



2017/18 – 2021/22

Big decisions, tough choices

Your chance to influence the next five
years of life in Bristol and help with a
£92m budget challenge



Our five year challenge

I am writing this open letter to the city to accompany the release of Bristol City Council's draft Corporate Strategy for public consultation.

Bristol is a successful city but it is also one of the worst cities in which to be born poor. Now Bristol faces a financial challenge we cannot meet without hurting the city and many of our citizens, as well as impacting on our city partners. This £92m five-year financial challenge has been determined by three key factors:

- The government's funding grant to local councils has been significantly reduced year on year. This is a result of the government austerity programme that I believe disproportionately affects the poorest and most vulnerable people in society. We must balance our budget. Not only is it the financially responsible thing to do, but to fail to do so would simply result in the city losing its democratically elected political leadership and handing over our responsibility to government appointed commissioners. It is essential we determine our own priorities, especially as we face these tough decisions.
- The increased demand for services that Bristol, like most cities, now faces. Our growing and ageing population, for example, has meant the cost of adult social care has increased. From Special Educational Needs to mental health to children's services, all are increasing. In the next five years we expect our total costs to rise by £138 million.
- An inherited local situation where savings allocated for 2016-17 were not achieved, the result of weaknesses in the council's processes that have been revealed during my administration. This has meant an additional £33 million of in-year savings to make by next April, limiting my options and creating a knock on effect for the next five years. This situation has to be addressed and I have launched an independent review to analyse how it happened. We are already working to fix the initial problem and we will make sure there is no repeat by firmly establishing best financial practices for the future. I have asked my new interim Chief Executive to strengthen our finance function.

I am convinced that the wrong approach to manage reductions in funding is to simply keep trimming budgets. We need to develop an understanding of where we want the city to be in four years and beyond and ensure we have the council operating in a way that will get us there. There is a need to be certain about what services we must provide and those we want to keep at all costs. We have to reinvent the role of Bristol City Council in light of the available finances. It must maintain its leadership role and must continue to fight for good outcomes for people from the city. But we will have to work in new ways. This includes taking a strategic approach to identify what can be done better and more cost effectively, while also considering what could be managed or delivered elsewhere.

I have said on several occasions that the city must meet its challenges as a city. The council is an important provider and commissioner of services but it is only one of the organisations shaping life for people in Bristol. We will have to shift our view of local government from being merely a provider of services to something that enables individuals, communities and organisations to do things for themselves and for others.

We must recognise that some services can be taken on by communities or by the voluntary sector. We can and will make a clearer and more ambitious ask of businesses to play a role in building the fair and inclusive city we all want and need. We could look at options such as the urban equivalent of parish councils in some areas and identify whether some communities could better manage some of their own services.

Our neighbouring local authorities and those across the country face similar financial difficulties to us and we must consider running services together as a potential mutual benefit.

We must also maximise our revenue. This means taking advantage of immediate opportunities to bring money in, for example in the way we hope to pilot a national scheme to keep 100% of the business equivalent of council tax, rather than returning half of it to the government. In doing this we will balance the need to protect vital services with the need to invest in programmes and sectors that will increase the likelihood of raising more business rate revenue.

This next five years present a major challenge for the city, but it is a cloud with a silver lining of new opportunities to create a fairer city. Please take a look at the draft Corporate Strategy and engage with the consultation. Think about what you can do to make a better Bristol. Together we must face up to the challenge and shape Bristol's future.

This will not be an easy process. But I assure you, there is also much to look forward to. This year and in future years, we will build more homes and communities. We will deliver the arena, improve our transport to connect people to opportunity and tackle congestion. Together we will build a prosperous city, structuring our housing and transport to ensure our economy is inclusive and that nobody is left behind.



Marvin Rees Mayor of Bristol



Our approach to the future – a quick guide

Over the next five years we want to make Bristol a more equal city where everyone can share in its success. We also need to provide life-and-limb services which protect our most vulnerable people.

Whilst we will keep spending over a billion pounds investing in Bristol and supporting people, in the future we won't have enough funding to do all the things we do now. Some things will have to give, but there are also opportunities to do things in different ways. For example some services could be run by community groups instead of the council, or we could invest in preventative services so that less money is spent putting things right once they've gone wrong for people.

Our vision is for Bristol to be a city:

- In which everyone benefits from the city's success and no-one is left behind
- Where people have access to decent jobs and affordable homes
- In which services and opportunities are accessible
- Where life chances and health are not determined by wealth and background
- That leads on tackling climate change and the damaging impact of air pollution
- Which is easier to get around and has improved public transport

Our values describe the approach we will take in order to achieve our vision. In all the work that we do, we will endeavour to be:

- Bold
- Caring
- Enabling
- Gracious
- Trustworthy

We are making seven key commitments to address during the next five years:

- We will build 2,000 new homes – 800 affordable – a year by 2020
- We will deliver work experience and apprenticeships for every young person
- We will not impose future Residents' Parking Schemes and will review existing schemes
- We will protect children's centre services
- We will increase the number of school places and introduce a fair admissions process
- We will put Bristol on course to be run entirely on clean energy by 2050 and introduce a safe, clean streets campaign
- We will be a leading cultural city, making culture and sport accessible to all

You can read the full draft of our Corporate Strategy 2017–2022 at: www.bristol.gov.uk/corpstrategy

Bold ideas for big challenges

The Issue	Bold Ideas
Overarching	
<p>Bristol is a city of contrasts and there are persistent economic, health, and educational inequalities between different parts of the city. We want to ensure that everyone benefits from Bristol's success.</p>	<p>The council will lead by example in building a fairer city by:</p> <ul style="list-style-type: none"> ● Adding 'Social Value' to all the contracts it awards, for example by requiring contractors to provide a quality work experience placement for a young person. ● Increase fairness in our employment practices and contracts. ● Working through the Mayor's Women's Commission and Manifesto Leadership Group to develop a change programme to eliminate the gender, social deprivation and race pay gap. ● Encourage private landlords to endorse and adopt the ACORN Ethical Letting Charter. <p>Through the new City Office we will:</p> <ul style="list-style-type: none"> ● Establish a partnership with business that will encourage all Bristol businesses to pay their employees the Living Wage. ● Encourage organisations in the city not to use zero hours contracts.
Our Homes	
<p>We have a chronic shortage of housing and increased homelessness. In addition to addressing an urgent need for more homes in the city, new housing contributes to economic growth, and can help increase the amount of council tax available to cover key services.</p>	<p>We are planning a business case for a new local housing company owned by the council, which will be another way of building new homes.</p> <p>We'll focus on preventing street homelessness in a new way – by involving multiple agencies and groups in a joint approach.</p> <p>There's always a tension between the need for homes and keeping what makes Bristol special in terms of green space and aesthetics. We will need to discuss having higher density housing including taller buildings in some places.</p>

The Issue	Bold Ideas
Our Transport	
<p>Congestion is one of the single biggest issues in terms of transport and health.</p>	<p>The Mayor has just announced a Task Group to examine the issue of the city's congestion and transport flow. Part of the consultation on our Corporate Strategy will ask people what options they think the Congestion Task Group should consider. All options are on the table.</p>
Neighbourhoods	
<p>A rising demand for services is one of the main things creating a huge financial challenge over the next five years.</p>	<p>We want to have a conversation about the possibility of people paying more Council Tax, on the understanding that a portion of this will directly benefit their own local neighbourhood, through for example setting up an Urban Parish, which is a bit like a Parish Council, with some powers and the ability to raise money via a Council Tax contribution. This can help residents have a more direct impact on decision-making and service delivery in their local area.</p>
People/Education and Skills/Health and Wellbeing	
<p>Our growing population is putting pressure on all sorts of things – from school places to health and social care costs.</p>	<p>We are prioritising the basic infrastructure that we need the most, like schools. This may require us to reprioritise our other building or infrastructure projects.</p>
Place	
<p>People have high expectations and often care greatly about associating a specific service with a specific building, such as 'My Library'. We can't afford gold-level services or to keep all our assets.</p>	<p>We need to protect the services that people value, but sometimes the buildings they are based in are costly to run. Rather than lose the services, we would like to look at mixed uses in some council owned buildings, so that more services are based in the same place. This would be more convenient for people and has the potential to save services, but does mean we must move away from a preference on dedicating buildings like libraries and community centres for single services. This may mean more community hubs with mixed uses and more access to convenient online services, rather than keeping all our library and Citizen Service Point buildings.</p>
<p>Our region is one of the most economically productive but economic growth has leveled. We need more powers and more ability to do economic development which benefits everyone.</p>	<p>We are seeking more local control by asking the government to transfer specific powers and funding to a regional body which we'd be part of. This is known as devolution.</p>

The Issue	Bold Ideas
Governance	
<p>We are redefining what a local council looks like and what can be expected from it. This will mean being leaner, more focused and sharing more responsibility and functions with local people, either as volunteers or more informally through doing more for others in their local neighbourhood.</p>	<p>Everyone in the city has the ability to help in some way, whether that is through responsible recycling, offering to drive an elderly neighbour to an important appointment, volunteering or promptly paying their council tax.</p> <p>With less money available for our services, it is vital that everyone who lives in Bristol thinks about the actions they can take to help the council target scarce resources to the most vulnerable and those in greatest need. Without the support of citizens and local institutions, we will have to make further reductions to services.</p>

About our budget for 2017/18 – 2021/22

Our budget is a large, complex thing, affected by all sorts of factors. At its heart the budget is about the real day-to-day services and things we provide. Things that matter to people and which can cause a lot of controversy if changed or removed.

Like all councils and the wider public sector around the country, Bristol faces a challenging financial time. The national austerity agenda has seen cuts of over £170m over the past six years whilst demand for services continues to rise.

Our budget is accounted for in two main ways.

Revenue (including housing) pays for day-to-day costs, such as staffing, and **Capital** pays for major projects or the purchasing/replacement, building and improving of council assets.

In 2016/17 the council is spending over a billion pounds investing in Bristol. With this we provide services, build new things and support essentials such as new homes and jobs.

This is our Gross budget, basically all of our funding before we take into account parts of it which are already spoken for and can only be used in certain ways – such as grants for schools and public health.

Our net revenue budget is what's left and pays for most other council services. We expect this to be around £350m next year allowing for our proposed 1.95% increase in Council Tax and the proposed 2% Adult Social Care levy.

Why is there a budget gap?

The simple answer is because of an increased demand for services provided by the council, due in part to our growing population. This means more people need services such as schools, care and transport. The growing cost of adult social care, the result of people living longer whilst having chronic illnesses or otherwise needing support, is a major factor as is the growth in the child population.

We are also starting from a much worse position following six years of government cuts to our grant, resulting in savings of over £170 million made already.

It's also true that despite our best efforts we have not been able to make all the savings we've needed in the past. This, alongside new financial pressures caused by the growing demand for services, means we have approximately £35m extra to save this year.

The £92m budget gap we've talked about assumes that this will have been addressed by next April.

What we can expect to happen to our income in the next five years?

- **Government grants** – we expect the Revenue Support Grant to be removed entirely by 2020/21.
- **Business Rates** – are expected to increase in line with inflation by around £4.6 million each year. At present we only keep around 50% of this income, but from 2020/21 we will keep up to 100% of future growth locally. This partly makes up for the loss of government grants but this has yet to be confirmed. We have asked the Government if we can pilot this new scheme in 2017/18, subject to certain conditions, to give us a way of influencing and shaping the future for Bristol.
- **Council Tax** – this is based on an anticipated increase of 1.95% each year (around 55p per week for the average Band D home) plus an extra 2% rise specifically dedicated to the cost of adult social care. This results in additional income of around £4 million each year and another £4m for adult social care. We also plan to gain around £2.5m a year from extra income as a result of new homes being built in Bristol.

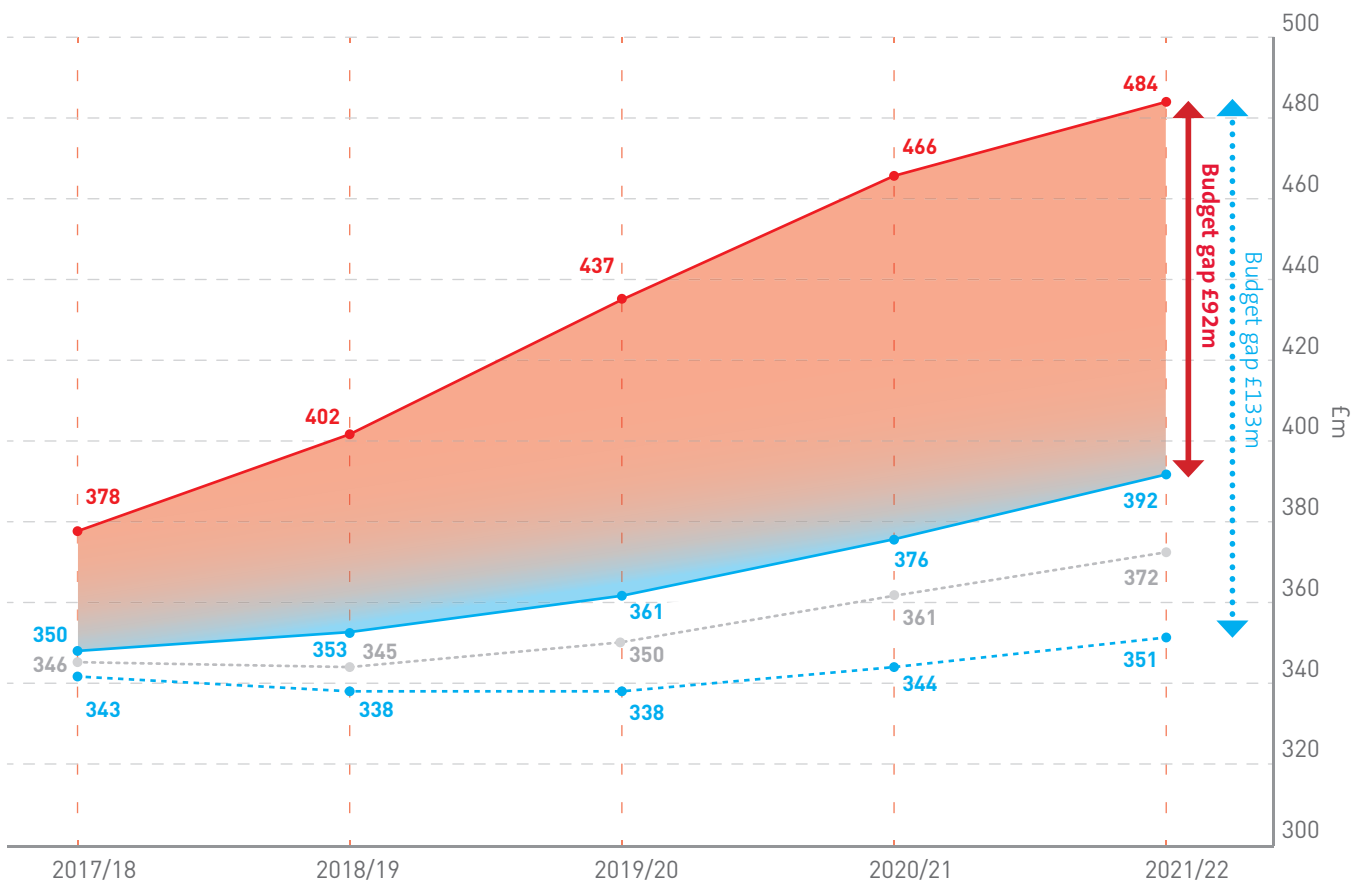
Bristol's Income/Expenditure Challenge

Overall, we expect our funding (income) to rise by around £46 million by March 2022. However the cost of the council providing essential services is expected to increase by around £138 million at the same time. By this we mean it will cost more to simply maintain services at their current level.

This is because prices keep going up, as does the demand for services such as social care and education, because we have a growing population.

This leaves us with a gap of £92 million over the next five years.

- Expenditure (forecast demographic & inflation pressure)
- Income (assumed council tax increase)
- Income (assumes social care levy only)
- - - - - Income (before council tax proposed Increase)



The Corporate Strategy consultation

We are consulting you about:

- Our priorities and the contents of the draft Corporate Strategy and business plans within it
- An anticipated increase of 1.95% per year in Council Tax (about 55p per week for the average Band D home)
- An additional 2% on Council Tax (also about 55p per week for the average Band D home) specifically to help fund Adult Social Care services
- Our draft proposals for around £27 million of savings
- Our draft Capital Programme

Our draft proposals for around £27 million of savings

You can read a complete list of our draft proposals in the main Corporate Strategy document at www.bristol.gov.uk/corpstrategy. For convenience they're all listed together in *Appendix A*, starting on page 104.

The draft proposals are by no means a final product. They are our initial ideas, presenting you with a range of options to consider. Whilst some of these aren't appealing, we believe they are potentially the 'least worst' options available if we are to set a legal budget and deliver our priorities we set out earlier.

The draft proposals do not completely close the budget gap of £92m over five years. They could provide a balanced budget for 2017/18, but only if we've made all the savings we need to this year.

This leaves room for new ideas and to respond to anything which changes over time. If new ideas come forward which require consultation, we will be sure to do this.

Our draft proposals fall into several categories, listed by the total value of savings:

- **Changing how we fund and provide services: around £13.5–£15.5 million over five years**
By this we mean providing different amounts of funding to services, making small changes to what they do or maybe providing the same thing in a different way.
- **Reducing or stopping services: around £6.3–£10.2 million over five years**
These are proposals which mean we'll stop doing something completely or reduce it significantly.
- **Increasing our income: £1.6 million over five years**
This means we plan to raise our charges in a small number of areas. We're limiting this so as not to hit people's pockets more than we have to.

In total we could save around £22–£27 million from these proposals.

Other things we're continuing to do are:

Increasing our business efficiency to save £29m

These are mostly back office measures to run the council well. If we think they might affect services, we will consult people further down the line.

How are we doing it?

- Restructuring the organisation to make it more efficient
- Redesigning parts of the organisation to simplify the way we work
- Investing in our staff to develop the skills they will need to operate in a different way
- Improving our financial processes
- Increasing our income through commercial leases

Tackling traffic congestion

The Mayor has just announced a Task Group to examine the issue of the city's congestion and transport flow. Part of this consultation asks you what options you think the Congestion Task Group should consider. From our side all options are on the table.

What are the alternatives and how can I have my say?

The Mayor is keen to listen to your views on his proposals before preparing his final budget for Full Council approval. No final budget decisions have been made.

If having looked at the proposals you don't support some, please keep in mind that we must balance the budget. Even with all the proposals we've made there is still money to find, so we will need your ideas and for more people to get involved in local life.

Take a look at the detailed proposals on www.bristol.gov.uk/corpstrategy and complete the survey to give us your feedback.

For those without access to the internet, hard copy versions of the proposals and the survey are available from libraries, citizen service points or by calling **0117 922 2848**.

There are public meetings and a chance to talk to the Mayor directly about his proposals – all details are on the website and in the printed document.

The consultation closes on **Thursday 5 January 2017** and the results during and after the consultation will inform final draft proposals.

These will be considered by the Mayor and his Cabinet on Tuesday 24 January, when the Mayor will decide on his final proposed budget. This will then need to be debated and approved by the Full Council on Tuesday 21 February 2017.

We hope this guide has been helpful. Now you're up to speed, please check out the detailed proposals and our survey online at www.bristol.gov.uk/corpstrategy



Documents available in other formats:

If you would like this information in another language, Braille, audio tape, large print, easy English, BSL video, CD rom or plain text please contact: **0117 922 2848**