

Budget Consultation: 2017 to 2020

APPENDIX 4

Embargoed until 00:01am Thursday 8th December 2016
Bury Council



Foreword

Thank you for taking time to read the Council's **Budget Consultation for the three year period 2017 to 2020**.

Under the Government's austerity programme, local authorities have been subject to ongoing funding reductions since 2010.

Coupled with increasing service pressures, e.g. Social Care, Bury Council has been required to make cuts totalling **£65 million** since 2010; this represents 46% of what the Council's budget was in 2010.

This trend is set to continue until at least the end of the current Parliament, with a further 24% reduction in funding proposed, whilst continuing economic and demographic pressures put ever greater strains on our shrinking resources.

We estimate that Bury Council will have to make cuts of at least **£32 million** over the next three years in order to set a legal, balanced, and sustainable budget.

To provide certainty and stability, we intend to set a **3 year budget** in February 2017, recognising that many service reform measures cannot be implemented in a single financial year, and will need time to develop and bed in.

This pack sets out:

- Key information regarding the Council's budget
- Proposals for 2017 to 2020
- The consultation process and how you can be involved
- Key timelines for developing and approving the 3 year budget.

Despite the financial challenges we face, Bury Council has a proud record of delivering quality services, with a high degree of resident satisfaction - underpinned by strong financial management.

We hope you find this document useful and look forward to you engaging with the consultation process.

Councillor Rishi Shori
Leader of the Council

Councillor Jane Lewis
Deputy Leader of the Council
& Cabinet Member for Finance & Human Resources

Context

Local authorities have seen significant funding reductions since 2010, and Bury has been no exception. In addition, Bury has suffered from a particularly low funding base for many years.

As a borough, we have been disadvantaged by Government funding formulas for a considerable period (see page 6 for further information), and have consequently not had the level of resource enjoyed by surrounding boroughs.

Our population is changing – resident numbers are increasing, and the age profile of residents is rising. The increasing number of elderly residents, often require council social care support for long term and increasingly complex conditions.

Service pressures and costs are therefore increasing as funding reduces. The same pressure also applies to Public Services across the Borough, most notably the NHS.

In drafting these budget proposals, it is essential that the Council and all other relevant agencies work together to address our shared demand pressures within the context of reducing resources.

It is equally important that we engage with local residents, as we cannot address these challenges alone; we need the support of our communities and neighbourhoods.

Council Vision

Our vision is to ***"lead, shape and maintain a prosperous Bury that is fit for the future"*** within the financial constraints forced upon us, ensuring services are both affordable and sustainable. We will do this through changing the Council's approach to public services, with a focus on developing resilient neighbourhoods, further empowering our communities and residents to be able them to self-help where possible, and improve their quality of life.

The Council and its Partners have a shared set of aims and outcomes for the people of Bury to:

- Live healthier, more resilient lives and have greater control of their wellbeing
- Live in a clean and sustainable environment
- Achieve a high level of education and skills, improving people's life chances
- Enjoy a decent standard of living (and are afforded greater opportunities through economic growth)
- Have a safe place to live.

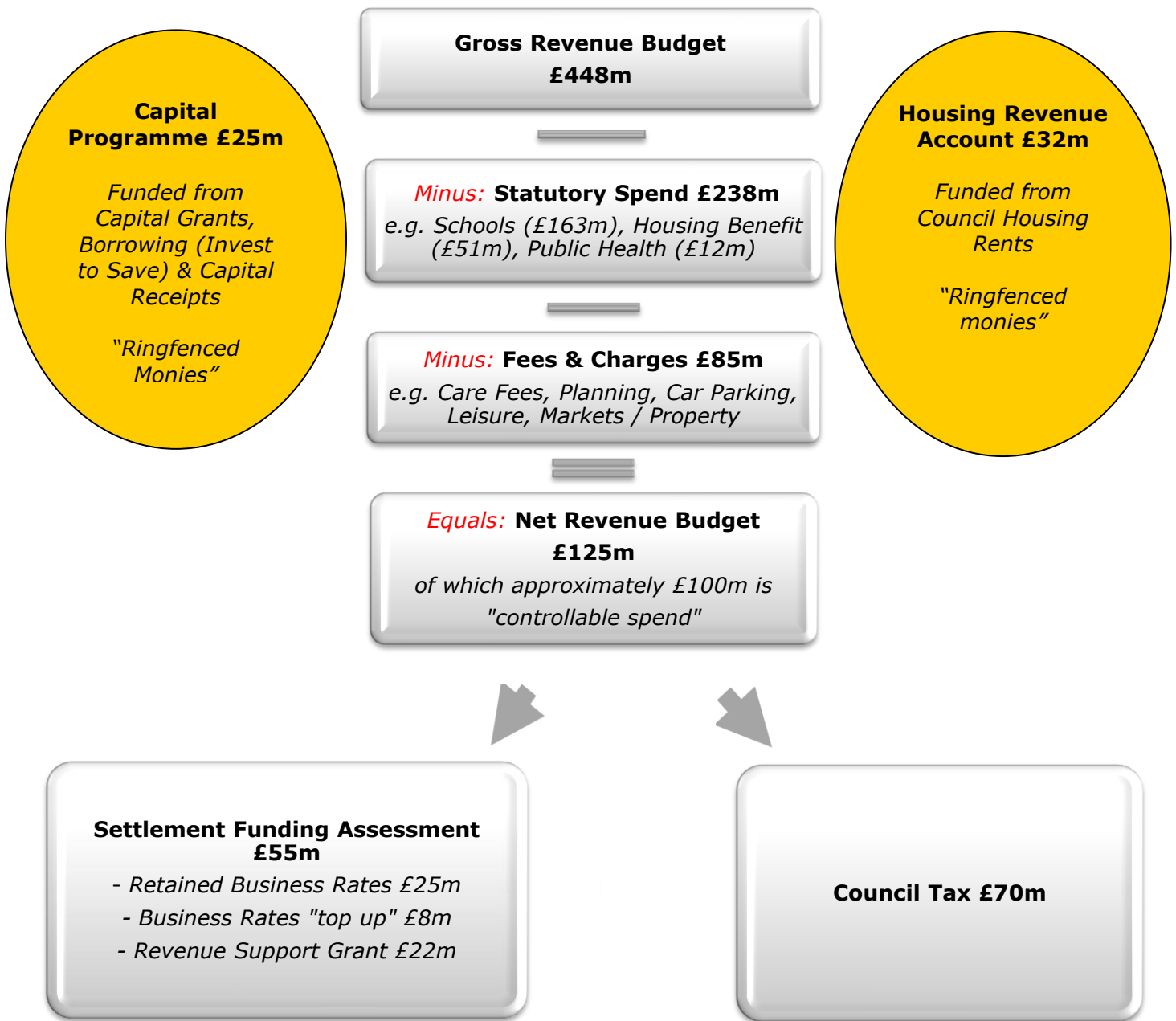
Having these shared outcomes will enable greater integrated multi-agency working, based in your neighbourhood. You will be able to play an active role in the delivery of services and take ownership of issues that affect you in your community.

Your Council will increasingly become an enabler of services, rather than delivering the same services in the same way we have done previously. We will look to take advantage of the best that Greater Manchester devolution has to offer as it develops, whilst ensuring the Borough retains its local character.

Our "Vision, Purpose & Values" document sets out this approach; copies are available from <http://www.bury.gov.uk/index.aspx?articleid=11612>.

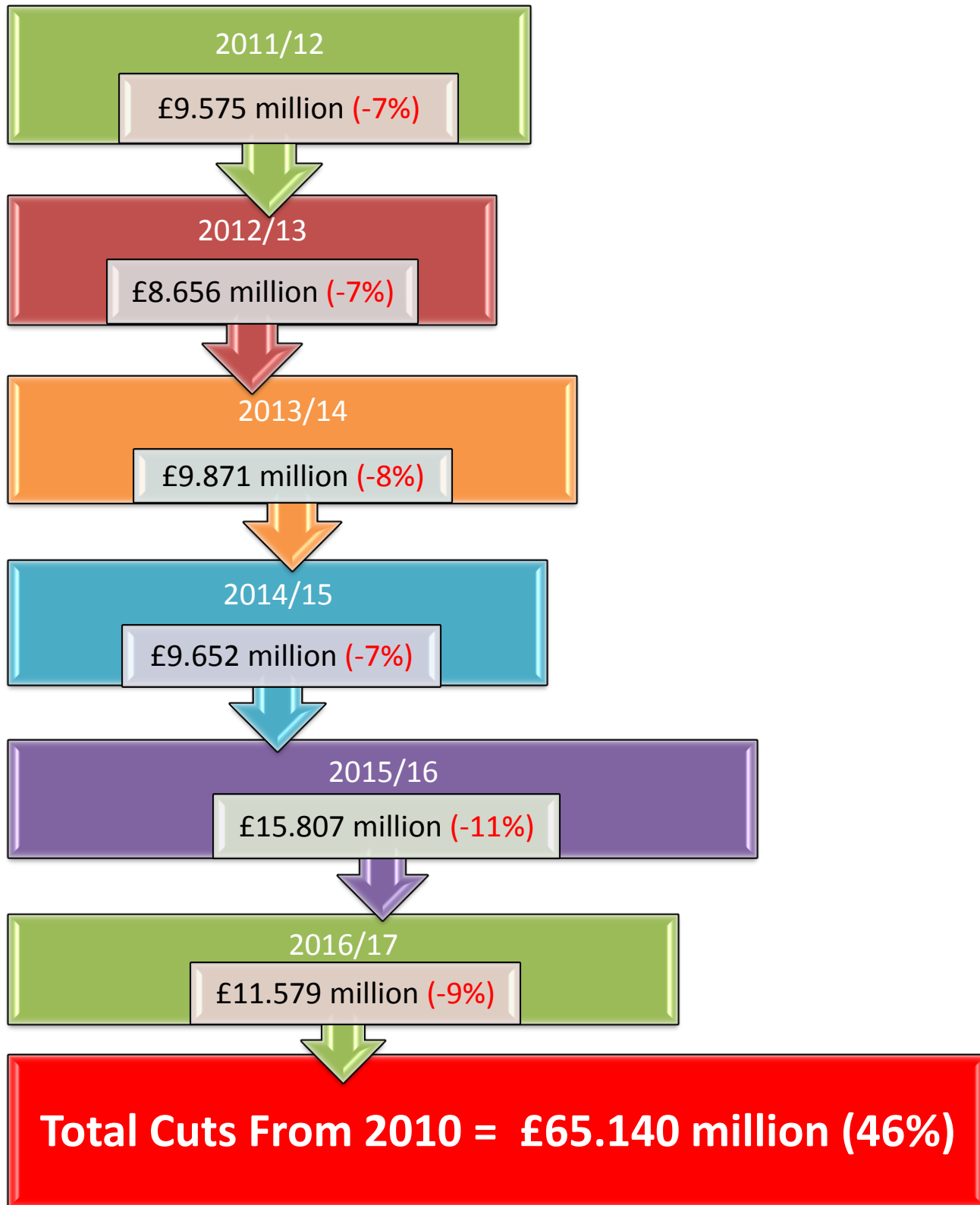


Overview of Council Funding (2016/17)



Our Cuts Since 2010

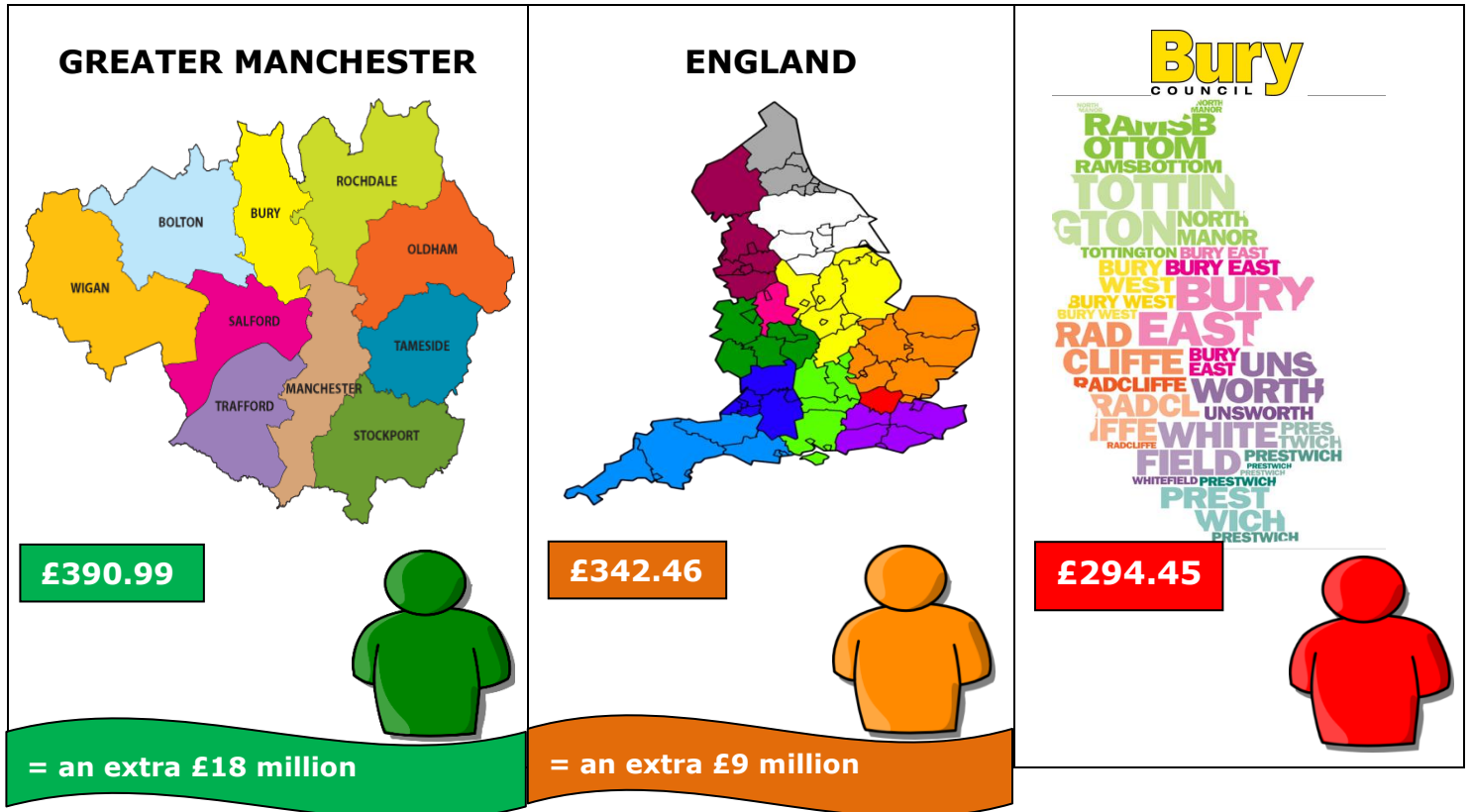
The diagram below summarises the extent of cuts the Council has been required to make:



A "Fair Deal" for Bury?

Bury has suffered from a low amount of funding (Settlement Funding Assessment) per head of population for a long period.

The illustration below outlines this disparity and indicates what level of resources would be available if we were funded at regional/ national levels:



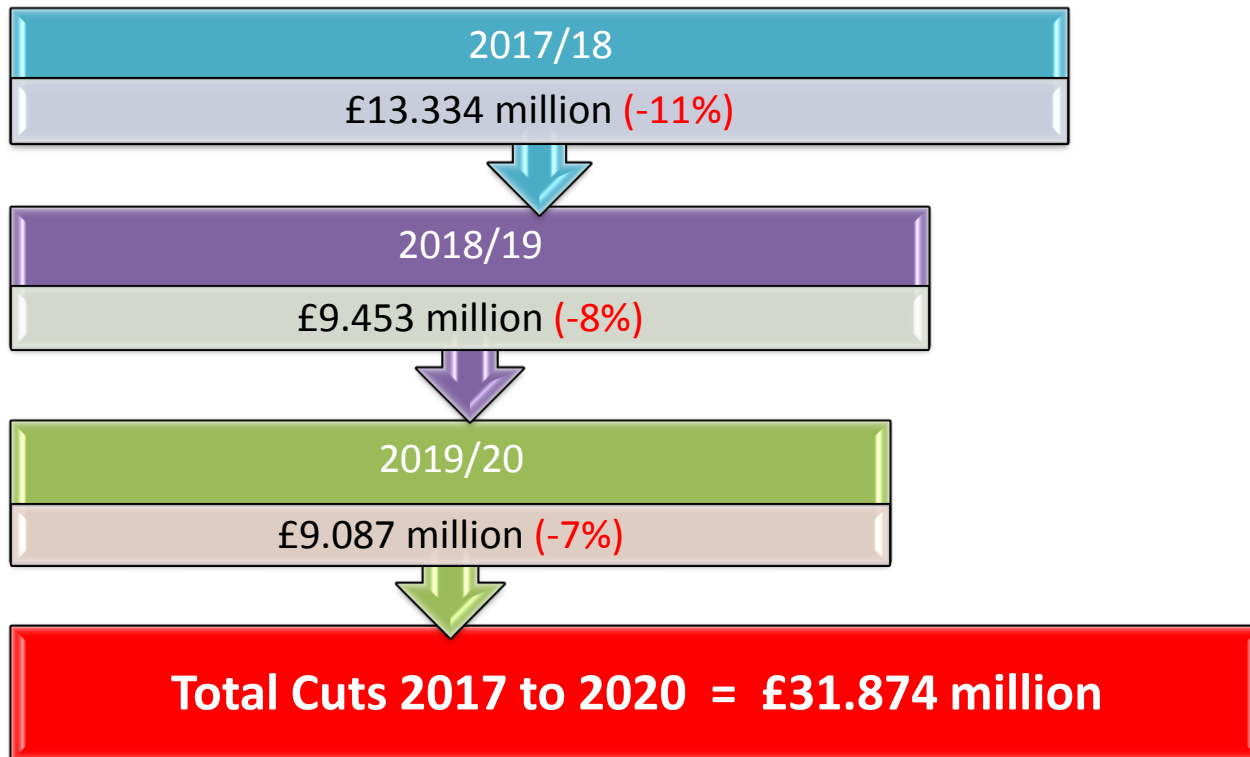
What Else Do We Need To Allow For?

In addition to an already low and significantly reducing level of funding, it is necessary to try to factor cost changes into our budget forecasts for:

- Inflation
- Energy Prices
- Increases in levies from other bodies
- Cuts to non-core funding streams
- Legislative and regulatory changes, e.g. Apprenticeship Levy, Living Wage, etc.

Statutory Services

Many of the Council's services are statutory, limiting the areas from which cuts can be made. Despite this, the Council estimates the following cuts will be required for the next three years:



Council Tax

In calculating these cuts, there is a working assumption that Council Tax will rise by 1.94% for each of the three financial years 2017/18, 2018/19 and 2019/20.

In addition, it is assumed that the Council will adopt the "Social Care Precept" as allowed by Government to at least partly fund Adult Social Care pressures.

This represents a further 2%; giving an assumed Council Tax increase of 3.94% per annum.

A 3.94% equates to an increase of £53 per year (roughly £1 per week) for an average "Band D" property.

It is important to note that Council Tax levels are set annually (February) at a full meeting of the Council.

Reserves


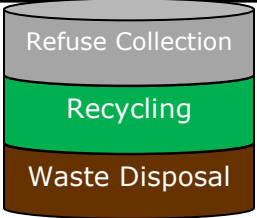





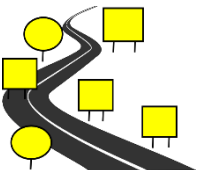
As is good practice, Local Authorities maintain reserves; these are either legally earmarked for specific purposes, or available to deal with unforeseen circumstances. As a result of continuing low funding levels, Bury's reserves are not as high as some authorities. The budget proposals in this pack prudently assume no long term reliance on the use of Council reserves; it is recognised

though that some temporary use may be required to address budgetary timing issues between the three years being considered.

How much do your Services Cost ?

The Council delivers over 150 different services to a population of over 186,000 (approximately 80,000 households).

Costs of key services are summarised in the graphic below:

<ul style="list-style-type: none"> We currently spend £4.0 million collecting your bins; an average 62p for each bin collected We spend £12.5 million on Waste Disposal via the Greater Manchester Waste Disposal Authority The more you recycle, the more costs can be kept down 	 
<ul style="list-style-type: none"> We currently spend £46.8 million on Adult Social Care Care costs on average £286 per person needing care per week Increased longevity and complexity of conditions increases demand for these services 	
<ul style="list-style-type: none"> We currently spend £10.6 million on Looked After Children Residential Care Packages cost on average £2,175 per child per week We are trying to further increase fostering & adoption to secure better outcomes for our young people 	
<ul style="list-style-type: none"> We currently spend £1.2 million supporting sport and leisure facilities There has been an influx of other sport and leisure providers across Bury in recent years 	
<ul style="list-style-type: none"> We currently spend £2.4 million operating 17 Libraries We spend a further £460k on Museums, Galleries & Culture We are currently consulting on the future of our Libraries 	
<ul style="list-style-type: none"> We currently spend £2.2 million maintaining Parks & Open Spaces 12 of our parks have "Green Flag" status, more than any other borough across GM 	
<ul style="list-style-type: none"> We currently spend £6.4 million maintaining the borough's highways, this includes road surfacing, footways, drainage & street lighting This equates to £9,760 per kilometre of road It costs an average of £52 to fill a "pot hole" Like most local authorities, due to ongoing cuts we have a backlog of road maintenance 	

Budget Proposals

Services are delivered from three Council Departments:

- Resources & Regulation
- Children, Young People & Culture
- Communities & Wellbeing

Plans for each Department to address the financial challenge to 2020 are summarised in the following pages.

Resources & Regulation

Services provided by this Department include:

- Finance
- Human Resources
- IT
- Housing Benefits / Council Tax / Business Rates
- Highways Management
- Planning
- Trading Standards
- Property Services /Markets

Existing Budget - £20 million



Reconfiguration of back office services (£900k); we operate a range of back office services including Finance, HR, IT, etc – all will be reviewed to ensure that structures deliver increasingly efficient and resilient services making best use of technology.

Collaborative Working (£800k); we will examine areas where services can be provided collaboratively – working with other local authorities and partner organisations.

Rationalisation of Council Property (£500k); the Council's footprint has reduced significantly in recent years; we will continue to rationalise our properties, making further use of technology and agile working practices.

Income Generation (£600k); we will seek to provide services to Public Sector Partners, and build on our success trading services inside & outside the Borough (e.g. Payroll & Legal Services).

Highways Asset Management (£500k); we will review our approach to managing highways, ensuring structures are efficient and resilient, and investment levels are appropriate and affordable.

Investment in the Digital Agenda (£400k); we will secure process savings through our continued investment in new technology.

Facilities Management (£750k); we will develop a more corporate approach to facilities management, ensuring assets are managed in a more coordinated manner and statutory obligations continue to be fulfilled.

Enforcement Functions (£300k); we will review enforcement activity to develop a Council-wide approach to all enforcement activity.

Treasury Management (£1.35m); we will continue to generate surpluses by actively managing our day to day cash flow, and management of our longer term debt / investment portfolio.

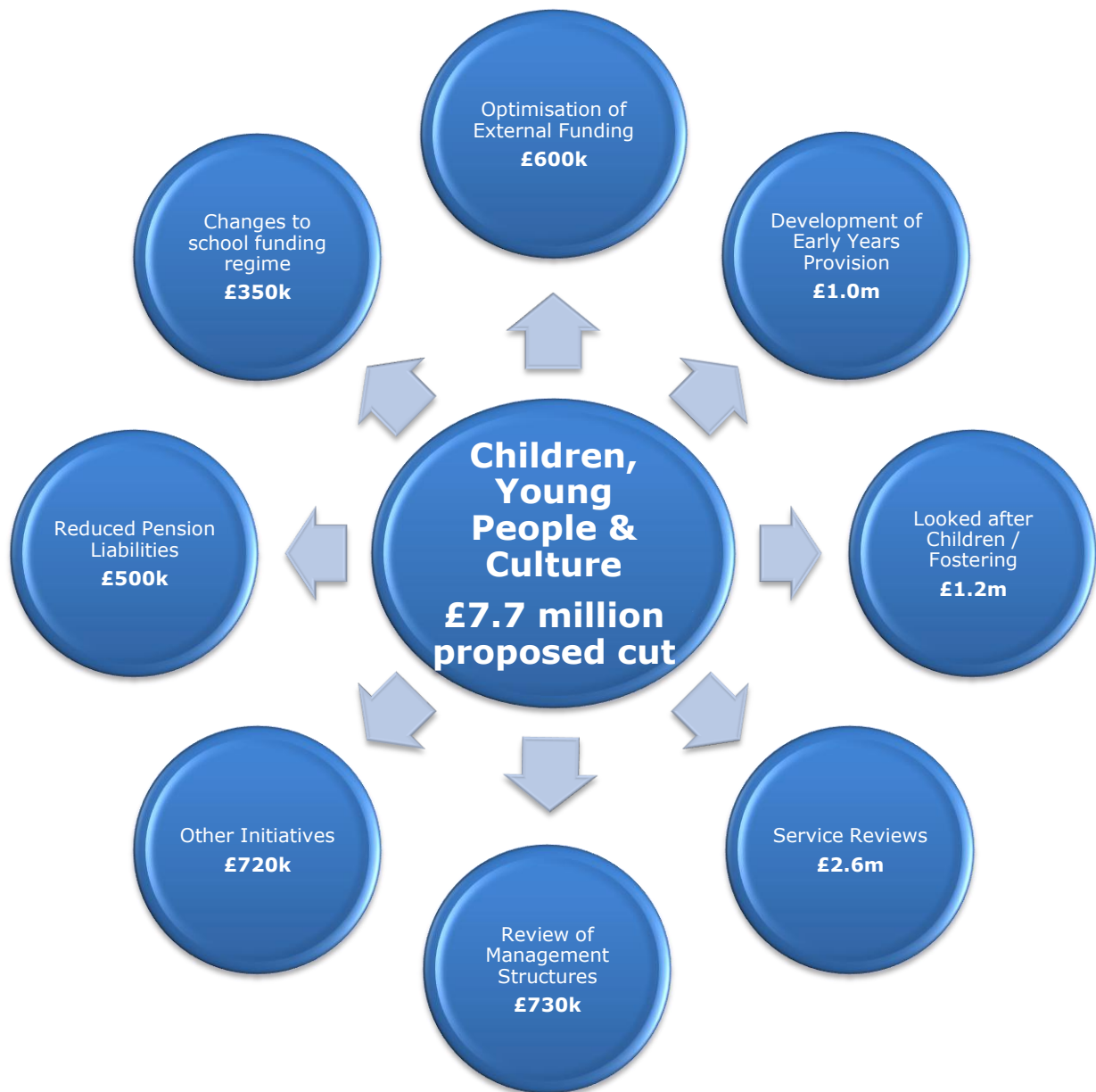
Other Initiatives (£1.2m); further cost reductions will be generated by reviewing all budget areas over the period to 2020.

Children, Young People & Culture

Services provided by this Department include:

- Schools
- Children's Social Care
- Cleaning & Caretaking
- Culture
- Libraries

Existing Budget - £35 million



Optimisation of External Funding (£600k); proposed changes to external funding arrangements will enable some services currently directly funded by the Council to continue to be operable within these funding regimes.

Development of Early Years provision (£1.0m); restructure service provision currently available to all, to a targeted provision available to those in greatest need, mainly through an outreach service.

Looked After Children/Fostering (£1.2m); reducing costs of Looked After Children through investment initiatives, such as the Adolescent Support Unit, recruiting additional foster carers / adopters to reduce reliance on independent fostering agencies.

Service Reviews (£2.6m); currently undertaking reviews of many services within the department with a view to further cost reductions and service reorganisation.

Review of Management and Administrative structures (£730k); reduced costs through further restructuring of management and administrative functions.

Other Initiatives (£720k); includes changes in working practices/arrangements and further central relocation of services from outlying buildings.

Reduced Pension Liability (£500k); declining number of former employees eligible to belong to the teachers/lecturers' national pension scheme.

Changes to school funding regime (£350k); the Government are eliminating the funding for services such as the School Improvement service, preferring schools and academies to make their own arrangements from their resources.

Communities & Wellbeing

Services provided by this Department include:

- Adult Social Care
- Waste Management
- Highways Repairs
- Sport & Leisure
- Public Health
- Environmental Health
- Strategic Housing

Existing Budget - £70 million



Health & Social Care Integration (£5.7m); closer alignment with the NHS to jointly and robustly manage demand and future service costs – see section on 'Health and Social Care'.

Review of Operational Services (£2.1m); all operational services to undergo reviews, ensuring services are increasingly sustainable, affordable, and in line with the Council's vision

Review of Leisure & Wellbeing Service (£900k); development of a Wellbeing Service, and working actively towards a significantly reduced reliance on Council support in respect of Leisure Services and Civic Halls

Review of Transport Arrangements (£300k); reviewing the Council's transport fleet requirements in light of service reviews. Ensuring the most economic approach to procurement and deployment of vehicles.

Public Protection & Enforcement (£500k); consolidation of public protection functions, e.g. Environmental Health, Public Health, and optimisation of external grants

Housing Related Services (£350k); review of the Council's housing related services to reduce costs whilst still maintaining appropriate levels of service

Review of Organisational Infrastructure (£2.3m); department-wide review of management structures in light of new service delivery models to reduce costs

Devolution Transformation Funding (£4.0m); use of funding available under GM devolution to support delivery of new working models partnering with the NHS

Other Initiatives (£850k); review of other service areas to reduce cost and maximise income generation opportunities.

Wider GM Devolution Initiatives

Devolution presents a significant opportunity for the Council, with considerable powers and responsibilities devolved to the Greater Manchester region through an elected GM mayor; these include:

- Health & Social Care
- Economic Growth
- Planning
- Transport
- Housing
- Skills / Employment
- Justice

Bury Council plays an active role in all Greater Manchester wide activity and the combined capacity of Greater Manchester will be critical to the delivery of efficiencies for Councils and partner organisations in the future.

Health & Social Care Integration

Social Care (for Adults & Children) is the largest service the Council provides, accounting for up to 60% of the overall budget.

The Council has a track record of strong service delivery; validated externally by the Care Quality Commission and successive OFSTED reports.

Strategically it is one of the most important services as the Council ensures it “supports the most vulnerable people”.

Demographic trends in recent years have placed considerable strain on the Council’s reducing resources as the population grows, life expectancy increases, and more residents require support for complex conditions. These trends are forecast to continue to 2020 and beyond.

The current service models for Social Care are becoming increasingly unaffordable. The Council has already responded to this pressure by investing in the following initiatives on an “Invest to Save” basis:

- Creation of an Arms Length Management Organisation (Persona Care & Support Ltd) for the delivery of £10 million of Social Care services
- Creation of Extra Care Housing Facilities (1 built, 1 in progress)
- Development of 2 x step up / step down care facilities
- Development of a Reablement Service to help people keep their independence
- Development of an Adolescent Support Unit
- Further investment in Fostering and Adoption services

Whilst making a very positive impact, it is clear these measures alone will not address future social care pressures. The Council is, therefore, working closely with the local Clinical Commissioning Group, and local Health Providers to increasingly align service delivery from April 2017 through the creation of:

- A One Commissioning Organisation (OCO); and
- A Local Care Organisation (LCO)

This will bring improved care outcomes and service efficiencies as greater synergy is achieved through joint working; this approach is outlined in the joint “Locality Plan” prepared by the Council and NHS partners.

The Council is seeking draw down NHS transformation funding to support delivery of the Locality Plan and development of more closely aligned services which will be delivered with partners at a neighbourhood level.

How can I get involved in the consultation?

- **Attend a public meeting** – dates of the Township Forum meetings are on page 18 of this document, and on the website www.bury.gov.uk/Budget201720.
- **Comment online** - www.bury.gov.uk/Budget201720
- **Call us** - 0161 253 5696
- **Email us** - Budget201720@bury.gov.uk
- **Write to us** –

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Alternative formats of this consultation are available upon request – ring 0161 253 5696.

Consultation Process / Key Dates

