

# Cabinet

## Supplementary Information



**Date:** Tuesday, 24 January 2023

**Time:** 4.00 pm

**Venue:** The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

**6. Reports from scrutiny commission**

(Pages 2 - 3)

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## **STATEMENT TO CABINET - 24 JANUARY 2023**

**From Councillor Geoff Gollop**

Chair, Finance Task Group

### **STATEMENT ON BUDGET REPORTS**

(Item 8 - Budget report & Treasury Management Strategy 2023/24; Item 9 - Dedicated Schools Grant budget proposals 2023/24; Item 10 - Housing Revenue Account (HRA) Budget Proposals 2023/24)

Members of the Finance Task Group have greatly appreciated the ongoing and thorough engagement of finance officers with members as the 2023/24 budget has been developed, including the level of detail that has been shared.

Resources Scrutiny and Finance Task Group members recognise the scale of the very significant budgetary challenges faced by the Council and the need for urgent action to balance the budget. We also appreciate that the budget process has had to be undertaken within the wider context of the issues presented through the national economic situation/cost of living crisis and uncertainty over short, medium and long-term local government funding.

Cabinet will be aware that Resources scrutiny are holding two sessions next week to scrutinise the Mayor's final budget proposals in detail. Following those discussions, we will produce a detailed statement which will be included as part of the Budget Council agenda papers.

That said, the Finance Task Group has had an opportunity to initially review the Mayor's final budget proposals as presented to today's Cabinet meeting, and as Chair, I would like to just flag a few key points at this stage on scrutiny members' behalf.

### **Dedicated Schools Grant**

Members wish to flag in particular their deep concern about the ongoing, very significant deficit in relation to the Dedicated Schools Grant. Our concern centres around the impact of the very substantial pressures and significant challenges in the Early Years and High Needs blocks and how these can be resolved sustainably. The extent to which reserves are being used is a serious issue and an area of ongoing high risk for the Council – we need to understand how a sustainable annual position can be achieved as quickly as possible.

### **Savings proposals**

Notwithstanding the context within which the proposed budget savings have been developed, it does appear that the scale and the amount of savings proposed against a number of items is arbitrary, with insufficient detail available in some cases to enable members to understand clearly and assess how some savings will be delivered. This we feel is hindering our efforts to scrutinise the savings proposals as effectively as we would like.

Very significant levels of savings are proposed at a time of increased demand for some services, especially in relation to children's services and adult social care. A key issue for scrutiny members is whether these savings and efficiencies can realistically be delivered without impacting on service quality and effectiveness. Specific detail is required on how these savings will be delivered – this point applies to a number of savings affecting other directorates but is most acute across children's services and adult social care.

All savings proposals should have sufficient information for members to understand impact, alternatives and likelihood of delivery. It is questionable whether the level of optimism bias applied to each proposal fully reflects both the challenge of delivering the saving, but also the previous experience of achieving savings within service areas.

### **Invest to save**

Given the seriousness of the budgetary pressures, scrutiny members would like further information to assess whether the Council has maximised the potential of 'invest to save' – for example, in tackling pressures in relation to adult social care and homelessness.

As I said earlier, we intend to explore these points in detail at our scrutiny sessions next week along with a number of other issues and questions that we have identified, and a number of other key areas that we will want to draw to Full Council's attention. We will report our updated, full comments in advance of the Budget Council meeting.

Councillor Geoff Gollop  
Chair, Finance Task Group  
24 January 2023