

a **world class city**,
focused on **economic growth**
and **tackling poverty** and
inequality



BUDGET CONSULTATION
for glasgow





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Glasgow's budget for local services remains under increased pressure as tough economic conditions continue to impact local government.

This has meant the council has had to both reduce its spending and try to increase its income in order to balance its budget; which it is legally required to do.

However, it has also tried to protect and, where possible, improve the services on which you and many others depend.

The local government settlement for 2016/17 includes a cash reduction of £53 million which, coupled with budget pressures of £33 million, means the council has a budget shortfall of £86 million in the next financial year.

When added to an estimated shortfall of £47 million forecast for 2017/18, the requirement for savings over the next two years is £133 million.

Through its Transformation Strategy, the council has identified a series of potential service reforms and efficiencies that could save £77 million over the next two years.

Proposals prepared for the council's administration also target other savings during 2016/17 that - along with a one-off use of £25 million from balances - could, if approved, meet the target for next year.

However, that means a total of £72 million will have to be saved in 2017/18 - with £38 million of that figure still to be identified.

In setting priorities for spending, nobody is more important than you - the citizens who depend on the services the council provides.

Find out more about the savings the city needs to make in this budget guide and then have your say by following the feedback links at www.glasgow.gov.uk/budget

The elected members of Glasgow City Council will take decisions on setting the budget on March 10, 2016. Taking part in this consultation will ensure they know your priorities.



WHERE GLASGOW'S FUNDING COMES FROM...

The money we spend to deliver local services comes from many sources, but can be split into three main groups.

SERVICE INCOME

 **£705 million**
32%

GOVERNMENT GRANT & NON-DOMESTIC RATES

 **£1.26 billion**
57%



LIKE EVERY OTHER COUNCIL IN SCOTLAND, WE ARE HEAVILY RELIANT ON FUNDING FROM THE SCOTTISH GOVERNMENT – SO **ANY REDUCTION IN THAT SOURCE OF INCOME HAS A MAJOR IMPACT.**

COUNCIL TAX

 **£251 million**
11%

GOVERNMENT GRANT & NON-DOMESTIC RATES

Funding provided by the Scottish Government to each council.

It includes our revenue grant, income from Non-Domestic Rates and some ring-fenced grants.

Non-Domestic Rates is a tax levied on business premises in the city.

SERVICE INCOME

There are a number of other ways we generate income to support local services.

The ones most people will be familiar with are charges for services – for example parking, building warrants or providing residential care.

COUNCIL TAX

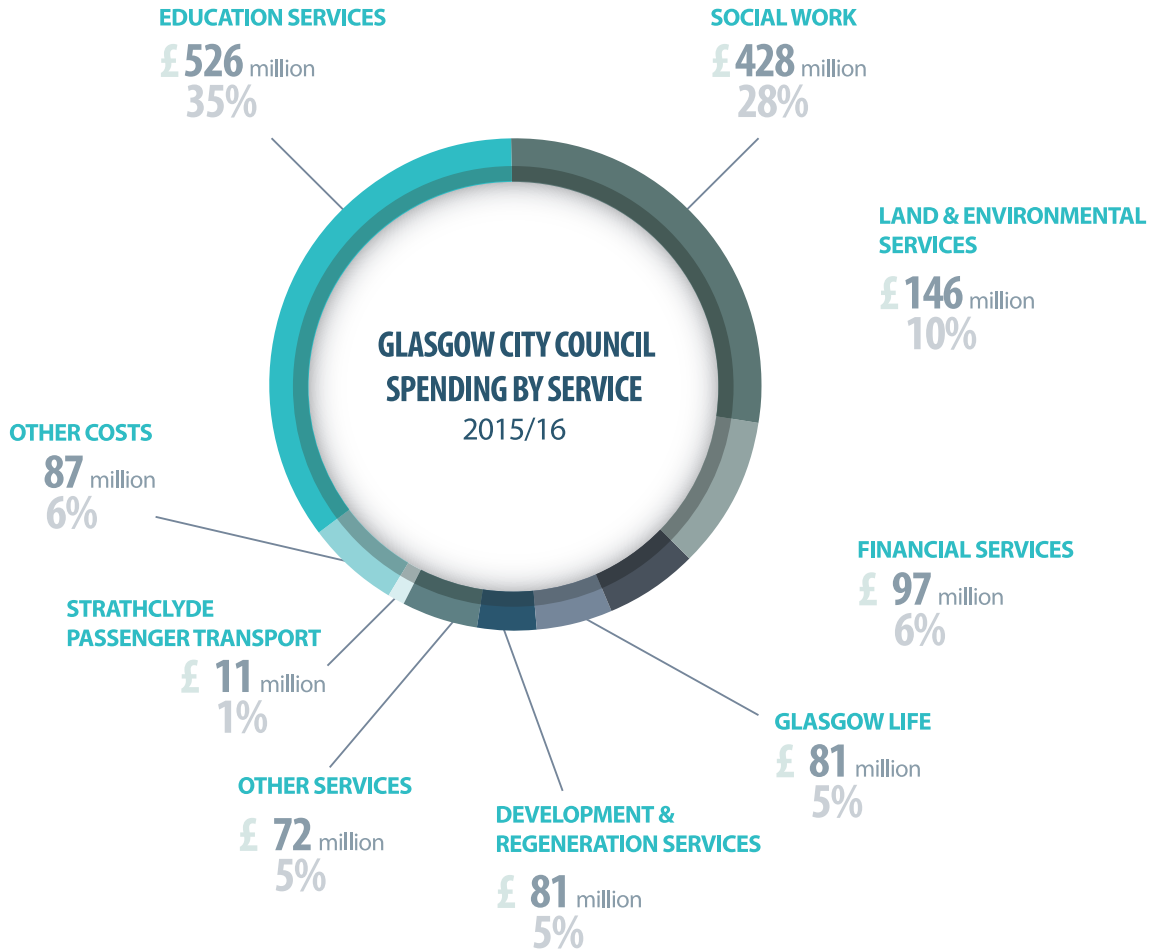
The tax levied on individual homes in the city. An increase or decrease of 1% changes income by around £1.7 million. If the council was to increase Council Tax in 2016/17, the Scottish Government could reduce Glasgow's budget by £7.6 million. This means any increase would have to be higher than 4.2% before any income could be invested in services.

On paper, Glasgow is funded more per head than all but five of Scotland's other councils. However, this includes income from Non-Domestic Rates – raised and collected here in Glasgow.

Based on the city's revenue grant from the Scottish Government, Glasgow's funding per head is 16/32.

... AND HOW WE SPEND IT

The vast majority of Glasgow's income is spent delivering two key groups of services. Together, Education and Social Work account for close to two thirds of the city's budget.



EDUCATION SERVICES

Scotland's largest education service is responsible for the education of almost 70,000 young people in more than 300 schools and nurseries across the city.

SOCIAL WORK SERVICES

From residential care to criminal justice, council staff care for, protect and support people across Glasgow around the clock.

LAND & ENVIRONMENTAL SERVICES

Provides the cleansing, parks, roads, environmental and other related services that contribute to the safety and well-being of the people of Glasgow.

FINANCIAL SERVICES

Staff manage the city's overall budget; handle benefit payments and Council Tax bills, and ensure more than 400,000 Glaswegians are able to vote.

GLASGOW LIFE

Manages the city's varied sports facilities and world-famous galleries and museums.

DEVELOPMENT & REGENERATION SERVICES

From housing investment to apprenticeships, staff work to grow Glasgow as a prime location for investment - securing regeneration and jobs.



WHY WE HAVE TO MAKE SAVINGS...

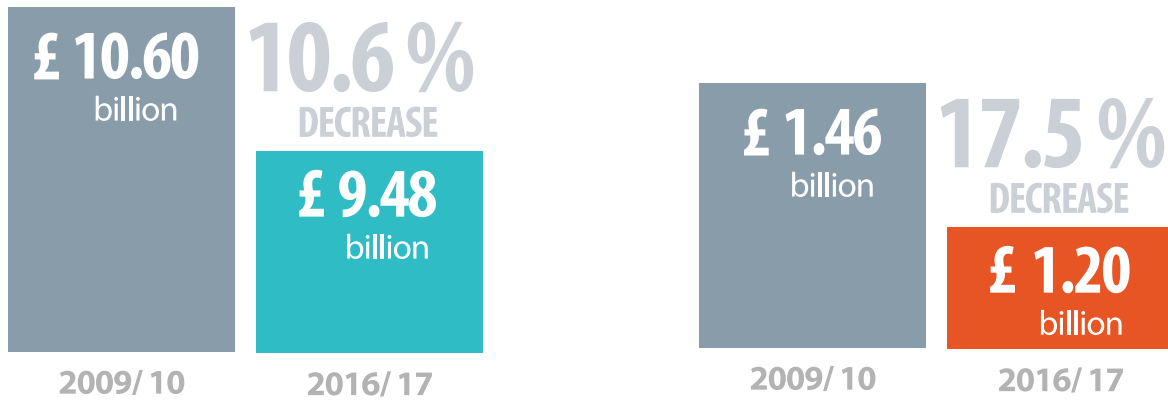
There have been substantial reductions in both Glasgow’s funding and the local government budget across Scotland. This trend is set to continue next year.

MOVEMENT IN OVERALL BUDGETS

2009/10 – 2016/17

LOCAL GOVERNMENT

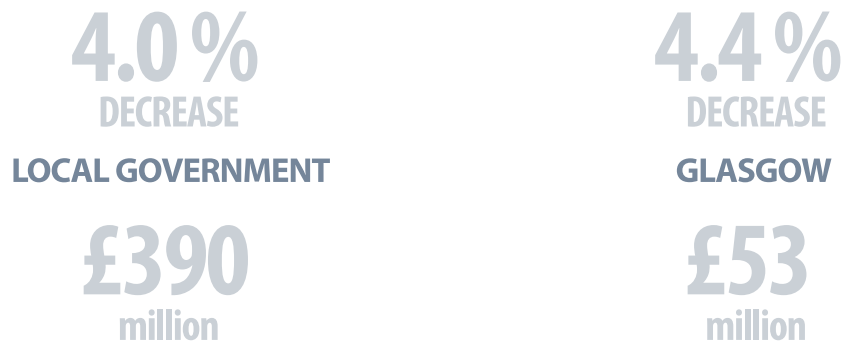
GLASGOW



Source: Scottish Government, January 2016. During this period, police and fire budgets were removed from local government.

MOVEMENT IN OVERALL REVENUE BUDGETS

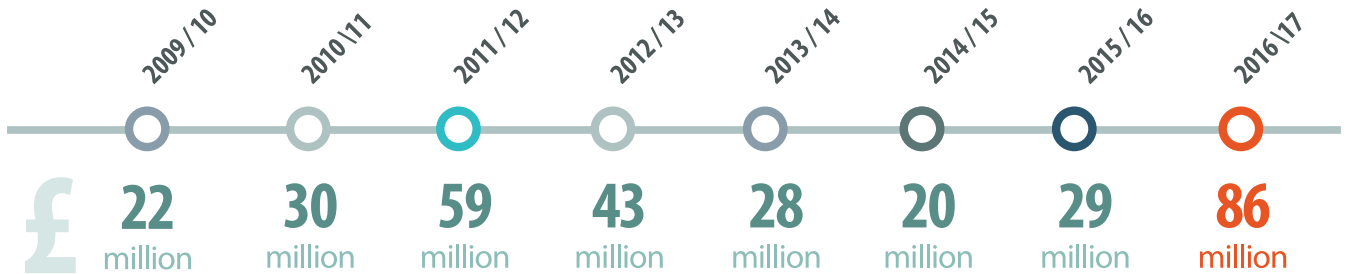
2015/16 – 2016/17



Source: Scottish Government, January 2016.

CLOSING THE SPENDING GAP..

Glasgow has **already delivered savings of around £230 million** in its budget in recent years.



However, some of the greatest savings yet will have to be made over the next two years.

OUR CURRENT FINANCIAL CHALLENGE...



2016 / 17

£ 86
MILLION

&

2017 / 18

£ 47
MILLION

=

£ 133
MILLION

Wherever possible, we have done this while **protecting frontline services**.

Instead, we have focused on **changing how we work** – for example, occupying fewer offices and using technology to become more efficient.



CASE STUDIES...



TOMORROW'S COUNCIL

Launched in 2009, this project focused on making the best use of the council's property and people – and delivers substantial savings today.

Tomorrow's Office: by modernising workplaces, the council was able to downsize from 18 city centre offices to just six – saving £4 million each year.

Tomorrow's Workforce: Selling property allowed us to give almost 3,000 staff early retirement or voluntary redundancy deals. This now saves the city around £50 million every year.

MOBILE WORKING

By equipping more of our staff with mobile devices, we have been able to make savings while improving the service delivered to citizens.

For example, staff who spend a lot of time out of the office can now do more of their work in the field – not only cutting down on travel and property costs, but allowing them to spend more time with service users.

SUPPORT SERVICES

Every penny we can save by reconfiguring our back-office processes is a penny protected for the frontline services you and thousands of other Glaswegians rely on.

Staff from every part of the council have come together in the Customer and Business Services team to streamline hundreds of administrative tasks – securing substantial savings and improving service delivery to citizens.

PLANNED SAVINGS ...

2016/17 AND 2017/18

Officers are recommending three key steps to bridge Glasgow's £86 million spending gap in the next financial year:

- Savings from the council's Transformation Project
- A review of priority areas to make other savings
- Using balances to mitigate the scale of savings in 2016/17

TRANSFORMATION SAVINGS

Advertising - £2m

Additional income could be raised through indoor and outdoor advertising and selling naming rights for certain premises.

Digital services - £2.9m

The Customer First programme will deliver an improved customer experience at a lower operating cost.

Enhanced enforcement - £0.9m

Effective enforcement that influences behaviour, for example a reduction in littering, will reduce service delivery costs.

Operations centres - £3m

Making more effective use of operations centres across the council family, including providing chargeable services to other organisations

Management costs - £12.4m

Ensuring managers are able to focus on management-level tasks will improve productivity and allow the council and its arms-length organisations to reduce the number of managers they employ.

Alternative funding - £1.2m

The council has taken an innovative approach to securing additional funding, which has paid dividends in delivering the Future City Glasgow programme, the UK's biggest City Deal and other projects. Extending this approach will realise further benefits.

Claims - £0.2m

Better use of data can reduce costs associated with claims, including administration.



Income management - £2m

Offering enhanced payment options for citizens, protecting those with financial difficulties and establishing more efficient processes for managing debt.

Streamlining front-line services - £23.3m

Use data to ensure the services customers value are properly resourced and reduce tasks that don't add value.

Cutting duplication - £6.5m

The Tomorrow's Support Services project has already successfully aligned around 2,500 administrative roles in the city's Customer and Business Services team.

This can be applied to other professional and support functions and extended across the whole council family, including arms-length organisations.

Mobile working - £9.6m

By equipping staff with mobile devices, we have been able to make savings while improving the service delivered to citizens. This project will build on those efficiencies.

Procurement - £16.9m

The council family spends around £700 million on goods, services and works every year. Consolidating and renegotiating contracts and ensuring compliance will extract better value from spending that makes up a significant share of the council's budget.

Property - £2.3m

The council family has annual property costs of more than £200 million. Rationalising and reviewing how it manages that property will deliver efficiency savings.

Working terms - £4.4m

Review existing working terms to offer greater consistency among staff groups and more flexibility on employee benefits.

Key areas include public holidays, voluntary overtime rates and the option to purchase additional annual leave.

The council remains committed to not making compulsory redundancies. However, around 1,500 staff choose to leave each year for a variety of reasons and it is anticipated these jobs will not be replaced as Transformation savings are delivered.

OTHER SAVINGS

The council is also considering potential saving in other areas.

- Grants to individuals and organisations in support of council priorities. These include areas such as health and wellbeing, safer communities, young people and vulnerable people and families.
- Support for apprenticeships and training.
- Expenditure on education services excluding teacher numbers.
- Cultural grants and events.
- Charges for leisure activities.
- Community facilities.
- Environmental services.

MITIGATION

Releasing £25 million from the council's balances could help meet our spending gap in 2016/17.

This is a one-off measure, equal to 40% of council balances, and equivalent savings would have to be found in 2017/18.

However, it would create the opportunity for further consultation on where such savings could be found, between now and early 2017.

glasgow.gov.uk/budget

