high streets must be considered. Concerns were also expressed about the impact of these charges in other areas such as Shirehampton.

The impact of these proposals on communities and local high streets must be considered. A number of members feel that the impact of these changes on residents seems disproportionate given the savings that will be achieved are small in the context of the wider budget. Some doubts were also expressed about the degree (and cost-effectiveness) of enforcement linked to these proposals.

If these proposals progress, we ask at least that serious consideration is given to refining the detail to take account of community impact. For example, with reference to the Westbury-on-Trym car park, the proposals could perhaps be refined to allow, for example, a free first half-hour or free first hour's use of the car park to assist those visiting the GP surgery or local shops; alternative timing of charges could also be considered on Sundays to assist congregations of the two neighbouring churches; and a maximum parking time of 4 hours would assist in ensuring 'turnover' of car park space availability.

### **E. CAPITAL PROGRAMME**

Given the budgetary pressures, we will continue to seek assurance/clarification as necessary on the action/measures being taken by the Council in relation to the governance and management of the capital programme, in response to last year's External Auditor's report, including action to address slippage within the capital programme and to address any inflationary impact of slippage/delay.

We are also concerned that work is taken forward in assessing the carbon impact of projects included in the capital programme (this point also applies to revenue spends). At our meeting on 2 February, we noted an approach around a sustainable framework is being piloted with Arcadis across 5 projects; we wish to be kept updated on this.

## **F. HOUSING / HOUSING REVENUE ACCOUNT BUDGET PROPOSALS 2023/24**

We note and support the range of short term and longer-term actions being taken in relation to the Council's housing blocks in response to concerns about EPS (expanded polysterene) cladding. We also urge accelerating relevant aspects of spend within this programme where possible to reduce overall costs and wish to be kept informed of progress.

We also wish to be kept advised of progress in creating new temporary accommodation, including the use of existing properties (including council housing) and working with partners to source available properties, and therefore reducing spend on expensive and inappropriate accommodation.

**Councillor Geoff Gollop**  
**Chair, Resources Scrutiny Commission (on behalf of members of the Commission)**

### **APPENDICES:**

Appendix A: Minutes of the Resources Scrutiny Commission - Budget Scrutiny meeting – Part 1, 31 January 2023

Appendix B: Minutes of the Resources Scrutiny Commission - Budget Scrutiny meeting – Part 2, 2 February 2023