

# Budget Conversation: 2018/2019

Bury Council



## Foreword

Thank you for taking time to read the council's **Budget Conversation for the 2018 to 2019 period**.

Last year we carried out a consultation on our proposed three-year budget covering the period 2017 to 2020. This consultation set out our headline cuts programme of **£32 million** for this period. The three-year budget was approved by the council's cabinet in February 2017.

This programme is fixed; however, we would like to update you on a number of issues, and invite you to comment on how and where the programme can be implemented.

As we explained last year, the Government's austerity programme means that councils have had major funding reductions since 2010.

Coupled with increasing demand for services, e.g. in social care, Bury Council has had to make cuts totalling **£65 million** since 2010; this represents 46% of what the council's budget was in 2010.

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

We know that Bury Council will have to make cuts of at least **£32 million** over the period 2017-2020 in order to set a legal, balanced, and sustainable budget and in the first year of this programme of cuts we have already made or identified savings of **£13.3 million** by the end of November 2017.

This pack sets out:

- Important information about the approved council budget 2017-20
- Budget proposals
- Key dates
- How you can be involved

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

We hope you find this document useful and look forward to hearing your views.

Councillor Rishi Shori  
Leader of Bury Council

Councillor Eamonn O'Brien  
Cabinet member for finance and housing

## Context

Councils have had 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 formulae for a considerable period, and have consequently not had the level of resources enjoyed by other metropolitan boroughs.

Our population is changing – the total number of residents is going up, and more of us are living longer. An increasing number of elderly residents require council social care support for long-term and increasingly complex conditions.

Service pressures and costs are therefore increasing at the same time as our funding is reducing. The same pressure also applies to other public services in the borough, most notably the NHS.

When we set out our three-year budget proposals, we knew that it was essential for the council and all other relevant agencies to work together to address these demand pressures within the context of reducing resources.

It is equally important that we engage with local residents, as we cannot tackle these challenges alone; we need the support of our communities and neighbourhoods. This is why it is so important that we continue to engage with you and listen to your ideas on how we implement the savings over the coming years.

## 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 that services are both affordable and sustainable. We will do this through changing the council’s approach to public services, focussing on developing resilient neighbourhoods, empowering our communities and residents to self-help where possible, and improving the quality of life.

In doing this, the council has set the following priorities:

- Healthy lives for all
- Bury best for business
- Protect and promote our local environment
- Safe, decent and affordable homes
- Equipping people for lifelong employability through skills and learning
- Safe and supportive communities

Support to the most vulnerable people in the borough runs through all these priorities. The council will increasingly become an enabler of services, rather than directly delivering services in the way we have done previously, in line with the above priorities.

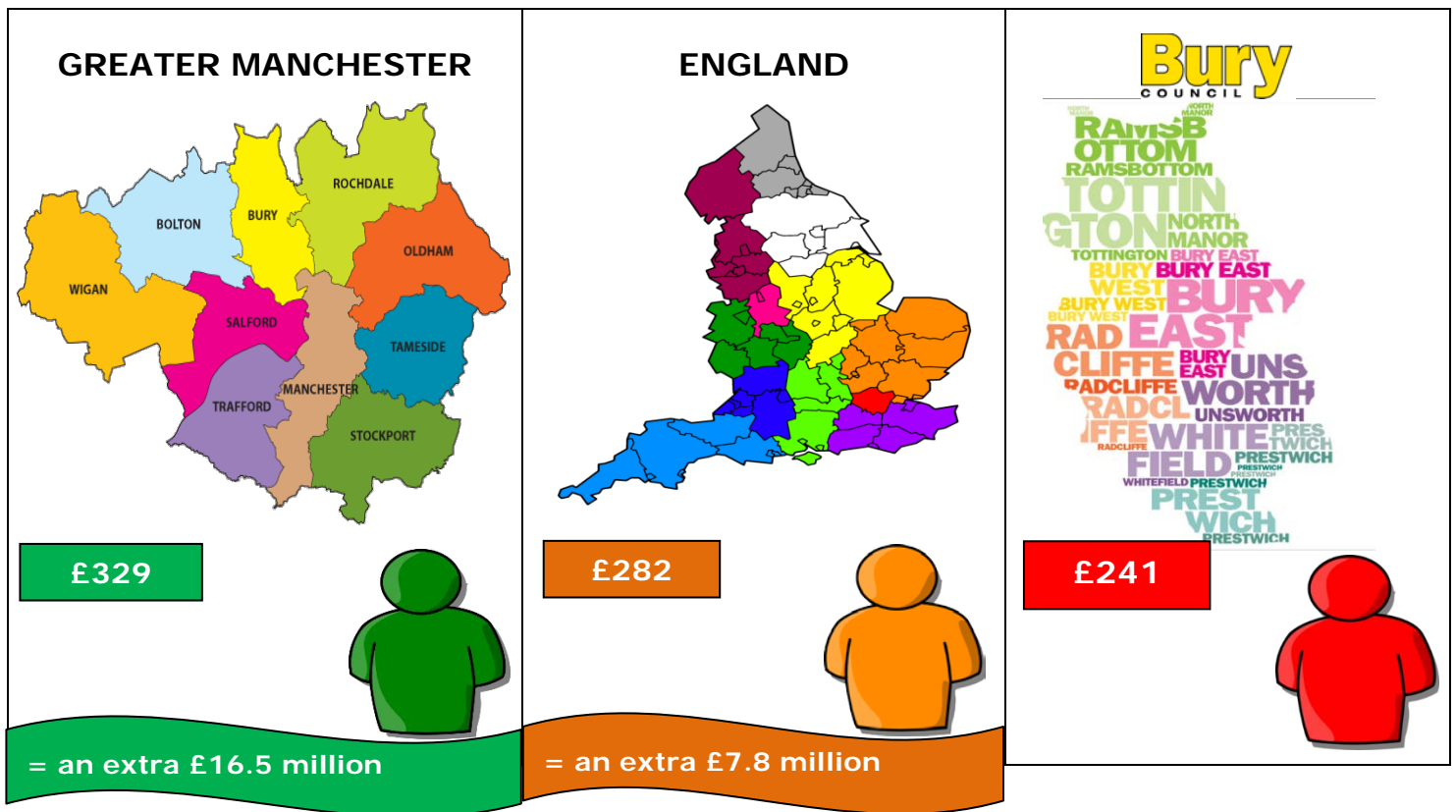
## Our Cuts Since 2010

The table below summarises the extent of cuts the council has been required to make, and the forecast cuts to come:

Year	Cut (£m)
2011/12	9.575
2012/13	8.656
2013/14	9.871
2014/15	9.652
2015/16	15.807
2016/17	11.579
2017/18	13.334
2018/19	9.453
2019/20	9.087
<b>TOTAL</b>	<b>97.014</b>

## 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 shows what level of resources would be available if we were funded at national and/or regional levels:



## What cost increases do we face?

In addition to an already low and significantly reducing level of funding, we face increased costs in the following areas:

- Increased client numbers for Looked after Children and Adult Social Care
- Increasing cost of care packages
- Inflation – pay and prices
- Energy price rises
- Cuts to other "specific" grants that we receive alongside our main settlement

## Council Tax

When we set the three-year budget in 2017, it was on the basis that the Council Tax would rise by 1.94% in each of the three financial years it covered: 2017/18, 2018/19 and 2019/20.

The Government has also allowed councils to further increase the Council Tax under a 'Social Care Precept' to meet the rising costs of adult social care. In the current financial year, 2017/18, the precept increase was 3%.

## Reserves

As is good practice, councils 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 those in other authorities. The approved three-year budget prudently assumes no long-term reliance on the use of council reserves; we recognise, though, that temporary use of some reserves may be required to support the budget at some time over the three-year period.

## How much do your services cost?

The council delivers more than 150 different services to a population of around 187,500 people (living in approximately 80,000 households).

Every £ we spend is split as follows:

- |   |     |
|---|-----|
| • Adult care services                     | 39p |
| • Children's services                     | 19p |
| • Refuse collection/disposal              | 13p |
| • Transport levy (TfGM)                   | 10p |
| • Public health                           | 9p  |
| • Recreation                              | 4p  |
| • Borrowing and capital works             | 4p  |
| • Highways                                | 3p  |
| • Environmental health                    | 1p  |
| • Planning, economic development, markets | -2p |

## Cost of social care

- In 2017/18, the amount of Council Tax received by Bury Council was **£74 million**
- In the same year, our spend on adult social care totalled **£52.4 million**
- And our spend on children's social care was **£20.9 million**
- **Together, that equals almost all the Council Tax we receive**
- We provide adult social care for 4,300 people and care packages cost an average of more than £10,000 per person each year
- The cost of care packages have nearly doubled since 2010 - this isn't only due to inflationary pressures but is also due to increased complexity of people being supported through social care.

## Budget proposals

Services are delivered from three council departments:

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

Plans for each department to address the financial challenges to the year 2020 are summarised in the following pages:

## Resources and Regulation (£25 million)

Services provided by this department include:

- Finance
- Human resources
- IT
- Housing benefits / Council Tax / Business Rates
- Highways management
- Planning
- Trading standards
- Property services /markets





**Reconfiguration of 'back office' services (£900k):** we have 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 and make the 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 property portfolio has reduced significantly in recent years, and 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 in trading services inside and outside the borough (e.g. payroll and 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 digital (£400k):** we will make savings through 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 develop a council-wide approach to all enforcement activity.

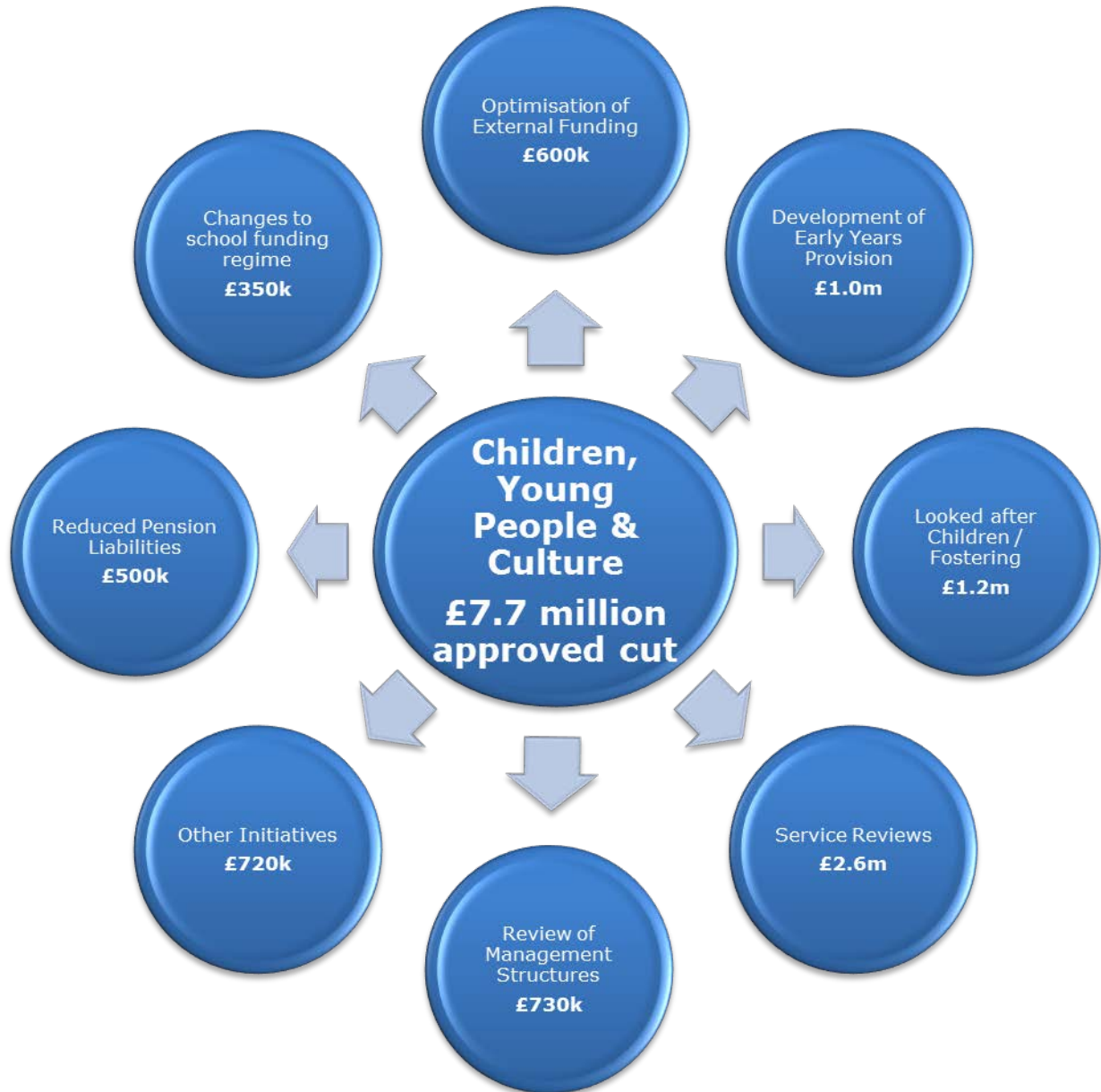
**Treasury management (£1.35m):** we will continue to generate surpluses by managing our day-to-day cash flow and our longer term debt / investment portfolio.

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

## Children, Young People and Culture (£30 million)

Services provided by this department include:

- Schools
- Children's social care
- Cleaning and caretaking
- Culture
- Libraries



**Optimisation of external funding (£600k):** proposed changes to external funding arrangements will enable some services currently directly funded by the council to continue to operate 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 and recruiting additional foster carers / adopters to reduce reliance on independent fostering agencies.

**Service reviews (£2.6m):** continuing 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 is eliminating funding for services such as the school improvement service, preferring schools and academies to make their own arrangements funded from their resources.

## Communities and Wellbeing (£78 million)

Services provided by this department include:

- Adult social care
- Waste management
- Highways repairs
- Sport and leisure
- Public health
- Environmental health
- Strategic housing



**Health and social care integration (£5.7m):** closer alignment with the NHS to jointly and robustly manage demand and future service costs.

**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 priorities.

**Review of leisure and wellbeing service (£900k):** development of a wellbeing service, and working 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, and seeking the most economic approach to procurement and deployment of vehicles.

**Public protection and 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 strategic housing services to reduce costs while 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.

**Delivery of new models of working with the NHS (£4.0m):** Use of funding available under Greater Manchester devolution to support delivery of new working models in partnership with the NHS.

**Other initiatives (£850k):** review of other service areas to reduce costs and maximise income generating opportunities.

## Greater Manchester Devolution

Devolution presents a significant opportunity for the council, with considerable powers and responsibilities devolved from central government to the Greater Manchester region through the elected Mayor of Greater Manchester and the GM Combined Authority. These include:

- Health and social care
- Economic growth
- Planning
- Transport
- Housing
- Skills/employment
- Justice

This is an ongoing process with further devolution arrangements having been confirmed in the national Autumn Budget in 2017.

Greater Manchester has recently published its updated strategy, *Our People, Our Place*, which highlights wider reforms in the public sector and greater integration in working practices. We will look to take advantage of the best that Greater Manchester devolution has to offer as it develops, while ensuring that our borough retains its local character.

A major opportunity for such integration and new models of delivery is the integration of health and social care. Social care (for adults and children) is the largest service the council provides, accounting for up to 60% of its overall budget. The council is working increasingly closely with the local Clinical Commissioning Group and local health providers as outlined in the borough's Locality Plan. Transformation funding has been secured from Greater Manchester to support delivery of the Locality Plan in our neighbourhoods.

### How can I get involved in the conversation?

We'd like to hear your thoughts. You can submit these through an online form available on the website below, or by email.

- **Comment online** - [www.bury.gov.uk/Budget201720](http://www.bury.gov.uk/Budget201720)
- **Email us** – [BudgetConversation201819@bury.gov.uk](mailto:BudgetConversation201819@bury.gov.uk)

The comments will feed into the budget setting report to Council committees as outlined in the flowchart below. In addition, a summary of the comments received, and analysis of these, will be added to the website in February, once they have been considered.

***Large print formats of this document are available upon request – please call 0161 253 5696.***

## Conversation Process / Key Dates

