Town and Parish Forum Meeting (general)

15 March 2017
7.00pm – 9.00pm, Castlewood
Agenda

1. Welcome
   (David Carter, Director of Development & Environment)

2. Budget Update & MTFP
   (Malcolm Coe, Head of Finance & Property)

3. Economic Development Update
   (Stephen Bashford, Head of Economic Development)

4. Q&A Session
   (David Carter, Malcolm Coe & Stephen Bashford)

5. AOB / Reminders
   (Rhiannon Jones, Policy & Partnerships Officer)
North Somerset Budget & MTFP

Malcolm Coe
March 2017
What we will cover

• financial context
• the scale of the budget challenge
• outcome from Government Settlement
• High level growth & savings plans...
Budget Context

- £420m gross (includes specific grants)
- £151m net revenue budget
- Austerity / reductions since 2010
- £180m 5 year capital investment
- Major WoE infrastructure projects
- £130m long term debt
The journey...

£60m already saved over the past five years
The journey...

£60m

including £8.6m savings being delivered in 2016/17
# 2016/17 Monitoring Pressure...

## Table 1 - Revenue Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Budget</th>
<th>2016/17 Rev Budget (£000)</th>
<th>Projected Out-turn Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Month 5 (£000)</td>
<td>Month 7 (£000)</td>
</tr>
<tr>
<td><strong>Net Expenditure Budgets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People &amp; Communities;</td>
<td>41%</td>
<td>63,262</td>
<td>3,870</td>
</tr>
<tr>
<td>- Adult Social Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Children &amp; Young People</td>
<td>18%</td>
<td>27,747</td>
<td>2,510</td>
</tr>
<tr>
<td>- Housing</td>
<td>1%</td>
<td>1,424</td>
<td>-57</td>
</tr>
<tr>
<td>- Public Health</td>
<td>0%</td>
<td>0</td>
<td>-169</td>
</tr>
<tr>
<td>Development &amp; Environment</td>
<td>21%</td>
<td>33,296</td>
<td>-7</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>5%</td>
<td>8,163</td>
<td>158</td>
</tr>
<tr>
<td>Capital Financing &amp; Interest</td>
<td>10%</td>
<td>15,170</td>
<td>-1,203</td>
</tr>
<tr>
<td>Non Service Precepts</td>
<td>4%</td>
<td>5,735</td>
<td>678</td>
</tr>
<tr>
<td>Contingency Budget</td>
<td>1%</td>
<td>1,290</td>
<td>-1,334</td>
</tr>
<tr>
<td><strong>Total Revenue Budget</strong></td>
<td></td>
<td>156,087</td>
<td>4,446</td>
</tr>
<tr>
<td><strong>General Fund Financing Budgets</strong></td>
<td></td>
<td>-156,087</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Net Transfer (to) / From General Reserves</strong></td>
<td></td>
<td>0</td>
<td>4,446</td>
</tr>
</tbody>
</table>
What’s behind the challenge

- reducing funding from central government
- increasing demand for adult care
- increasing demand for children’s services
- delivering excellent waste and recycling services – but much higher costs!
- uncertainties about future growth, and other issues beyond our control
Growth in 17/18 budget

• £12.5m including:

<table>
<thead>
<tr>
<th>Extra funding allocated to:</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Social Care</td>
<td>4,700</td>
</tr>
<tr>
<td>Children’s Services</td>
<td>930</td>
</tr>
<tr>
<td>Waste</td>
<td>2,400</td>
</tr>
<tr>
<td>Loss of Education Services Grant</td>
<td>1,600</td>
</tr>
<tr>
<td>Pay and Pensions</td>
<td>920</td>
</tr>
</tbody>
</table>
Settlement Headlines Dec ‘16

New Homes Bonus & RSG cut

‘One off’ Adult Social Care Grant for 17/18

More infrastructure & Housing funds to bid for

4 Year funds confirmed: but only 1.6% by 19/20

Levy up to 3% C Tax for ASC in 17/18 & 19/20
Settlement Headlines

• Local Govt spending levels will be the same over 4 years’: 2016/17 to 2019/20...
• Govt figures assume C Tax rise 3.75% pa
• 17/18 ASC grant funded by more cuts in NHB
• Education Services grant removed: £1.6m
• 100% Business Rates pilots in 2017/18...
97% of NSC Revenue locally generated by 2020/21
Savings in 17/18 budget

• £10.4m including:

<table>
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<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Social Care transformation</td>
<td>1,700</td>
</tr>
<tr>
<td>Education Services reduction (ESG)</td>
<td>1,400</td>
</tr>
<tr>
<td>Borrowing &amp; investments</td>
<td>990</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>1,770</td>
</tr>
<tr>
<td>Re-phase Highways improvement</td>
<td>500</td>
</tr>
<tr>
<td>Changes to Waste / Recycling</td>
<td>430</td>
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</table>
Final thoughts

• Will need to use reserves to balance 16/17
• £10.4m savings in 17/18 (£60m already made)
• Growth, capital investment, external funding is crucial
• Sustainable social care model is crucial
• We have a good track record of delivery but challenges are becoming more difficult...
Economic Development Update

Stephen Bashford
Head of Economic Development
Covering

- Introduction to the Service
- Our Principles, Remit & Approach
- Our Context & Strategy (Economic Plan)
- Our Priorities – Business Engagement
North Somerset Economic Development Service

Our Aim

‘To support the development of North Somerset as a significant business location’

– by delivering projects and programmes which stimulate growth, investment and higher productivity, we can transform the economic fortunes of our businesses and secure improved living standards for our residents
Our Principles

- **Evidence led:** matching projects & delivery to economic reality
- **Market failure:** intervening where there is a clear rationale to do so
- **Working in partnership:** maximising impact and delivery
- **Impact:** securing economic growth, new jobs, investment
The Team

- Economic Development Officers with lead area e.g. skills, inward investment
- Project specific staff, internships

Core themes:
- Inward Investment
- Business engagement & support
- Employment & skills development
- Rural economy
- Visitor economy
- Major projects
- Economic Strategy
Partnership Approach

- Bath & North East Somerset Council
- South Gloucestershire Council
- Bristol City Council
- Weston Works
- WE ARE West of England
- Business West
- NSEA
- Bristol+Bath

Economic Development Service
North Somerset Economic Plan

- Independent
- Stakeholder & Business Interviews
- Business workshop
- Wider business engagement
- Council sign off
- Steering group
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗ Productivity</td>
<td>✓ Strong growth</td>
</tr>
<tr>
<td>✗ Lower than average resident wages</td>
<td>✓ Part of the top performing WoE economy</td>
</tr>
<tr>
<td>✗ Shortage of young people</td>
<td>✓ Scope for high value employment growth</td>
</tr>
<tr>
<td>✗ Low employment density (critical mass)</td>
<td>✓ Proximity to Hinkley</td>
</tr>
<tr>
<td>✗ Lack of economic specialisation</td>
<td>✓ Ambitious FE college and HE nearby</td>
</tr>
<tr>
<td>✗ Attractiveness of area to investors</td>
<td>✓ Enterprise trends</td>
</tr>
</tbody>
</table>
Strategic Objectives

1. To create the conditions for higher value local employment

2. To grow and enhance the competitiveness of our businesses base

3. To become an outstanding place to start and grow a business

4. To enhance the area’s skills profile – to meet the needs of the current and future economy

5. To build on the area’s distinctive identity – to attract and retain young people, families, visitors and investment
Investment Themes

Theme 1: Facilities & Infrastructure
Theme 2: People & Skills
Theme 3: Competitive Businesses & Enterprise
Theme 4: Attractive Places with a Sense of Identity
Have a look and please feedback

http://innorthsomerset.co.uk/
Our Priorities

• Junction 21 Enterprise Area
• SW Food Innovation Centre
• **Business Engagement**
• Employment & Skills development
• Visitor Economy & Culture
• Strategic links – partners & businesses across North Somerset and West of England
Business Engagement – what we do

- Business Engagement Programme
- North Somerset Business Ambassadors
- North Somerset Tourism Network Group
- North Somerset Manufacturers Group
- Business Matters
Business Engagement – how we can help

• Conduit to Council Services
• Business support – links to WoE/national
• Funding for expansions
• Skills needs
• Property requirements
• Profile raising/promote networking
• Update on projects and strategic developments
We get out there...
Business Engagement – Start-up/SMEs

- SLA with North Somerset Enterprise Agency
- Initial advice and guidance including workshops
- 120 starts, 135 new jobs p.a.
- Enterprising WoE (£3.5m)
- Looking forward – SME growth hub model replicable
Business Engagement - Hinkley

- Business Liaison Officer – Hinkley Supply Chain Team
- Dedicated work package assessment and matching
- **360** businesses signed up to Hinkley Portal, consortia formed
- **55** recommended for **25** work packages with **5** preferred supplies
Coming soon...

- Economic Plan launch and Strategic Employment Review
- West of England Works (£6m)
- Skills West (£2.1m)
- Connecting Devon & Somerset phase 2
- Creative Hubs – Weston, Clevedon...
- Crowdfunding ‘local platform’
- Bristol & Bath Cultural Destinations (£150K, WoE)
Thank you
Question & Answer session
AOB / Reminders
Thank you