Public Document Pack

Cabinet
Supplementary Information

Date: Tuesday, 23 January 2024
Time: 4.00 pm
Venue: The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

23. 2024/25 Budget Recommendations & Treasury Management Strategy

(Pages 2 - 305)

Issued by: Amy Rodwell, Democratic Services
City Hall, Bristol, BS1 9NE
E-mail: democratic.services@bristol.gov.uk
Date: Wednesday, 17 January 2024

Decision Pathway

PURPOSE: Key decision

MEETING: Cabinet

DATE: 23 January 2024

TITLE	**2024/25 Budget Recommendations to Cabinet**	
Ward(s)	All	
Author: Denise Murray		**Job title:** Director Finance
Cabinet lead: Cllr Craig Cheney, Cabinet Member: City Economy, Finance & Performance		**Executive Director lead:** Stephen Peacock, Chief Executive
Decision maker: Cabinet Member **Decision forum:** Cabinet		

Purpose of Report:
To set out the Mayor's Revenue Budget incorporating decisions for:
- Revenue 2024/25 to 2028/29;
- Capital Programme 2024/25 to 2033/34;
- Treasury Management Strategy which is including the minimum revenue provision and the prudential indicators and limits.

These decisions are to be considered by Cabinet in making recommendations for Council to approve the budget at its meeting on 20 February 2024.

Evidence Base:
An update to the rolling Medium-Term Financial Plan (MTFP) and Capital Strategy was approved by Full Council on 31 October 2023.

At that time, the MTFP update forecast a 'base case' peak funding gap across the 2024/25-2028/29 timeframe of £32.1 million. When considering the sensitivity of the service risks and core funding changes, by revising the forecast to best and worst case of these factors, it was assessed that the position could vary between £4.7 million and £81.2 million by 2028/29.

This Budget Report for 2024/25 builds on the key assumptions applied to the base case MTFP which have continued to be monitored and evaluated. It sets out the council's finances and identifies the efficiency savings required to produce a balanced budget against a backdrop of significant financial pressures.

Where appropriate public consultation has been undertaken in relation to the budget proposals to be considered and feedback from the consultation process has been taken into account in making these final recommendations.

This report proposes a net revenue budget in 24/25 of £525.494 million.

In the 2023/24 provisional settlement, the government announced that the council tax referendum threshold for Bristol was 3% including the flexibility to apply a social care precept of 2%. After due consideration and taking into account consultation responses, this report recommends a 4.99% council tax increase in the council's band D council tax for 2024/25 of which 2% is the social care precept. This equates to an annual increase of £99.60 per band D household and excludes precepts from the Avon and Somerset Police and Crime Commissioner and the Avon Fire Authority.

After the application of council tax a residual gap remains in the budget of £20.4 million in 2024/25. Additional savings of £24.0 million are proposed as part of 24/25's budget. Delivery of these incremental savings is budgeted to cost £0.6m and they are underpinned by a £3.0m increase in contingency.

Finally, the annual balanced position across the 5 year budget timeframe relies on the drawdown and temporary support of one-off council reserves during 2026/27 of £5.9 million and 2027/28 of £4.8 million to smooth the most significant impact of the business rates review.

The council tracks and monitors performance monthly and any risks are reported through routine management reporting.

The report contains a large amount of important information and, in order to make this accessible, the report is comprised of a main report and 15 appendices as follows:

Appendix A – Budget Report for Full Council

- Appendix 1 – Detailed Budget Summary by Directorate
- Appendix 2 – Capital Programme 2024/25 – 2033/34
- Appendix 3 – Budget Risk Matrix
- Appendix 4 – Treasury Management Strategy
- Appendix 5 – Flexible Use of Capital Receipts Strategy
- Appendix 6 – Budget Consultation Report
- Appendix 7 – Cumulative Equalities Impact Assessment
- Appendix 8 – Budget Savings and Efficiencies
- Appendix 9 – Long Term Investments - Shareholdings
- Appendix 10 – Service and Corporate Pressures
- Appendix 11 – Statutory Calculations in respect of Council Tax – to follow for Full Council
- Appendix 12 – Changes to Council Tax
- Appendix 13 – Service Investments, Loans and Guarantees
- Appendix 14 – Bristol Schools Forum Feedback
- Appendix 15 - Children and Education Supplementary Estimate Request

Separate reports in respect of the Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) Landlord Services are also presented to this Cabinet meeting; however, the revenue implications of the two ring-fenced funds are reflected in the proposals contained in this report.

Cabinet Member / Officer Recommendations:

That Cabinet recommends to Council to:-

Note:

- The report from Overview and Scrutiny Management Board (OSMB) and/or the Resources Scrutiny Commission that will be published separately.
- The budget consultation process that was followed and feedback as outlined in Section 18 and Appendix 6.
- The categorisation of earmarked reserves and provisions set out in Section 15.
- That the budget consultation feedback and equality impact assessments have been taken into consideration and have informed the final budget proposals.
- The feedback provided by Bristol Schools Forum for Cabinet and Council, for consideration in making final decisions on the Dedicated Schools Budget for 2024/25 as set out in Appendix 14.
- The Section 25 Statement of the Chief Finance Officer (s151 Officer) as set out in Section 17 on the robustness of the budget and adequacy of reserves.

Delegate Authority: • To the Director of Finance after consultation with Designated Deputy Mayor with responsibility for Finance, Governance and Performance and the Mayor, to make any necessary technical adjustments that may be required to the budget with transfers to and or from reserves as appropriate. That Cabinet recommends to Full Council: • The Bristol City Council levels of Council Tax increase of 4.99%; which includes 2% precept to support Adult Social Care, noting the precepts of the Police and Crime Commissioner for Avon and Somerset and the Avon Fire Authority. • The council's General Fund net revenue budget for the year 2024/25 as £525.494 million and expenditure allocations as set out in Appendix 1; subject to any budget amendments properly notified to and approved by the council in line with the Constitution. • That supplementary estimates be approved as part of the Budget 2024/25 Report in the case that they are required to meet Q3/P8 2023/24 full year forecast spending requirements (see Appendix 15) • The council's capital budget and programme for the years 2024/25 – 2033/34, totalling £2.7 billion for the General Fund and Housing Revenue Fund. • The strategic Community Infrastructure Levy allocations in section 13 are approved. • The proposed Treasury Management Strategy for 2024/25 in Appendix 4, incorporating the Minimum Revenue Provision policy and the prudential indicators and limits. • To approve the Strategy for the Flexible use of Capital Receipts as set out in Appendix 5. • To approve the changes to Council Tax for empty homes (long term empty dwellings that are substantially unfurnished) and for second homes (dwellings that are occupied only periodically and are substantially furnished) in Appendix 12 be applied from 1 April 2024, or as soon as possible thereafter, subject to the required legislation being in place.
Corporate Strategy alignment: The Corporate Strategy underpins the council's budget.
City Benefits: It is a statutory requirement to set a legal budget
Consultation Details: Details of consultation are included within Appendix 6 – Budget Consultation Report
Background Documents: https://www.bristol.gov.uk/council-spending-performance/council-budgets

Revenue Cost	**£see Full Report**	**Source of Revenue Funding**	
Capital Cost	**£ see Full Report**	**Source of Capital Funding**	
One off cost ☐ Ongoing cost ☐		**Saving Proposal ☐ Income generation proposal ☐**	

Required information to be completed by Financial/Legal/ICT/ HR partners:
1.Finance Advice: The council's financial position has been set out in this report. Council is under a legal obligation (Local Government Finance Act 1992) to set a balanced budget and in doing so they are obliged, under normal administrative principles, to take into account the various relevant factors, particularly in respect of consultation and equalities. Members are entitled to exercise their political judgement, paying due regard to the relevant factors rather

than being absolutely determined by them. The budget report sets out a comprehensive picture of the council's finances over a 5 year timeframe to assist in the decision-making process in setting the 2024/25 budget and the forward look for the Council.
Finance Business Partner: Jemma Prince, Finance Business Partner, 16th January 2024
1.Legal Advice: Approval of a balanced budget each year is a statutory responsibility of the Council (Local Government Finance Act 1972). Cabinet must consider the budget recommendations in the report and propose a budget to Full Council to adopt. Cabinet and Full Council must have regard to the report of the Chief Finance (s.151) Officer at Appendix A as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves (Local Government Act 2003). Public consultation has taken place in relation to the level of Council tax to be set in 2024/25. In doing so the Council has satisfied its statutory duty to consult with non-domestic rate payers (S65 Local Government Finance Act 1992). The responses to the consultation must be taken into account by Cabinet. Cabinet should also be satisfied that a proper consultation has taken place in that consultation was undertaken when proposals were at a formative stage and sufficient reasons and time has been given to allow consultees to understand and respond to them properly. Appendix A specifies that further public consultation will take place if required in relation to a new initiative or the specific implementation of an existing proposition set out in the report, and sets out the principles on which consultation will take place. The Budget Consultation report at Appendix 6 of the report sets out the process that was undertaken, detailed responses to consultation and how responses have been taken into consideration by officers when developing proposals for final decision. When considering proposals and options, Members must bear in mind their fiduciary duty to the council taxpayers of Bristol. Members must have adequate evidence on which to base their decisions. The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with protected characteristics and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Cumulative Equalities Impact assessment at appendix 7 is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy and any mitigations proposed. The decision maker must take into consideration the information in the assessment before taking the decision.
Legal Team Leader: Nancy Rollason, Head of Legal Services, 15th January 2024
3. Implications on IT:

The budget proposals contain many IT implications, presenting both risk and opportunity. Core IT services and existing Digital Transformation Programme work is proposed to remain funded, and the proposed Capital allocations enable delivery of more hybrid meeting technology and a necessary rolling replacement of end user devices such as laptops. However, there is no corporate, central funding for developing and exploiting emergent areas of technology such as robotic process automation and generative AI, which may limit overall pace of progress on digital and service transformation at an enterprise-level. However, with major transformation programmes funded within the budget, there will likely be opportunities to pursue some opportunities on a case-by-case basis. Also unfunded is systematic replacement of outdated Line of Business Systems and the work likely to be needed to fully address all facets of cyber security risk and business continuity. This may require further consideration and reprioritisation of funding within any approved budget envelopes once a costed programme of work is possible to present. Work is underway to review the council's cyber posture and LOBS needs. Achieving savings against third party IT supplies will be a key factor for delivering IT-related elements of the budget, with substantial cashable savings targets of over £300k whilst also containing inflationary pressure on remaining contracts. This risk will be closely monitored and managed within the IT service. Finally, where the budget results in updates to Fees and Charges, there will be a need to update details across relevant payment systems and on the council's website.
IT Team Leader: Tim Borrett, Director: Policy, Strategy and Digital, 16th January 2024
4. HR Advice: Any impacts on the Council's employees arising from budget decisions will be managed in line with the Managing Change Policy and in compliance with all obligations in law.
HR Partner: James Brereton, Head of Human Resources, 15th January 2024

Cabinet Member sign-off	Cllr Cheney	**17/01/2024**
For Key Decisions - Mayor's Office sign-off	Mayor's Office	**17/01/2024**

Appendix A – Further essential background / detail on the proposal	**YES**
Appendix C – Summary of engagement with Scrutiny	**No**
Appendix 6 – Details of consultation carried out - internal and external	**YES**
Appendix 7 (E) – Equalities screening/impact assessment of proposal	**YES**
Appendix D – Risk assessment	**NO**
Appendix F – Eco-impact screening/ impact assessment of proposal	**NO (Not required)**
Appendix G – Financial Advice	**NO**
Appendix H – Legal Advice	**NO**
Appendix I – Exempt Information	**NO**
Appendix J – HR advice	**NO**
Appendix K – ICT	**NO**
Appendix L – Procurement	**NO**

Budget Report

2024 - 2025

CONTENTS

1. Mayor's Budget Recommendations to Council

The approval of the Mayor's budget proposals to Council in respect of 2024/25 as set out in this report, subject to any agreed amendments:

To note:

a) The report from Overview and Scrutiny Management Board (OSMB) and/or the Resources Scrutiny Commission that will be published separately.
b) The budget consultation process that was followed and feedback as outlined in Section 18 and Appendix 6.
c) The categorisation of earmarked reserves and provisions set out in Section 15.
d) That the budget consultation feedback and equality impact assessments have been taken into consideration and have informed the final budget proposals.
e) The feedback provided by Bristol Schools Forum for Cabinet and Council, for consideration in making final decisions on the Dedicated Schools Budget for 2024/25 as set out in Appendix 14.
f) The Statement of the Chief Finance Officer (s151 Officer) on the robustness of the budget and adequacy of reserves as set out in Section 17.

To agree:

g) The Bristol City Council levels of Council Tax increase of 4.99%; which includes 2% precept to support Adult Social Care, noting the precepts of the Police and Crime Commissioner for Avon and Somerset and the Avon Fire Authority.
h) The Council's General Fund net revenue budget for the year 2024/25 as £525.494 million and expenditure allocations as set out in Appendix 1; subject to any budget amendments properly notified to and approved by the council in line with the Constitution.
i) That supplementary estimates be approved as part of the Budget 2024/25 Report in the case that they are required to meet Q3/P8 2023/24 full year forecast spending requirements (see Appendix 15)
j) The council's capital budget and programme for the years 2024/25 – 2033/34, totalling £2.7 billion for the General Fund and Housing Revenue Fund.
k) The strategic Community Infrastructure Levy allocations in section 13 are approved.
l) The proposed Treasury Management Strategy for 2024/25 in Appendix 4, incorporating the Minimum Revenue Provision policy and the prudential indicators and limits.
m) To approve the Strategy for the Flexible use of Capital Receipts as set out in Appendix 5.
n) To approve the changes to Council Tax for empty homes (long term empty dwellings that are substantially unfurnished) and for second homes (dwellings that are occupied only periodically and are substantially furnished) in Appendix 12 be applied from 1 April 2024, or as soon as possible thereafter, subject to the required legislation being in place.

To agree:

o) The distribution of the 2024/25 Dedicated Schools Grant of £491.736 million as recommended by Cabinet and the Schools Forum, summarised below, and set out in Section 9.
   i. The Schools Block budget set at £342.604 million, after transferring £1.7 million of the overall Schools Block to the High Needs Block as a contribution to the

accumulated High Needs deficit.

ii. The Growth Fund for established schools expanding in September 2024 be set at £2.0 million (a component of the total Schools Block budget).

iii. The basis for distributing the funding to mainstream schools as set out and agreed by Schools Forum

iv. The High Needs Block budget be set at £91.3 million, after receiving transfers of £1.7 million from Schools Block.

v. The Early Years Block budget be set at £55.2 million and distributed in line with the arrangements agreed with the Schools' Forum, noting that spend and income will fluctuate, according to participation levels in each of the three school terms.

To agree:

p) With regards to the HRA

i. The HRA Revenue budget of £151.0 million for 2024/25 as set out in Section 11.

ii. A rent increase of 7.7% with effect from April 2024, applicable to Housing Revenue Account (HRA) dwelling and non-dwelling rent.

iii. Note the refreshed HRA 30-year outline business plan and finance model established within the affordability principles in the capital strategy, and that this will be subject to annual review and in-depth review on a rolling 5-year basis, summarised in Section 11.

To delegate authority:

q) To the Director of Finance after consultation with Designated Deputy Mayor with responsibility for Finance, Governance and Performance and the Mayor, to make any necessary technical adjustments that may be required to the budget with transfers to and or from reserves as appropriate.

r) To the Executive Director of Growth and Regeneration, in consultation with the Designated Deputy Mayor with responsibility for Finance, Governance and Performance, to set HRA service charges in line with the anticipated and actual cost of running each service.

s) To Cabinet to approve (subject to consultation where required) any further DSG mitigation proposals for commencement in 2024/25.

2. List of Appendices

This report should be read alongside a series of appendices:

- Appendix 1: Detailed Budget Summary by Directorate & Division with Savings & Investments
- Appendix 2: Capital Programme 2024/25 – 2033/34
- Appendix 3: Budget Risk Matrix
- Appendix 4: Treasury Management Strategy
- Appendix 5: Flexible Use of Capital Receipts Strategy
- Appendix 6: Budget Consultation Report
- Appendix 7: Equalities Impact Assessments: Cumulative & Service
- Appendix 8: Budget Savings and Efficiencies
- Appendix 9: Long Term Investments & Shareholdings
- Appendix 10: Service and Corporate pressures
- Appendix 11: Statutory Calculations in Respect of Council Tax ***to follow for Full Council***

- Appendix 12: Changes to Council Tax
- Appendix 13: Service Investments, Loans and Guarantees
- Appendix 14: Bristol Schools Forum Feedback
  to follow
- Appendix 15: Children & Education Supplementary Estimate Request

3. Executive Summary

3.1 The council has a legal responsibility to set an annual balanced budget (Local Government Finance Act 1992). Budgets are a distillation of what defines a council and a demonstration in pounds and pence of its priorities and its values as stated in the Corporate Strategy. It outlines how the financial resources are to be allocated and utilised, showing the council's financial plan for the coming year with regard to statutory services as well as local key priorities and objectives.

3.2 There is no doubt that this remains a challenging time for Local Government, due to the volatility of the economy and inflation. Nationally there has also been high levels of demand for social care, home to school transport and large increase in homelessness, all of which have reflected locally in Bristol, and are putting pressure on our in-year and future year budgets. We continue to work extremely hard to manage this situation and mitigate the adverse impact. Due to careful and detailed planning and prudent management of our finances we are able to set a balanced budget over the five-year planning period.

3.3 This is a budget which seeks to prioritise what really matters, supporting people through the cost-of-living crisis, investing in our frontline public services, and providing the resources available to protect the most vulnerable. But it does so in a context of financial constraints from underlying structure pressures including local supply challenges, labour shortages, pay inflation and the ambition to respond proactively to the climate emergency.

3.4 There has been a marginal improvement in terms of Local Government funding in the most recent years and outlined in the Autumn Statement 2023 and subsequent allocation in the provisional Local Government finance settlement. However, these have not kept pace with demand for our services and the set of sustained economic and financial challenges related to national and local market conditions to which local government has and continues to be exposed.

3.5 We are committed to continuing to deliver on our Corporate Strategy 2022 to 2027 Corporate Strategy 2022-27, Our budget will include the ongoing transformation and delivery of services that are important to our citizens, complemented by additional investment in decarbonising our estate and our existing and a programme of new housing developments infrastructure.

General Fund

3.6 In 2023/24, the council set a three-year budget, balanced through the utilisation of the resilience / smoothing reserve, which enabled us to take a longer-term and more strategic view whilst further developing our transformation proposals to support our decision. The prior year's budget outlined savings of £43.9 million between 2023/24 and 2027/288, with £17.7 million to be found in the later years from 2024/25 and beyond.

3.7 The Capital Strategy and Medium-Term Financial Plan /(MTFP) agreed by Council in October 2023 estimated a funding gap of £17.8 million for the financial year 2024/25 which was predicted to rise to a peak of £32.1 million over the course of the five-year planning period. The funding gap, given the continued back-drop of the cost of living and demand pressures, continues to be extremely sensitive to inflation and core funding variations, and by 2028/29 the breadth of the potential sensitivity variation ranged from £4.7 million to £81.2 million.

3.8 In addressing these challenges, the MTFP sets out our guiding financial principles and good practice arrangements for; delivering sustainable services, to be resilient to future uncertainty, deliver best value and a balanced budget in the medium term. Overall, this report recommends a 2024/25 general fund net expenditure budget of £525.5 million, (a net increase of £42.0 million from the 2023/24 budget) and incorporates targeted revenue investment in priority areas of £44.0 million in 2024/25 to mitigate ongoing and unavoidable pressures.

3.9 The outlook for the coming years is volatile, with a number of impacting factors influencing the planning assumptions across the medium and longer term, not least of which is the continued lack of funding certainty. The Autumn Statement paved the way for an expectation of real terms cuts over the coming medium term. These, combined with the impacts from the fair funding review for the allocation of government funding and the reset of business rates retention to redistribute growth due in 2026/27, are presenting significant challenge to the sector.

3.10 In order to ensure that the council manages costs within the available funding over the medium term, savings continue to be an essential requirement. In addition to the net £10.0 million savings approved as part of prior year's budgets for 2024/25, further savings are proposed to the value of £24.0 million in 2024/25. This results in an overarching savings and efficiency programme of £34.0 million. These savings are underpinned by an overarching savings contingency of £1.5 million (of which £1.0m relates to 2024/25) and £4.8 million linked to the savings outlined in this recommendation (of which £3.0m relates to 2024/25).

3.11 Savings delivery has become a normalised process throughout the last decade, since the introduction of austerity measures from 2010. The council has during that time delivered substantial and wide-ranging efficiencies, savings and transformation to manage the ever-tightening financial landscape which it faces. The historic service reductions and efficiencies have seen services outside of social care having to manage significant reductions, with over 50% real terms cuts in those areas. This leaves the council in a difficult position with limited options on further reductions and in the last financial year a clear focus has been put on transformation and delivering quality services differently to enable value for money.

3.12 In achieving the reported position of £525.5 million for 2024/25 the council has been compelled to take painful and difficult decisions in order to prioritise funding in the areas which have the greatest impact on the quality of life for the people of Bristol and deploying all the levers available to us to deliver on our values, protecting people and optimising services. In living within our means we have had to use the council tax flexibilities available to us, taking into consideration the pressures many households are facing with an increased cost of living. It is necessary to levy a Social Care Precept of 2%, as a contribution towards the pressures the city faces in addressing adult social care demands, and in addition increasing the core council tax base by 2.99% to support the underlying position including inflationary pressures. The two combined uplifts equate to an overall 2024/25 council tax increase of 4.99%, generating an additional £13.5 million resources from council tax for services provided by the council.

3.13 We have sought to protect the most vulnerable and continue to be one of a few authorities who are retaining the Local Council Tax Reduction scheme, which will mean 32,200 households on low income will be protected from the increase and receive up to 100% deduction of their council tax costs. This is also true for pensioners.

3.14 The table below provides a high-level summary of the position including the transfers that will be required to create the necessary earmarked and general reserves for 2024/25 and 2025/26 and to ensure the councils ongoing sustainability and resilience in the later years when the most significant impact of the business rates reset comes to fruition and impacts on the level of core income.

Table 1: General Fund summary

General Fund Overview	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Original Budget (Approved by Council)	501.934	511.288	523.045	536.786	536.786
Total Emerging Pressures	43.984	28.685	32.166	35.805	48.027
Net Service Savings	(20.424)	1.450	(0.994)	(0.143)	0.878
Council Budget Requirement	525.494	541.422	554.217	572.448	585.691
Total Funding	(532.480)	(552.648)	(548.301)	(567.672)	(588.127)
Reserves (+/-)	6.986	11.226	(5.916)	(4.776)	2.436
Budget (Surplus)/Deficit	-	-	-	-	-

3.15 The council remains ambitious in its vision and objectives for the city and is committed in particular to ensuring that services to children, vulnerable adults and the provision of high value jobs continue to be key priorities. With alternative funds available to the council for capital expenditure on infrastructure (see section 13) the council is maintaining an ambitious approach to investing in the city.

3.16 The proposed Capital Programme amounts to £2.722 billion (including HRA) in 2024/25. The programme was updated last year for several major programmes of works that helped the city 'invest to grow'. Further steps toward the Regeneration of Bristol's Temple Quarter were made, Bristol Beacon opened for business. This year the council is addressing the financial constraints in the programme that previously resulted in a lower proportion of our projects being funded by 'investing to save'. Two 'invest to save' additions are Children's Services projects which will aim to tackle the problems in the supply of Children's Fostering Sufficiency and Children's Homes Sufficiency placements.

3.17 Other invest to save proposals are coming forward. Not wanting to lose vital opportunities that result in savings, the capital programme will maintain an allocation of funding for use to explore, develop the early pipeline identified and subject to mandate, business case and cash flow appraisal be implemented subject to delegated approval. Projects for potential inclusion will be innovative small scale projects addressing placement sufficiency for adults with learning disability, temporary accommodation solutions, home to school transport vehicles, street lighting and other savings opportunities

3.18 We are adhering to the priorities residents have helped us set, including creating 1000 affordable homes, preventing homelessness, promoting a healthier and happier city, tackling inequalities and creating vibrant neighbourhoods where people want to live – all while leading the drive towards becoming a net zero carbon city by 2030. We must also get the basics right – emptying bins, maintaining roads, leisure facilities and improving ways for walkers and cyclists to get around and protecting the most vulnerable. This approach will allow the council to ensure services are rightsized, can continue to deliver its key priorities, and plan appropriately for sustainable long term change.

3.19 The proposals above all form the basis of the council's final general fund revenue and capital budget for 2024/25.

Ringfenced accounts

Public Health

3.20 The Public Health Grant in Bristol is £35.9 million in 2023/24 and the indicative allocation for 2024/25 (published in March 2023) is expected to be £36.2 million. Councils still await the final announcement of their final Public Health Grant allocations. This funding is used to meet statutory public health responsibilities. If the final 2024/25 grant fails to cover contract inflation and pay awards, then services may be affected and may need to shrink to fit a reduced service envelope. This is significant in terms of Agenda for Change pay awards for public health consultant staff and those NHS staff employed on public health contracts.

Dedicated Schools Grant (DSG)

3.21 Following the October 2023 census, the DSG allocation was released by the ESFA on 19 December 2023. The overall DSG allocation for 2024/25 is £491.7 million.

3.22 The allocation of £491.7 million is an increase of £28.8 million on the equivalent 2023/24 allocation of £463.0 million. This increase includes a further £8.1 million for the Schools Block, where the majority of funding is passported directly to schools via the funding formula. The funding for the High Needs Block is £89.5 million, a 3.3% increase on 2023/24 (£86.6m).

3.23 The High Needs Block remains under pressure. Current spending levels in 2023/24 indicate that the increased allocation will not cover in-year forecast overspend and does not provide any additional funding for growth, additional need, or historic shortfalls.

3.24 The current trends indicate that the overall DSG cumulative unmitigated deficit is forecast to reach £58.2 million by the end of 2023/24.

3.25 A Statutory Instrument is in place to allow the overarching DSG deficits to be carried over in a negative reserve. This Instrument is, however, time-limited and was due to end in March 2023 but in recognition of the national challenge in relation to DSG deficits (attributed to High Needs) it has been extended for a further three years to March 2026. The extension is to allow councils the short-term flexibility needed to implement changes to move High Needs to a sustainable position.

3.26 Work, collaboration and engagement continues on mitigation proposals, with particular focus on sustainable school-led programmes, addressing the deficit in the High Needs Block through more inclusive mainstream provisions and improved collaboration and consultation with stakeholders.

3.27 In considering the DSG carry forward negative reserve, the current financial challenges for maintained schools and early years sector should also be noted. Local authority maintained schools are forecasting a net deficit for March 2024 when all the individual school balances are combined of £2.4million. This is mitigated to a small surplus through additional one off funding earmarked to support schools in financial difficulties (see section 9). The additional funding for schools and maintained nurseries in the funding formula from 2024/25 is welcomed and this along with the work underway to improve school's financial health will go some way in meeting these challenges and ensure a sustainable medium term position can be achieved.

Housing Revenue Account (HRA)

3.28 The HRA report presents the annual budget, Housing Investment Plan and 30-year HRA Business Plan model that, in addition to building new homes, will redevelop and regenerate and improve existing properties.

3.29 The annual 2024/25 budget is expected to be £151 million (an increase of £13.6 million from 2023/24) and includes a rent increase of 7.7% for 2024/2. The HRA business plan model is for a period of 30 years with gateway reviews. More focus is on the medium-term as there is more certainty on costs, demands, resources and pressures, which will enable the prioritisation of housing investment, which can be considered in the light of the Corporate Strategy and the impact of government policies on rents, disposals and regeneration. The HRA will play a significant role in the delivery of the Housing Programme and will work with the council's General Fund and the council's wholly owned housing company to ensure the aspiration of the housing plan is delivered.

3.30 The Business Plan model demonstrates that the annual budget and investment proposals are fundable, subject to the assumptions within the plan, and that the HRA remains sustainable and viable over the 30-year period.

3.31 In addition to the above, the council continues to progress the delivery of an ambitious HRA capital programme over the period from 2024/25 to 2033/34, which has a gross value of £2.3 billion and is fully funded using HRA revenue and reserves, external funding, capital receipts and prudential borrowing. As at 1st April 2024 the HRA earmarked revenue reserves are estimated to amount to £55.8 million.

3.32 The proposals above all form the basis of the council's final HRA revenue and capital budget for 2024/25.

Harbour Account

3.33 During 2024/25 it is expected, in line with a Cabinet decision taken during 2023/24, that a revision order will be taken to establish a separate ring-fenced account for the Harbour. This may require adjustments to the outlined budget following further work to understand the specific accounting treatments required. Recommendations will be brought forward through the appropriate decision pathway and delegated decision making route.

4. Council Strategy & Financial Planning

4.1 The One City Plan sets out an ambitious vision and actions for the future of Bristol to 2050. It is a collaborative approach to reach a shared vision for Bristol and aims to use the collective power of Bristol's key organisations to make a bigger impact, by supporting partners, organisations and citizens to help solve key challenges, such as driving economic growth for everyone.

4.2 The council's refreshed Corporate Strategy 2022 to 2027 remains the main strategic document and sets out the council's vision for Bristol, including the key priorities to be delivered over the medium term. It links with other key strategies and contributes to the delivery of the long-term One City Plan and shared vision for the city.

4.3 The Corporate Strategy lays the foundation for delivery of the vision and consists of 7 high level strategic themes:

i. **Children and Young People -** City where every child belongs and every child gets the best start in life, whatever circumstances they were born in to.
ii. **Economy and Skills** - Economic growth that builds inclusive and resilient communities, decarbonises the city and offers equity of opportunity.
iii. **Environment and Sustainability-** Decarbonise the city, support the recovery of nature and lead a just transition to a low carbon future.
iv. **Health, Care and Wellbeing** - Tackling health inequalities to help people stay healthier and happier throughout their lives.
v. **Homes and Communities** - Healthy, resilient and inclusive neighbourhoods with fair access to decent, affordable homes.
vi. **Transport and Connectivity -** A more efficient, sustainable and inclusive connection of people to people, people to jobs and people to opportunity.
vii. **A Development Organisation** - From city government to city governance: creating a focussed council that empowers individuals, communities and partners to flourish and lead.

4.4 Our key commitments aligned to each theme, underpinned by 5 building blocks, and the values and behaviours that guide how the council will work can be viewed in the full document accessed via the link below:
Corporate Strategy

4.5 The economic and financial climate remains one of uncertainty with constrained funding streams and as such the approach to the meeting Corporate Strategy needs is to be considerate of budget pressures and funding availability. A phased approach to change has been adopted over the period of the strategy to ensure services are both positioned right, are sustainable and can plan appropriately for change.

4.6 The Policy and Budget Framework provides the structure and process for budget decision making and the Capital Strategy and MTFP are key financial planning document, covering a rolling period, refreshed annually. They set out the council's strategic approach to the management of its finances, both revenue and capital and provides a financial framework within which delivery of the council's priorities can be progressed.

4.7 Through the service planning process, we will ensure resources are aligned with the Corporate Strategy priorities, transitioning our existing spend towards the priorities outlined in the strategy. We will continue to work internally and externally with our partners locally, regionally and nationally and leverage additional external funding, targeted and linked to the strategic priorities and objectives of the council.

4.8 The MTFP and Capital Strategy approved by Full Council, October 2023 provided an outlined of the national context, new legislative and policy changes that could impact on the budget and medium term plan and the local service and funding issues to which consideration needed to be given over the period. The budget strategy, presented the proposed approach continued focused on driving a blend of improved outcomes and best value from our existing transformation programme, expanding the opportunities being developed, including optimising our assets in relation to invest to save proposals and being more business-like in relation to income generation, secure more external resource, including options around fees and charges and debt management.

4.9 The Chancellor's Autumn Statement and the subsequent Provisional Local Government Finance Settlement which was published in December 2023, was in effect, the second year of a two year settlement. While it resulted in a real terms increase, in the council core spending power in comparison to the prior year. The grant changes in the main where previously announced and planned for in the MTFP, resulting in an overall adverse movement as a result of the reduction applied to the services grant (reduced nationally from £403m to £77m) with elements transferred to the Social Care grants and a 3% Funding Guarantee (£63m).

4.10 The positives in the settlement were the confirmation of a further year of New Homes Bonus, business rates multiplier aligned to September CPI (6.7%) and that councils in devolution deal areas are to remain in the 100% business rates retention pilot for a further year. The pilots will be subject to ministerial review of delivery objectives and priorities for 2025/26.

4.11 The continuance of limited funding periods, short term local government allocations and the scale of specific and one-off grants allocated in the settlement provides the greatest indication that local government funding reforms such as the Fair Funding (aimed at designing a new system for allocating funding between councils via a renewed methodology) and Business Rates reviews (100% to 75% or 50% retention and wider reforms of the business rate system) are likely to be introduced in 2025/26 and 2026/27 respectively. These reforms will set new funding baselines for every authority and presents a significant risk to future funding for the council.

4.12 The budget has been prepared considering the strategic documents, outlined above, ensuring that each year's budget is set within the context of the council's ongoing sustainability over the whole planning period. Throughout the process of setting the budget, the council has been very mindful of the impact of changes or reductions on residents. Equalities Impact Assessments (EQIAs) are included in this and associated reports. Decision makers will need to take them into account when considering these budget proposals.

5. Current Revenue Budget Position for 2023/24

5.1 This report is concerned mainly with the budget estimates for 2023/24. However, it is to consider the current year's financial performance since it has formed the starting point and springboard for formulating these budget estimates. Budget 2024/25 is based on the latest forecast outturn as at Q3/P8 2023/24.

5.2 The current full year forecast position, based on known information at the end of November 2023 is a net £5.5 million (1.1%) overspend against the approved general fund budget. This outlook reflects the application of an £18.5m supplementary estimate to Children and Education directorate budget, reflecting the Directorate's overspend in-year, which is subject to approval at Full Council in February. This £5.5 million reflects risks with the Adult Social Care, Resources and Growth and Regeneration Directorates. It is expected that where possible mitigations will continue to be explored across services within the directorates to contain cost pressures within the delegated cash limits.

5.3 For ring-fenced accounts, latest in-year forecasts report £0.2 million underspend for the HRA (-0.2%), £16.4 million overspend for the DSG (3.6%) and a balanced position on the Public Heath grant.

5.4 The ongoing pressures that have been identified through budget monitoring are taken into consideration in preparing both the Medium Term Financial Plan and has both the outturn and the planning evolve are reflected in the 2024/25 budget and medium term plan.

5.5 Further details of the forecast year end position can be found in the period 8/Quarter 3 2023/24 Financial Monitoring Report presented to Cabinet 23 January 2024.

5.6 A supplementary estimate is presented for approval as part of the Budget 2024/25 report to ensure demand-led service can continue to be provided in the case that they are required to meet Q3 2023/24 full year forecast spending requirements (see Appendix 15).

6. General Fund Revenue Budget 2024/25

6.1 Full details of the 2024/25 service cash limit budgets are set out in Appendix 1 with key areas of investment and savings set out below.

6.2 The General Fund base budgets are the most significant elements of the council's budget. They are the mainstream budgets for services and are monitored monthly and reported to the Corporate Leadership Board, the Mayor and Cabinet. An incremental budgeting approach has been adopted to provide a consistent and easily understood mechanism to update and review budgets and enables the changes applied to year-on-year budgets to be transparent.

6.3 The funding settlement along with amendments to assumptions around inflation and service demand, reflecting known changes on potential variations since October's MTFP, have been reflected in the funding position of this budget proposal. After savings, the council presents a balanced budget position over the full five year MTFP period. This is underpinned by contributions to reserves in the first two years, with drawdown from reserves in the following two years. This reflects an expected steep decline in funding at 2025/26 when a number of the funding streams are expected to cease, coinciding with the business rates revaluation exercise that is also expected to reduce the council's funding significantly.

6.4 The proposed General Fund revenue budget for 2024/25 totals £525.5 million, a net increase of £42.0 million from the 2023/24 baseline budget (£483.5m). Within this are savings and efficiencies options, both recurrent and non-recurrent, amounting to a net position of £24.1 million (after cost to deliver), of which £23.4 million is attributed to 2024/25.

6.5 All residual savings approved in prior years must be carried forward and included in determining the council's overarching budget requirement. After write-offs and amendments have been applied, the budget now includes a savings target of £13.6 million from previous budget rounds (of which £10.0m is attributed to 2024/25).

6.6 The overarching savings figure built into the budget (net of any write-offs) is therefore restated to £39.3 million of which £34.0 million is attributed to 2024/25. The table below provides a summary of the position.

Table 2: Summary of savings

Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Future Year Savings from 2023/24	(14.108)	(1.973)	(1.061)	(0.547)	-	(17.689)
Future Year Savings Written Off	4.083	-	-	-	-	4.083
	(10.025)	**(1.973)**	**(1.061)**	**(0.547)**	**-**	**(13.606)**
New 2024/25 Proposals	(23.971)	(0.685)	(1.950)	(0.810)	(0.324)	(25.722)
	(33.996)	**(1.289)**	**(3.011)**	**(1.357)**	**(0.324)**	**(39.328)**

6.7 It should be noted that this is presented for completeness and that supplementary approval is not being sought for previously agreed savings. The full details of all previous and new savings in the budget are outlined in Appendix 8.

6.8 The council applies an optimism bias to support any further variations that may occur in relation to delivery and/or consultation, reflecting that a number of the savings are in early development. There is previously approved optimism bias linked to the prior year savings carried forward of £1.5 million (of which £1m relates to 2024/25) and

£4.8 million linked to the savings outlined in this recommendation (of which £3.0m relates to 2024/25).

6.9 The key components of the General Fund budget of £525.5 million are summarised in the table below. Significant investment continues to be made in services that support the most vulnerable in our community and to tackle the cost of living crisis that is impacting local government and all public and private sector businesses across the UK.

6.10 It is proposed that reserves are bolstered marginally in the first two years of the medium term position to enable the anticipated drop in funding during 2026/27 to be smoothed through application of drawn down reserves over two years whilst the position stabilises. This will provide a cushion enabling a stable medium term position throughout the full five year period and for key services to be maintained while greater certainty is obtained in relation to the future economic conditions.

Table 3: Summary of proposed General Fund revenue budget

2023/24 Budget £m	Description	2024/25 Budget £m	2025/26 Project'n £m	2026/27 Project'n £m	2027/28 Project'n £m	2028/29 Project'n £m
425.033	Base Budget Carried Forward					
191.712	Total Adult & Communities	200.443	207.631	213.518	220.678	225.331
110.003	Total Children & Education	127.178	127.220	128.704	131.536	133.172
45.872	Total Resources	49.049	48.551	48.362	48.322	48.281
61.567	Total Growth & Regeneration	61.120	62.039	62.261	62.153	62.341
74.369	Total Corporate	87.704	95.981	101.372	109.760	116.566
483.523	General Fund Budget Requirement	525.494	541.422	554.216	572.448	585.691
(258.801)	Council Tax	(282.047)	(297.373)	(313.533)	(330.581)	(348.543)
-	Council Tax Second Home Premium	-	(2.876)	(3.020)	(3.170)	(3.328)
(153.451)	Business Rates (NNDR)	(177.493)	(181.966)	(161.316)	(163.489)	(165.823)
(1.599)	New Homes Bonus	(2.418)	-	-	-	-
(4.126)	Services Grant	(0.650)	-	-	-	-
(56.790)	Social Care Grant	(67.365)	(70.432)	(70.432)	(70.432)	(70.432)
(3.929)	Movement To / (From) Reserves	6.986	11.226	(5.916)	(4.776)	2.436
(4.827)	Collection Fund Surplus/(Deficit)	(2.507)	-	-	-	-
(483.523)	**Total Funding**	(525.494)	(541.422)	(554.217)	(572.448)	(585.691)

-	Budget Surplus/(Deficit)	-	-	-	-	-

6.11 The following specific changes and key assumptions have been made in the development of the 2024/25 budget:

- Council Tax increase of 4.99% (including 2.99% for general purposes and 2% Adult Social Care Precept) continuing for the medium term in line with steer from central government
- Introduction of 100% council tax premium on second and empty homes subject to parliamentary approval from 2025/26
- 100% business rates retention until 2025/26 only and multiplier uplifted by CPI, with rates reset due from 2026/27
- A pay award/NIC capped (£9,100) of 5%
- All Social Care grants – rolled into the fairer funding review and cash flat
- No general inflation uplift to be applied to service expenditure budgets
- Inflation uplift of 6.7% to be applied to all fees and charges in line with September CPI
- Specific inflationary increases in Private Finance Initiative (PFI), social care and essential services e.g. utilities
- Capital Financing – assumption that borrowing costs peak at 5.5%

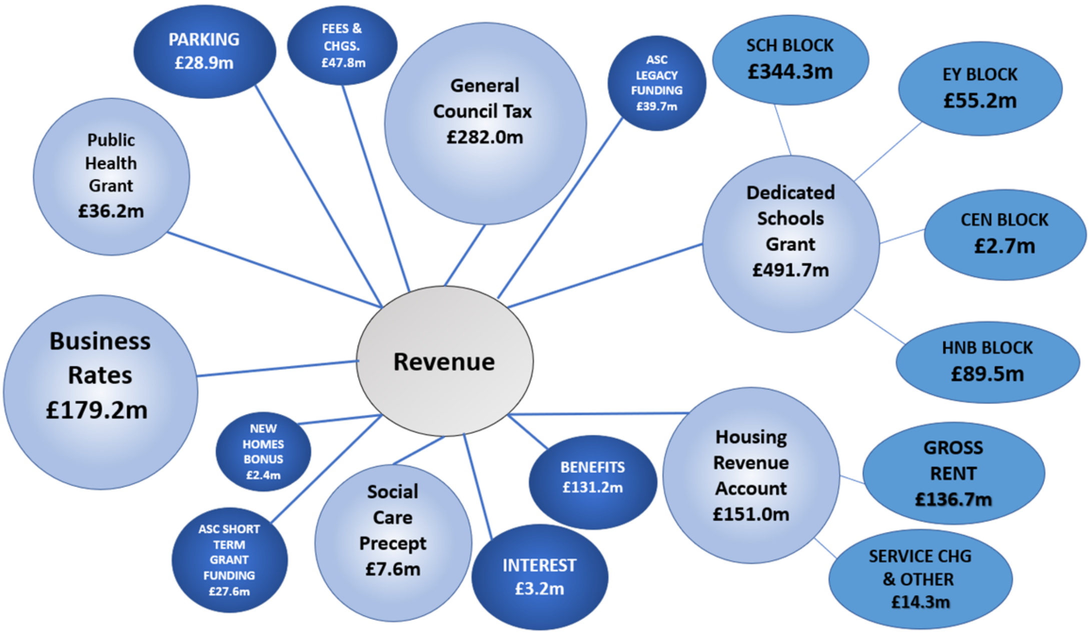
6.12 It is important that the council continues to plan and grow our local tax base which provides real additional resource that can assist with managing increases in service demand, population growth, inflationary pressures and changes in government funding.

6.13 During this period of continuous uncertainty, we are conscious of the impact of council tax increases on Bristol residents. Given the growth in demand for our services and the absence of any new permanent funding being made available by government, the council is required to take action to ensure the sustainability of services. The council tax increase proposed for 2024/25 is in line with the assumptions underpinning the core spending calculations and funding distributed.

6.14 Whilst this report focuses predominantly on core funding streams, it is worth noting that the council receives a wide range of external grants and other income streams applied directly to service budgets for delivery of key services.

6.15 Figure 1 below provides an illustration of the composition of all external income streams anticipated for 2023/24.

Figure 1: Breakdown of budget income 2024/25



Fees and charges

6.16 The 23/34 Budget and medium term plan approved in February 2023 anticipated an annual general inflationary uplift of 5% in 2023/24 to ensure budgets remain sustainable in real terms with a 3% increase in 2024/25. This was attributed to pay, prices and contract costs partly offset by assuming an equivalent increase in all fees and charges. This provision was in line with the medium-term target rate set by the Government for the Bank of England.

6.17 However, with the continuing international economic instability and national political uncertainty there has been increased inflationary pressure across most sectors. The local government Pay award (ranged from 3.8% up to 12.6% (averaging 6.0%). Increase in the National Living Wage and current year and future forecasts for inflation, are for an average of 7.3% this year, 3.6% next year before settling back to nearer the long-term trend of around 2% for the rest of the medium term planning period.

6.18 No general inflation allocation is provided for the majority of the council's services and given this position it is not possible for all services to generate sufficient additional efficiencies to absorb the increased inflationary cost, while many areas are also seeing increased demand.

6.19 Positive action by services has managed the impact of inflation in 2023/24 on a one off basis and in other areas these price fluctuations are reflected in the overspends reported. For many services to remain sustainable there is a need to recalibrate fees and charges for 2024/25 and beyond to provide the necessary funding for excess inflationary costs in 2024/25. There is a material risk about the council's ability to continue to absorb cost increases that are higher than resources year-on-year and could lead to additional budget pressures in future years.

6.20 In the context of sustained, historically higher levels of inflation and the resultant increased costs of service provision, it is proposed that this risk will be managed in 2024/25 through the recalibration and realignment where appropriate of fees and charges. The council charges for services, some of which are established by statute and are not within the power of the council to amend locally, whilst others are discretionary and are set as part of the annual budget report.

6.21 General Fund discretionary fees and charges are increased by the September (prior year) CPI Index rate, on 1 April 2024, unless otherwise stated. Most working-age benefits, pensions, business rates multiplier, and rent charges are also aligned to September's CPI inflation rate, which measures how fast prices have risen in the previous 12 month period, and as such will rise by at least 6.7%, in April 2024.

6.22 This uplift has been assumed against all relevant budgets at 6.7% for 2024/25, and at 2% from 2025/26 onwards (planning assumption subject to confirmation). This will enable services to recover costs and operate sustainably in a high inflation economic environment. Where charges are set as full cost recovery on an externally directed basis, or are set by statute, they are assumed to be set at the relevant directed values, which will differ to the standard inflationary assumption. Some of these fee and charge increases still require notification to the council so they will be updated when we have the relevant confirmations.

6.23 If there are any proposed increases that are above the council budgeted level, they will need to be brought forward for decision under the appropriate decision pathway.

Service and corporate pressures

6.24 As part of the budget process each year, we look at unavoidable financial pressures on services that will have an on-going budgetary impact, some of which are outside of the control of services and cannot be immediately mitigated by savings and efficiencies. Examples of these would be non-negotiable contractual changes, which have a direct impact on costs; legislative changes such as new functions / standards; and organisation development. There are other areas where the current budget is not adequate for the level of demand within the service or loss of grants / income is anticipated; whilst these can be addressed, they cannot be addressed immediately due to the need to revise commissioned activity or develop exit strategies.

6.25 The table below provides a summary of expenditure pressures with further detail in Appendix 10.

Table 4: Breakdown of baseline expenditure pressures and investments

Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
Pay Inflation Pressures	10.648	4.559	4.527	4.367	4.454	**28.555**
Non-Pay Inflation Pressures	25.983	3.572	6.678	10.826	6.287	**53.346**
Total Service Pressures	32.760	5.818	3.548	3.112	1.359	**46.597**

Total	69.390	13.949	14.753	18.305	12.100	128.497

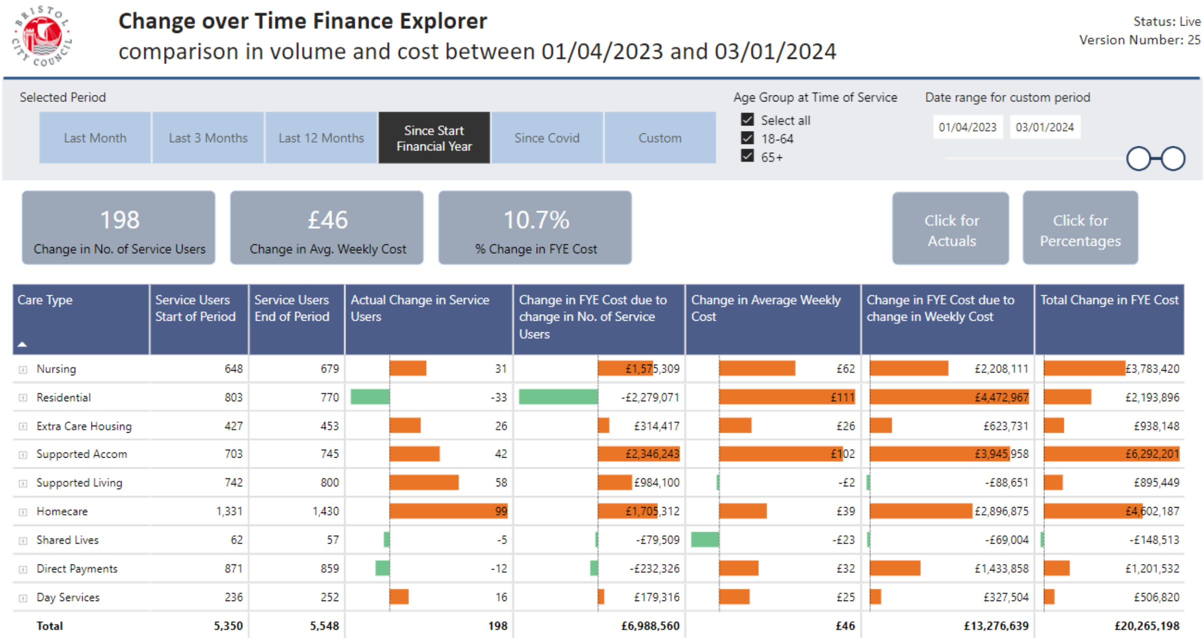
Adults and Communities

Adult Social Care & Communities and Public Health

6.26 Adult Social Care (ASC) continues to face significant demand and resource challenges in meeting care and support needs, with a provider sustainability issue from rising costs, significant inflationary pressures, and workforce pressures which continue to make this a challenging context for the service.

6.27 Since 1 April 2023, ASC has seen a 3.7% increase in the number of people who draw on long term care and support services and is currently supporting 5,548 people (as at 3 January 2024). This represents the equivalent of a 10.7% (full year equivalent) change in costs as set out below.

Figure 2: Adult Social Care Cost & Volume Changes since 1/4/2023



Care Type	Service Users Start of Period	Service Users End of Period	Actual Change in Service Users	Change in FYE Cost due to change in No. of Service Users	Change in Average Weekly Cost	Change in FYE Cost due to change in Weekly Cost	Total Change in FYE Cost
Nursing	648	679	31	£1,575,309	£62	£2,208,111	£3,783,420
Residential	803	770	-33	-£2,279,071	£111	£4,472,967	£2,193,896
Extra Care Housing	427	453	26	£314,417	£26	£623,731	£938,148
Supported Accom	703	745	42	£2,346,243	£102	£3,945,958	£6,292,201
Supported Living	742	800	58	£984,100	-£2	-£88,651	£895,449
Homecare	1,331	1,430	99	£1,705,312	£39	£2,896,875	£4,602,187
Shared Lives	62	57	-5	-£79,509	-£23	-£69,004	-£148,513
Direct Payments	871	859	-12	-£232,326	£32	£1,433,858	£1,201,532
Day Services	236	252	16	£179,316	£25	£327,504	£506,820
Total	**5,350**	**5,548**	**198**	**£6,988,560**	**£46**	**£13,276,639**	**£20,265,198**

6.28 The additional cost of supporting increased numbers of people, within a finite resource envelope, whilst also needing to deliver financial savings, has been a significant service challenge. At period 8 (as reported to Cabinet January 2024) ASC were forecasting an overall overspend of £2.2 million against its £194.0 million revised budget, with savings still to be achieved before the end of the financial year.

6.29 Adult Social Care divisions have continued to experience significant service pressures and associated financial risks in relation to adult purchasing budgets in 2023/24, with a £13.2 million risk of overspend in this area. This is a significant financial risk area with the current pressures as follows:

- older adult 65+, £6.5 million overspend
- working age adults, £8.1 million overspend
- preparing for adulthood, £1 million overspend
- which are partially offset by additional income contributions of £2.4 million.

6.30 Adult Social Care is continuing to work on its service transformation programme which seeks to both improve service delivery and, longer term, help create a more sustainable financial position.

6.31 As widely reported, the recruitment and retention difficulties experienced across the health and social care sector continue to be a significant challenge to ensuring timely provision of care and support.

6.32 For 2024/25 there are a number of expenditure pressures and investments needed to support adult social care (as set out in Table 5). These include demographic pressures and increased numbers and cost of young people transitioning from children to adult services.

Table 5: Breakdown of baseline expenditure pressures and investments – Adult & Communities

Year Incl. From	Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
22/23	Demand and Demographic Growth	1.037	0.885	1.186	1.196	-	4.304
23/24	Preparing for Adulthood - Cost of Care	0.355	0.366	-	-	-	0.721
23/24	New Burden: New Better Care Fund	2.095	-	-	-	-	2.095
23/24	Environmental Health - Statutory Food Safety Inspections	0.085	-	-	-	-	0.085
24/25	Demand and Demographic Growth	-	-	-	-	1.000	1.000
24/25	New Burden for Transfer of Care - First Cohort	0.655	0.655	-	-	-	1.310
24/25	New Burden for Transforming Care linked to Hospital Discharge to the Community	-	1.966	-	-	-	1.966
24/25	Core Grants in Service: Market Sustainability and Improvement Fund	2.391	-	-	-	-	2.391
24/25	Core Grants in Service: Adult Social Care Discharge Fund	0.622	-	-	-	-	0.622
24/25	Core Grants in Service: Independent Living Fund	1.618	-	-	-	-	1.618
24/25	Core Grants in Service: Adult Social Care Market Sustainability and Improvement Fund - Workforce Fund	1.733	-	-	-	-	1.733

Total Adult & Communities	**10.591**	**3.872**	**1.186**	**1.196**	**1.000**	**17.845**

6.33 In addition, care provider contractual inflation uplifts for 2024/25 for packages of care will see a significant rise in costs as a result of increases in the retail price index and living wage assumptions. Inflationary uplifts will be met corporately for 2024/25.

The Settlement - social care services funding

6.34 The Local Government Finance Settlement sets out proposals for social care services funding for 2024/2025. This includes the following funding streams:

- The Social Care Grant nationally will be £4.5 billion in 2024/25, an increase of £692 million. The Social Care Grant can be used on either adult or children's social care services. Bristol's share is £37.5 million
- £2.14 billion through the Improved Better Care Fund. This is the same quantum as 2023/24. The distribution is also unchanged and Bristol will receive £17 million
- An additional £200 million will be distributed in 2024/25 through the Discharge Fund to support timely and safe discharge from hospital into the community by reducing the number of people delayed in hospital awaiting social care. This will bring the overall size of the local authority component of the Discharge Fund to £500 million. Bristol's share of the discharge fund is £4 million.
- £1.05 billion in 2024/25 will be distributed for adult social care through the Market Sustainability and Improvement Fund (MSIF), which continues to include £162 million per year of Fair Cost of Care funding. It also includes £205 million MSIF - Workforce Funding (a 2-year fund announced in July 2023 which will be rolled into the existing MSIF). Bristol's share of this funding is £8.9 million.

Children, Families and Safer Communities Teams

6.35 2023/24 has been a challenging year for Children's Services. There has been significant pressure resulting from an increasing number of Looked after Children placements and an even bigger pressure on the unit cost of these placements due to local sufficiency challenges.

6.36 To date, the rate of referrals has been higher in 2023/24 than in 2022/23, with our current number of looked after children's placements as at P8/Q2 standing at 1,442. This is due to a significantly higher number of referrals in May through to July, and in October and November. Re-referral rates in Bristol remain high with monthly peaks in July and September at 38.3% and 36.8% respectively with overall performance at 25% for the year to date compared to the national average of 22% and statistical neighbour average of 23%. After a significant improvement in referrals resulting in No Further Action (NFA) in October at 8.6% there has been an increase again to 17.1%. The national and statistical neighbour averages are 7% and 11% respectively.

6.37 Numbers of Children in Care have increased since September and there has been a steady decrease in the rate of these cases placed in foster placements. Short term stability of placement however remains good at 7% of children in care having 3+ placements in the past 12 months compared to 10% nationally and 11% for Bristol's statistical neighbours and a rate of 68% with long term placement stability slightly below Bristol's statistical neighbour's average of 70% and the national average of 69%. A new measure reported this year nationally has indicated the short-term stability details for those with 3 placements in the past 2 years. Bristol also performs well here at 17% compared to 22% nationally.

6.38 Overall placement costs have on average risen by 17%.

Table 6: Breakdown of baseline expenditure pressures and investments – Children and Families

Year Incl. From	Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
22/23	Benefit from Invest to Save - Children's Placements Demand and Cost Pressures	(1.195)	(0.671)	-	-	-	**(1.866)**
22/23	Bristol Children's Home Staffing and Maintenance Costs	0.250	-	-	-	-	**0.250**
23/24	Placement costs - Additional Children From 2023/24	1.296	1.335	1.375	1.416	-	**5.422**
23/24	Additional Social Workers to Support Increasing Children's Numbers	0.054	0.055	0.056	0.058	-	**0.223**
23/24	Phoenix Court	(0.065)	-	-	-	-	**(0.065)**
24/25	Probation Checks & Local Authority Designated Officer (LADO) Changes in Guidance	0.084	-	-	-	-	**0.084**
24/25	Additional Pressures from Child Support Agency (CSA) Mandatory Reporting Requirements	0.055	-	-	-	-	**0.055**
24/25	Working Together Implementation	0.066	-	-	-	-	**0.066**
24/25	Children's Social Care Placement Demand Growth - additional children	0.328	0.338	0.348	0.359	0.359	**1.732**
24/25	Children in Need - Support for Children at Home	2.000	-	-	-	-	**2.000**
24/25	Prior Year Recurrent Service Pressures	7.897	-	-	-	-	**7.897**
Total Children and Families		**10.770**	**1.057**	**1.779**	**1.833**	**0.359**	**15.798**

Education

6.39 The Education and Skills service continues to experience increase in the number of Education Health and Care (EHC) assessments which has placed significant pressure on service budgets in the year.

6.40 The number of EHC plans (EHCP) issued has also seen another significant in-year increase. In 2021, a total of 579 EHCPs were finalised for the first time. In 2022, this figure was 791, whilst to October 2023, 688 plans had been issued, with five months of the year remaining.

6.41 The Home to School Transport service remains under significant pressure from the increase in the proportion of children with EHCPs needing travel support, together with limited local capacity, and increasing supplier costs.

Table 7: Breakdown of baseline expenditure pressures and investments – Educational Improvements

Year Incl. From	Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
22/23	Home to School Transport Increased Demand	0.051	0.053	0.053	0.053	-	**0.210**
22/23	Special Educational Needs Support	0.385	-	-	-	-	**0.385**
23/24	Home to School Transport - Price and Volume	1.252	0.626	-	-	-	**1.878**
24/25	Prior Year Recurrent Service Pressures	4.150	-	-	-	-	**4.150**
Total Educational Improvements		**5.838**	**0.679**	**0.053**	**0.053**	**-**	**6.623**

Growth and Regeneration

6.42 The Growth and Regeneration (G&R) directorate has several key priorities which this budget is designed to support, as follows:

- Sustainable and inclusive economic growth
- Housing and regeneration
- Preventing homelessness
- Ensuring that air quality standards are met across the city
- Community participation

6.43 While Bristol as a place continues to bounce back following the pandemic, 2023/24 has been challenging with continued pressures on Temporary Accommodation places, electricity and gas prices remaining significantly higher than before the war in Ukraine and the cost-of-living crisis. The table below outlines the emerging pressures that are now built into the base budget from 24/25 onwards.

6.44 It should be noted that inflationary uplifts for energy price pressures and other related areas, and staff salaries, are held corporately and may be requested in 2024/25.

Table 8: Breakdown of baseline expenditure pressures and investments - Growth & Regeneration

Year Incl. From	Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
23/24	BWC - Transfer of additional Waste Efficiencies	0.029	0.029	0.030	0.030	-	0.118
23/24	BWC - Facilities Management Net Annual Contractual Efficiencies	(0.005)	(0.019)	-	-	-	(0.024)
24/25	Prior Year Recurrent Service Pressures (Energy)	1.550	-	-	-	-	1.550
24/25	BWC Municipal Costs - Waste Growth and Demand Pressures	1.800	0.500	0.500	-	-	2.800
24/25	Increased Kennelling Costs	0.050	-	-	-		0.050
24/25	Core Grants in Service: Food Security Enforcement	0.014	-	-	-	-	0.014
Total Growth & Regeneration		3.438	0.510	0.530	0.030	-	4.508

Resources

6.45 The Resources directorate contains the council's key resident facing services (such as Citizens Services, registrars, mortuaries, administering council tax, business rates and housing benefits) as well as further professional support services which support the strategic direction of the council and provide essential support to members and managers to improve outcomes and deliver change. Beyond its core, statutory and regulatory duties, the directorate also serves some of the most vulnerable in the city.

Table 9: Breakdown of baseline expenditure pressures and investments – Resources

Year Incl. From	Investment	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
23/24	Legal/Mortuary & Coroner Contract, Backlog and Staffing Cost	(0.058)	-	-	-	-	(0.058)
24/25	Additional phone lines required to ensure Payment Card Industry (PCI) Compliance	0.035	-	-	-	-	0.035
24/25	Revenues Income / Debt Collection	0.300	(0.300)	-	-	-	-
24/25	Leader's Office staffing	0.100	-	-	-	-	0.100
24/25	Committee Model staffing	0.300	-	-	-	-	0.300
24/25	Coroners - Deceased Transport Contract	0.123	-	-	-	-	0.123

24/25	Coroners - Histology & Toxicology Contract	0.082	-	-	-	-	0.082
24/25	Prior Year Recurrent Service Pressures	0.507	-	-	-	-	0.507
24/25	Core Grants in Service: Local Council Tax Support Admin Support Grant	0.724	-	-	-	-	0.724
24/25	Core Grants in Service: Family Annexe Council Tax Discount	0.009	-	-	-	-	0.009
Total Resources		**2.122**	**(0.300)**	**-**	**-**	**-**	**1.822**

Corporate expenditure

6.46 Central accounts hold a variety of corporate budgets which do not relate directly to individual services, as well as council-wide budgets which, largely for timing reasons, are not allocated to individual services. Generally, these council-wide budgets will be allocated to services during the financial year once their impact is known. Corporate budgets include the council's capital financing costs and associated entries relating to the complexities of the capital accounting requirements. Key areas of corporate expenditure include the following:

Levies

6.47 The council is obliged to pay several levies to external organisations, by far the largest of which is the transport levy due to WECA annually (further detail can be seen on WECA in section 12 below). In accordance with accounting requirements, these costs are included in the central accounts.

Pay Awards

6.48 Pay awards and NIC cap (£9,100) for local government workers are agreed in negotiations between employers and trade unions through the National Joint Council for Local Government Services. For 2024/25, 5% is earmarked for pay and NIC assumptions, included in the budget centrally and notionally allocated across directorates at this stage. Its eventual distribution will follow once negotiations with trade unions have been concluded and the outcome and actual requirement clear. 2025/26 onwards assumes a 2% pay award inflation factor.

Contract Inflation

6.49 In order to deliver efficiencies through contract management, inflation is not applied automatically to all expenditure budgets. It is assumed that this approach will thereby drive in the region of 5% budget efficiency. Where there are specific services for which inflation is for example index-linked and therefore expected to exceed this general level, an additional corporate provision has been made. Such areas include for example adults and children's social care, energy pricing, PFI contracts and waste contracts. Included within this is an additional contract inflation contingency provision to recognise the fluctuations and inflationary uncertainty and ensure sufficiency for any unexpected increases over the next financial year.

Table 10: Breakdown of corporate expenditure budgets

Corporate Expenditure	23/24 £m
Capital Financing	26.769
Corporate and Democratic Core and Levies	11.403
Other including Contract Inflation and Pay Awards	52.723
Total	**90.895**

Savings

6.50 In order to manage the continued pressures that are faced by the council savings have been assumed within the budget position outlined in this report. The delivery of a savings requirement is critical to support the balanced position of the budget given the sustained demand and growth pressures combined with government funding that is not keeping pace.

6.51 The council has consistently been required to apply savings over the last decade in response to the austerity measures starting in 2010, in order to ensure a balance budget. Of the savings identified in previous years, there are £13.6 million of proposals identified as deliverable during the 2024/25 to 2027/28 period. These are incorporated in the Appendix 8 to provide a full picture of the savings delivery required along with the new savings identified during this budget setting process.

6.52 Following the preparation of the Medium Term Financial Plan and the outline of the indicative budget gap the council has undertaken a prioritised three level approach, with a focus on:

- Maximising the financial benefit from our Top-4 transformation programmes and opportunities to invest to save
- Securing and more effectively utilising our external incomes
- Benchmarking services to identify opportunities for reductions, reviews and efficiencies.

6.53 The options generated from this approach identified the potential for net savings, income generation, efficiencies and transformation amounting to £21.7 million that were consulted on during November and December 2023.

6.54 Following the consultation feedback and further due diligence, engagement, impact assessment and validation some proposals were amended to reflect further development of the due diligence being undertaken.

6.55 There were also a few new items proposed considering the financial gap that remained to be closed that were not sufficiently developed at the time of the consultation. The changes since consultation are detailed in the tables below.

Table 11: Savings amended following consultation

Savings Ref	Description	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
24/25-GR007	Alternative investment in sustainable transport	10.300	(4.000)	-	-	-	6.300
24/25-CEN001a	Review fees and charges *(alignment by directorate)*	0.116	-	-	-	-	0.116
24/25-CEN001b	Review fees and charges *(alignment by directorate)*	0.479	-	-	-	-	0.479
24/25-CEN001c	Review fees and charges *(alignment by directorate)*	0.030	-	-	-	-	0.030
TOTAL		**10.925**	**(4.000)**	**-**	**-**	**-**	**6.925**

Table 12: New savings added (including Invest to Save)

Savings Ref	Description	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
24/25-CE003	New operating model for Children and Education directorate	0.200	0.400	0.400	-	-	1.000
24/25-R004	Reduce spend on discretionary areas of Learning and Development	0.050	-	-	-	-	0.050
24/25-ITS2/3/4/5/7	Children's Homes Sufficiency	-	0.390	0.570	-	-	0.960
24/25-ITS1/8/10	Fostering Sufficiency	-	0.159	0.159	-	-	0.317
TOTAL		**0.250**	**0.949**	**1.129**	**-**	**-**	**2.327**

6.56 The summary of the proposals put forward as part of this budget amount to £24 million of savings in the 2024/25 financial year, and £1.8 million for future years (full details of the savings recommended for approval are set out in Appendix 8).

6.57 An optimism bias contingency for the new proposals of £4.8 million has been set aside over the 5 years, a 19% value that is reflective of the in-year delivery having been seen in 2023/24. This is earmarked for variation following validation / due diligence, including to enable slippage where identified timescales may need to be moved, and to enable any planned write off or changes to savings as a result of further consultations. A savings contingency at this level is deemed appropriate considering the level of savings proposed and the stage of due diligence on each.

6.58 As part of budget 24/25, previously approved budget savings of £4.5 million have been removed. This is where savings were outlined initially in their infancy and following due diligence and further assessment were established as being undeliverable in the manner originally planned, or where circumstances have changed resulting in the savings no longer being deliverable.

Table 13: List of prior year savings removed from budget 2024/25

			23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	TOTAL
Growth & Regeneration	2223-GR055	Increase fees for Pay and Display Parking Bays	0.200	-	-	-	-	0.200
Growth & Regeneration	IN27b	Generating and saving money through energy generation and efficiency	0.230	-	-	-	-	0.230
Adults, Community & Public Health	2324-P1	Bristol Community Links Service	-	0.687	-	-	-	0.687
Growth & Regeneration	NEW2223_GR028	Review Museums and Archive Service	-	0.371	-	-	-	0.371
Resources (& Shareholding)	2324-R20	Local council tax reduction scheme	-	3.025	-	-	-	3.025
TOTAL			**0.430**	**4.083**	**-**	**-**	**-**	**4.513**

Long Term Shareholdings and Other Investments

Shareholdings

6.59 The council has a range of long-term investments and shareholdings some of which are wholly owned or to which it has a material interest. In relation to the wholly owned companies, these are complex businesses and when entering into any long-term investments such as these it is important to assess the market conditions and to acknowledge that the industries are ever-changing, and as such will always be subject to external influences, volatilities and risks. The financial performance of these companies and their assets and liabilities are regularly reviewed to ensure that there is no financial implication for the council in future years.

6.60 The council continues to assess the effectiveness of the governance, monitoring and quality performance parameters, regularly reporting to the Shareholder Group and members for informed decision making.

6.61 To ensure the council's investment is protected, commercial information that could impact on an individual company's value will be managed sensitively, with due consideration given to the sensitivity of the information being requested at the time of the request in case any resulting harm would be caused due to its disclosure. However, as a public authority the council should remain open and transparent as far as possible.

6.62 The council budget reflects the council's financial commitment, associated reserves and establishes the capital and revenue cash limits that we consider sufficient to meet the business needs. The companies will operate within these council funding parameters for 2024/25 and business plans will be developed within these thresholds as well as utilisation, where appropriate, of our companies' own reserves and contingencies. For further detail please see Appendix 9: Long Term Investments & Shareholdings and Appendix 10: Service & Corporate Pressures.

7. Collection Fund Surplus / Deficit

7.1 Bristol City Council is required by statute to maintain a Collection Fund separate from the General Fund of the council. Income from council tax and business rates is fixed at the start of each financial year. Any variations from this are realised through the Collection Fund and distributed in subsequent years. Following changes to council tax discounts, exemptions and localisation of business rates, there is now significantly greater volatility and risk in relation to Collection Fund income.

7.2 As reported to Council on 9 January 2024, the total estimated deficit on the Collection Fund for 2023/24, including any brought forward balances is £3.710 million. The Bristol share of this deficit, debited to the general fund in 2024/25, is £4.528 million and includes £1.030 million owed to central government. However, Bristol's share of this deficit can be met from unbudgeted additional business rates income brought forward from 2023/24.

8. Council Tax 2024/25

Council tax precepts

8.1 The threshold for increasing the council tax for 2024/25 is 4.99% which includes 2% Social Care Precept and core council tax increase of 2.99%. The precept will need to be identified separately and the s151 Officer will be expected to notify the Secretary of State of the amount intended to be raised and verify that the funding has been used for adult social care.

Calculation of the Council's Tax base

8.2 On 9 January 2024 Full Council approved the tax base for the year 2024/25 as 134,752. This represents an increase of 3.93% on the previous year's tax base (129,654).

Council Tax by band

8.3 It is recommended that the following amounts be submitted for agreement by Full Council for the year 2024/25:

- £282,398,335 being the sum to be met from council tax in 2023/24 for services provision (£258,801,053 in 2023/24)

Bristol City Council's share of council tax for the year 2024/25 for the services it provides for each category of dwelling is shown as follows:

Table 14: Council tax charges for Bristol City Council element by dwelling band

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
2024/25 Council Tax	1,397.13	1,629.98	1,862.84	2,095.69	2,561.40	3,027.11	3,492.82	4,191.38

2023/24 Council Tax	1,330.73	1,552.52	1,774.31	1,996.09	2,439.68	2,883.25	3,326.83	3,992.20
Percentage Increase	**4.99%**	**4.99%**	**4.99%**	**4.99%**	**4.99%**	**4.99%**	**4.99%**	**4.99%**
Annual Increase	**66.40**	**77.46**	**88.53**	**99.60**	**121.72**	**143.86**	**165.99**	**199.18**

Empty and second home premiums

8.4 The government has enacted the Levelling Up and Regeneration Act that has made changes to discretionary council tax premiums on empty homes and introduced a potential discount on unoccupied furnished homes.

8.5 Full Council is asked to approve that the following council tax premiums be applied,

- 100% premium for properties which have been empty and unfurnished for a period of between 1 (previously 2) and 5 years effective 1 April 2024
- 100% premium (or the % limit as specified in any regulations) for properties that are substantially furnished but where there is no resident effective 1 April 2025.

8.6 Further details can be found at Appendix 12

8.7 In order to support residents that have difficulty with this increase, Bristol City Council continues to be one of very few authorities to provide a fully funded local Council Tax Reduction Scheme (CTRS) that helps working age households on a low income with up to 100% of their council tax costs. This is also true for pensioners and means a total scheme cost of £43.4 million, assisting over 32,200 households.

9. Dedicated Schools Grant

9.1 A summary of the planned use and distribution of the Dedicated Schools Grant (DSG) is incorporated within this report and the full report and associated appendices including the equality impact assessment can be accessed here: Cabinet: 23/01/2024

9.2 The DSG is calculated based on the following 4 funding blocks: Schools Block, High Needs Block, Central Services Block and Early Years. The overall headline increase in the 2024/25 DSG is £28.8 million (6.2%) giving a total DSG of £491.7 million.

9.3 The table below provides a high-level description for each block and shows the annual changes in funding.

Table 15: DSG funding allocation by block

Block	Purpose	Current 23/24 Allocation £m	24/25 Allocation as at Dec 23 £m	Increase £m	Increase %
Schools Block	For distribution through the formula for mainstream schools and academies and for growth in schools	336.192	344.325	8.133	2.42%

Central School Services Block	For local authority core functions, admissions, and historic commitments	2.717	2.696	(0.021)	(0.77%)
High Needs Block	Funding for pupils with special educational needs in mainstream, special and out-borough schools, for pupils in alternative provision and local authority or commissioned services for high needs pupils	86.645	89.535	2.890	3.34%
Early Years Block	Funding for distribution to Early Years settings for 0-2, 2, and 3-4 year old early years provision, with some provision for central oversight and co-ordination	37.432	55.180	17.748	47.41%
Total DSG Allocation		**462.986**	**491.736**	**28.750**	**6.21%**

Schools Block

9.4 The Schools Block total is £344.3 million and made up of the following:
- Pupil led DSG funding £330.1 million - this is the sum allocated to the LA based on the number of pupils recorded in the October 2023 census
- Premises led funding £12.2 million - element of the Schools Block DSG that recognises costs not defined by pupil numbers or characteristics
- Growth Funding £2.0 million - allocation intended to meet the cost of both the growth fund and the additional cost of those pupils in growing schools not yet present in the school census

9.5 The DSG allocation as advised by the Education and Skills Funding Agency, takes into account the increase in minimum funding per pupil and the National Funding Formula (NFF). Included in this allocation is funding for teacher's pay and pensions increases that was previously made via grant funding.

9.6 The October 2023 census counted 34,671 primary age pupils, down from last year's 35,001. Secondary is based upon 21,789 pupils, up from last year's 21,376. The Minimum per Pupil funding levels are a mandatory item in the formula and the rates are dictated by the NFF. For 2024/25 the primary rate is £4,610 and £5,995 for secondary school pupils.

9.7 In developing the formula for 2024/25, following consultation with schools, the Schools Forum agreed the following principles:
- The transfer of 0.5% of the Schools Block to the High Needs Block
- £2.0 million top-slice of Schools Block to create the Growth Fund for 2024/25
- The Minimum Funding Guarantee (MFG) to be set at +0.0%
- The lump sum to be maximised at £139,849 for both primary and secondary
- Any remaining funding directed to the Additional Education Needs (AEN) factors

9.8 **Transfer 0.5% of Schools Block to High Needs Block £1.7 million**

Schools Forum agreed to the transfer of 0.5% of the Schools Block to the High Needs Block at its meeting in November 2023 and the funding is to be earmarked to support the demand in High Needs. Please note that this is the maximum threshold and any amount beyond 0.5% would require Secretary of State approval.

9.9 **Growth Fund allocation £2.0 million**
This funding is the top-slice of the Schools Block taken in order to fund growth expansions in existing schools for the following academic year, separate to the growth commitment in new and growing schools which is funded within the formula mechanism. The commitment for 2024/25 is estimated at £1.2 million, leaving £0.8 million for new commitments that may arise during the admissions round.

9.10 The Minimum Funding Guarantee was set at +0.0% in line with prior years, and within the average overall increase individual schools will receive more or less funding, depending on the impact of the changes in the formula and pupil numbers.

9.11 Subject to approval of the draft formula by Schools Forum and the ESFA, overall 110 of the 127 schools are set to receive an increase in cash funding in 2024/25, whilst 17 schools are set to receive less funding than in 2023/24. In all 17 schools that will receive a reduction in funding this is being driven by a reduction in pupil numbers on roll that more than offsets per-pupil funding gains in the formula.

9.12 Details of the Schools Block allocation and funding formula can be viewed by the hyperlink in paragraph 9.1 above.

High Needs Block

9.13 The DSG is forecasted to start the year with a brought forward deficit and the key financial pressure within the DSG is in the High Needs Block. The High Needs year end deficit is currently forecasted to be £59.1 million.

9.14 With agreement from the Schools Forum, £1.7 million (0.5%) is proposed for transfer from the Schools Block to the High Needs Block to support increasing demand within that area.

9.15 Despite this additional funding, it is anticipated that the High Needs Block will continue to experience significant pressures. The High Needs Block in year deficit is assumed to be circa £17.4 million based on current forecasted CYP needs.

Table 16: High Needs Block forecast

High Needs Block	Prior Years £m	2023/24 £m	2024/25 £m
Total Annual Funding (Incl. Block Transfers)		86.6	91.2
Estimated Budget Requirement		(103.2)	(108.6)
Net Annual HNB Deficit		(16.6)	(17.4)
Accumulated HNB Deficit	**(42.5)**	**(59.1)**	**(76.5)**

Early Years Block

9.16 The allocation for Early Years for 2024/25 is £55.2 million. This allocation is still indicative at this stage as the majority of the funding in this block is based on census data in January 2023 and January 2024, and the actual amount will be updated by ESFA once these census figures are known.

9.17 Following sector consultation, the funding allocation proposed to be paid for the early years sector is as below:

- The rates that the LA is proposing to pay to providers for 2024/25 are:
  - 3 and 4 year olds: £5.08
  - 2 year olds: £7.82
  - under 2 year olds: £10.77
- The small increase in the 3 & 4 year olds funding rate proved unappealing to the sector, however as much as was affordable was included and due to funding regulations and restrictions, no further increase is possible without reducing the supplements (which were overwhelmingly supported). The Early Years team is of the opinion that the significantly higher rate for under 2s overshadowed the older age range rates.

9.18 The authority has 60 maintained schools (nurseries, primary, PRU and special). The proportion of these schools that are forecasting a cumulative overall deficit in the year ending 31 March 2024 is 22 (36%), with a cumulative net schools revenue balance of £4.2 million deficit. The current financial climate is challenging for the education sector and the financial health of mainstream schools is deteriorating mainly due to factors such as historical patterns of funding, pupil numbers, post pandemic impact, rising staff and other inflationary costs, the collective effect of which is having a significant impact.

Table 17: Bristol maintained schools 23/24 Q2 forecast position – deficit/(surplus)

Maintained School Type	Opening balance at 01.04.2023 £m	2023/24 In year forecast position (as at Q2) £m	2023/24 forecast closing balance as at 31.03.2023 £m	Total number of schools forecasting end of year cumulative deficit at 31.03.2024
Nursery	7.050	0.165	7.215	11 out of 12
Primary	(3.644)	1.460	(2.183)	8 out of 40
PRU / Special	(1.293)	0.476	(0.819)	2 out of 6
Secondary	(0.392)	0.371	(0.021)	1 out of 2
Total sum	**1.721**	**2.473**	**4.194**	

9.19 The additional funding to support the nursery sector in particular is welcomed and work is underway to ensure a sustainable medium term position can be achieved and a positive cumulative position restored. The council will continue to support nursery schools in seeking a fair government settlement for Early Years providers.

Central Services Block

9.20 The Central Services Block (CSSB) provides funding for the statutory duties the council holds for both maintained schools and academies. The CSSB brings together:

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- Funding for ongoing central functions, such as admissions, previously top-sliced from the Schools block
- Residual funding for historic commitments, previously top-sliced from the Schools block

9.21 The council has proposed a CSSB allocation for 2024/25 of £2.7 million which has been agreed by the Schools Forum. This total is composed of two distinct components:

- on-going functions £2.314 million which has increased from 2023/24 (£2.240m); and
- historic commitments £0.382 million, a decrease of 20% from £0.477million in 2023/24

This is due to the ESFA proposal to withdraw the historic element over time and this funding is insufficient to support the contribution to combined services delivered at this level.

9.22 The overall CSSB allocation for 2024/25 has reduced by 0.8% (£0.021m)

Overall DSG

9.23 The DSG is forecasted to start the year with a brought forward deficit of £58.2 million and the key financial pressure within the DSG is in the High Needs Block. The overall DSG for 2024/25 is £491.7 million, with estimated 2024/25 spend of £510.8 million. The DSG cumulative deficit is forecast to reach £78.3 million by the end of 2024/25.

9.24 The table below outlines the revised allocations following the proposed movement between the blocks.

Table 18: Forecast block budgets after movement between blocks and carry forward amounts

DSG Blocks	Balance brought forward from 2023/24 (forecast) £m	2024/25 DSG Allocation £m	Movement between blocks £m	Final DSG budget 2024/25 £m	Estimated spend 2024/25 £m	Carry forward balance at end of 2024/25 £m
School Block	(0.787)	(344.325)	1.721	(342.604)	342.604	(0.787)
De-delegation	(0.528)	-	-	-	-	(0.528)
Central Services Block	-	(2.696)	-	(2.696)	2.696	-
High Needs Block	59.197	(89.535)	(1.721)	(91.256)	109.246	77.187

Early Years	0.307	(55.180)	-	(55.180)	55.180	0.307
Total	**58.189**	**(491.736)**	**-**	**(491.736)**	**509.726**	**76.179**

*Figures are based on latest allocations published in December ‘23

9.25 Although the additional High Needs funding is clearly welcome, it is significantly below the expenditure currently being incurred in the High Needs Block and leaves no growth or additional funding to address the historic deficit.

9.26 Statutory Instrument (SI) No.1212 of 2020: The then Secretary of State for Housing, Communities and Local Government laid the statutory instrument (SI) no 1212 before Parliament on 6 November 2020 and it came into force on 29 November 2020. The impact of the SI is to amend the current accounting regulations to allow all DSG deficits to be carried over in a separate dedicated account and therefore not at a charge to the council’s revenue account for the term of the override.

9.27 The SI is time-limited and is now due to end on 31 March 2026. Councils are expected to use this period to develop and implement changes to allow the High Needs Block to reach a sustainable position.

9.28 There is no statutory undertaking requiring councils to underwrite DSG deficits and DfE have not provided any clarity regarding how, when or if the deficit will be funded in the longer term. The council therefore would have to ensure there are adequate usable reserves to cover any DSG deficit and a clear plan for sustainability when preparing the council’s accounts if the period of the SI is not extended by government beyond 2026.

Table 19: DSG - summary forecast financial position

					In year balance achieved
Overall DSG position Income/surpluses are shown as negatives	2024-25 Forecast £m	2025-26 Forecast £m	2026-27 Forecast £m	2027-28 Forecast £m	2028-29 Forecast £m
Brought Forward Unmitigated deficit	**56.076**	**88.392**	**130.997**	**179.370**	**234.441**
Unmitigated annual funding gap	32.315	42.606	48.373	55.071	60.023
Carried Forward Unmitigated deficit	**88.392**	**130.997**	**179.370**	**234.441**	**294.464**
Annual Indicative Proposed Mitigations	(9.559)	(19.630)	(32.247)	(45.196)	(58.577)
Other income	(2.655)	(3.131)	(3.704)	(4.106)	(4.475)
Mitigated annual funding gap	**20.102**	**19.844**	**12.421**	**5.769**	**(3.029)**
Brought Forward deficit	56.076	76.179	96.023	108.444	114.213
Carried Forward Mitigated deficit	**76.179**	**96.023**	**108.444**	**114.213**	**111.184**

9.29 The DSG conditions of grant require any local authority with an overall DSG deficit to produce and maintain a DSG Management Plan (DMP). Table 19 gives a summary of the council’s current DMP.

9.30 The DMP consists of an initial unmitigated forecast of the overall DSG deficit which is based on extrapolating existing trajectories for demand, complexity of needs and constraints on specialist provision and also incorporates an assumed reduction in the existing backlogs in both assessing the needs of children and young people and their subsequent placement in specialist SEND provision.

9.31 Extensive work with key stakeholders has continued during 2023/24 to develop and validate a set of viable mitigations which will, collectively, enable the council to reduce, and eventually eliminate, the ongoing overspends on the DSG High Needs Block. These mitigations have been modelled and their combined effect can be seen in the Annual Indicative Proposed Mitigations and the Mitigated Annual Funding gap lines in Table 19. Overall, the successful delivery of all the proposed mitigations is projected to result in the DSG achieving an in-year balanced position during 2028/29.

9.32 In considering the DSG net carry forward position the council should also note the LA maintained schools' balances forecast position illustrated in the table below.

Table 20: maintained schools' balances forecast position – deficit/(surplus)

2023/24 Bristol LA Maintained Schools Summary	2023/24 closing Balance forecast at Q2 £	2023/24 in year balance forecast at Q2 £	Number of schools with cumulative deficit at 31/3/2024	Number of schools with deficit variance to Q1
Nursery	7,215,354	165,269	11 of 12	No change
Primary	(1,907,703)	998,676	5 of 28	No change
Primary with Nursery Class	(275,696)	461,531	3 of 12	Increase of 1
Secondary	(21,118)	370,547	1 of 2	Increase of 1
Special	(491,730)	297,665	2 of 5	Increase of 1
Pupil Referral Unit	(325,124)	178,822	0 of 1	No change
Sub-total	**4,193,983**	**2,472,511**	**22 of 60**	
Bristol LA Children Centres	640,499	99,167	1 of 1	No change
Sub-total with children centres	**4,834,482**	**2,571,678**	**23 of 61**	
Total	**4,834,482**	**2,571,678**		

9.33 The main challenges are within maintained nursery schools (MNS). In order to support developing sustainable operating models for MNS, the Early Years Service (EY) continues to work with nursery headteachers and governors to utilise funding agreed with Schools Forum in November 2023 to underwrite the deficit situation whilst recovery plans are developed.

9.34 All schools forecasting deficit positions have been notified to produce robust recovery plans to secure their long-term financial sustainability. Discussions are being held with schools' leadership team and schools' governing bodies to explore solutions.

Education and Financial Service colleagues are working closely with the schools on their recovery programmes.

9.35 To date two nursery schools and one primary school have approved licenced deficit plans, with the remainder continuing to develop satisfactory recovery plans, with the primary school plan achieving a recovered position in 2025/26 and the two nursery school plans recovering by 2027/28.

9.36 To support schools whilst they recover their financial situations, the LA proposed, with endorsement from Schools Forum, the use of bridging funding of £1.102 million of earmarked reserves to underwrite the deficit. This £1.102 million is composed of funding from the closed school surplus (£0.517m), the schools in financial difficulty reserve (£0.335m) and from TWS reserves (£0.250m). An additional grant of £0.675 million has also been made available by the ESFA for the support of maintained schools (including nursery schools) in financial difficulty. The ESFA provides separate alternative dedicated support directly to academies that are in financial difficulty. This additional funding stream increases the financial support available to underwrite the schools with deficit positions and in difficulty to £2.047 million.

9.37 This £2.1 million mitigation of additional funding is earmarked by the council and Schools Forum to support schools whilst they recover their financial situations. After the reversal of legacy revenue contributions to capital for schools in deficit and removal of the deficit attributed to a school that has closed in year where the deficit will transfer to the general fund earmarked reserve, this leaves a small forecast positive variance of £0.1m on the reserve. Schools block and early years funding in the DSG has increased by a welcome 8.9%, this may not be sufficient to mitigate the deficit in all schools and settings but should return the net position to a more favourable surplus.

Table 21: Funding to support LA Maintained Schools in financial difficulty

	Funding Source	Description	Available funding £m	Proposed redesignation £m
1	2022-23 school block surplus	£270k growth fund underspend plus £517k underspend from closed schools	0.787	0.517
2	De-delegation surplus	Schools in Financial Difficulty	0.335	0.335
3	TWS Reserve		0.250	0.250
Subtotal			**1.372**	**1.102**
4	ESFA grant for schools in financial difficulty	Additional funding for LA maintained schools in financial difficulty	0.675	0.675
Total			**2.047**	**1.777**

10. Public Health Grant

10.1 The annual Public Health grant is currently provided to the local authority by the Department of Health and Social Care. The grant is ring-fenced for use on public health functions as specified in the National Health Service Act 2006. This may include public health challenges.

10.2 The public health grant has a key role to play in improving health by funding vital services, such as smoking cessation, drug and alcohol services, children's health services, as well as broader public health support across local authorities and the NHS.

10.3 The grant allocation for 2023/24 was £35.9 million. The indicative allocation for 2024/25 is expected to be £36.2 million.

Table 22: Public Health Budget 2024/25

Public Health Budget 2024/25	Indicative Budget £m
Sexual Health Services	9.700
NHS health check programme	0.436
Health Protection	0.452
Public Health Support to ICB	0.117
Healthy Weight and Physical Activity	1.830
Substance Misuse	9.826
Smoking and Tobacco Control	0.540
Children and Young People	14.385
Public Mental Health	0.043
Community Health Development	1.176
Impact Fund and Advice	0.673
Domestic Abuse and Sexual Violence	1.248
Intelligence, Quality and Governance	1.153
Overheads and Running Costs	1.016
Public Health Spending Related to Covid	0.668
Total Expenditure	**43.263**
Public Health Grant Allocation	(36.187)
Joint Partnership Income	(6.408)
Drawdown from COMF Reserve	(0.668)
Drawdown on PH Grant Reserve	-
Total Income	**(43.263)**

10.4 The Public Health grant is ring-fenced and operates on a principal of self-funding. As such, Public Health will seek to contain additional costs and any new burdens directly associated with the funding. Within the council's earmarked reserve is a Public Health ring-fenced reserve of £4.64 million (as at 1 April 2023). The reserve is currently being used to support Public Health priorities which may be subject to risk of inflationary pressures and unexpected adverse grant allocations following an announcement or other in year variations.

11. Housing Revenue Account

11.1 A summary of the Housing Revenue Account (HRA) budget proposals is incorporated within this report and the full report, associated appendices including the specific equality impact assessment can be found here: Cabinet: 23/01/2024

11.2 Housing Revenue Account (HRA) covers all activities of the council as landlord. It is a ring-fenced self-financing account, where the council retains all rental income but must finance all capital and revenue costs associated with its existing and new housing stock. The HRA must be balanced annually with no cross-subsidy between the revenue cost of services provided through the General Fund and the HRA, although there are many services provided to both, paid for through recharges.

11.3 The HRA has a housing stock of circa 28,600 (26,800 rented and 1,800 leasehold properties in blocks where the council continues to maintain the common areas and the fabric of the building). In addition, it manages approximately 1,600 garages and owns a small number of other assets, such as commercial units.

11.4 The council has set a budget for the next financial year to ensure that the HRA can deliver its essential repairs, maintenance, and improvements to the housing stock, as well as being able to meet current and forthcoming legislative requirements and a sustainable long-term business plan model, which takes account of capital investment needs over the next 30 years.

11.5 The main source of funding for the HRA is rents and service charges. The current average weekly rent for a council home in Bristol is £90.76, whereas the average social rent in England is £98.20. The 2024/25 budget proposes a rent increase of 7.7% in line with the Rent Standard requirements of September CPI +1%. This increase means average weekly rents will rise to £97.75.

11.6 A Service Charge is a payment made for services received in connection with the occupation of a home. The charge should aim to recover all reasonable costs in delivering the services. Service charge recovery is covered by legislation, contractual obligations and case law. Cabinet has authorised the Executive Director of Growth and Regeneration, in consultation with the Cabinet Member for Housing Delivery and Homes, to increase and set service charges in line with the anticipated and actual cost of delivery.

11.7 The HRA revenue budget is based on forecast revenue income and for 2024/25 the budget is £151 million (£13.6 million increase 2023/24), compromising of £135.6 million rental income (net, after allowing for rent loss for empty properties), £13.4 million service charges (based on actual costs, plus an inflationary uplift) and £1.2 million charges for other assets, including garages, shops, as well as an expected £0.8 million relating to Social Housing Decarbonisation Fund revenue grant. In addition to the above, interest on balances is expected to be £2.8 million.

11.8 The HRA Revenue expenditure includes estates and housing services, repairs, maintenance and improvements to council housing, including compliance safety programmes and supervision and management functions. There remain significant inflationary pressures, particularly in relation to materials for developing new homes and improving existing housing stock and for new contracts. This has particularly impacted budget requirements for repairing, maintaining and improving homes and blocks, including fire safety works.

11.9 The 2024/25 budget is outlined in the table below with a prior year comparator.

Table 23: HRA Budget 2024/25

Proposed 2024/25 HRA Budget Income and Expenditure	2023/24 Budget £m	2023/24 P8 Forecast £m	2024/25 Proposed Budget £m	Movement £m
Dwelling Rents	(127.153)	(125.878)	(136.317)	(10.439)
Voids	1.637	1.863	0.725	(1.138)
Non-Dwelling Rents	(1.115)	(1.035)	(1.114)	(0.079)
Charges for Services and Facilities	(10.735)	(11.805)	(13.397)	(1.592)
Contributions Towards Expenditure	-	(0.030)	(0.879)	(0.849)
TOTAL INCOME	**(137.366)**	**(136.885)**	**(150.982)**	**(14.097)**
Repairs & Maintenance	40.058	44.348	43.895	(0.453)
Supervision & Management	34.953	37.203	39.492	2.289
Special Services	16.431	14.525	14.491	(0.034)
Rents, rates, taxes and other charges	0.851	0.109	0.586	0.477
Depreciation & Impairment of non-current assets	31.258	31.258	31.535	0.277
Debt Management	0.041	0.041	0.041	-
Movement in doubtful debt provision	1.370	2.520	1.469	(1.051)
TOTAL EXPENDITURE – CORE SERVICES	**124.962**	**130.004**	**131.509**	**1.505**
NET COST OF HRA SERVICES	**(12.404)**	**(6.881)**	**(19.473)**	**(12.592)**
Interest & Investment Income	(0.457)	(7.500)	(2.822)	4.678
Net interest payable, pension costs and other non-operational charges	11.374	11.374	13.229	1.855
Capital Expenditure funded from revenue	47.681	47.681	25.915	(21.766)
(surplus)/deficit for the year on HRA Services	**46.194**	**44.674**	**16.849**	**(27.825)**
Waking Watch	8.000	9.280	2.100	(7.180)
Draw Down (From)/To Reserves	(54.194)	(53.954)	(18.949)	35.005
NET	-	-	-	-

11.10 Reasons for movement on the HRA budget between 2023/24 and 2024/25 are:

- Rents - the proposed budget assumes that rents are increased by 7.7%, generating an additional £10.4 million in income in 2024/25. This figure includes those properties estimated to come into use during 2024/25 through development and acquisition.
- Net cost of HRA services – the increase in the budget for 2024/25 is due to additional compliance and health and safety works required, through both the

repairs programme and Housing Investment Plan (HIP), as well as an increased development programme driving additional borrowings and increased interest costs, offset to some degree by an increase in anticipated investment income on cash balances.

- Depreciation - is the calculated level of basic re-investment needed to keep homes in reasonable repair (calculated using lifecycles / element costs as per our investment planning approach). This sets the minimum level of revenue funding to capital investment in homes to be applied in that year (or set aside in a separate reserve account to be invested in homes in the future). Depreciation is shown as an expenditure item in revenue, and an income item in capital.

Capital Programme Expenditure

11.11 The overall HRA capital programme for 2024/25 to 2033/34 is £2.27 billion. The full details can be accessed via the hyperlink to the Cabinet reports in section 11.1, the overview is provided in Appendix 2 to this report and in relation to the 30 year business plan model is covered in the section below.

The 30 Year Business Plan model

11.12 The 30-year business plan model communicates a vision for the future of council housing; setting out a long-term pathway which builds on the past legislative changes such as the abolition of the HRA debt cap, and the introduction of greater flexibilities around the reinvestment of Right to Buy receipts. The model has been developed to provide agility and flexibility within the context of a longer term strategic and resource planning process and against a backdrop of increasing demand and major national policy change.

11.13 The plan was last revised in January 2023 and this report provides an update on the refreshed business plan, reflecting the delivery of the new build programme, current policy and finances, increased borrowing costs and wider economic considerations. It also outlines the council's continued ambitions to build more council homes, invest in improving the quality of current stock and improve energy efficiency.

11.14 It is proposed that the HRA will increase its investment in new council homes, delivering 3,082 new council homes to support city aspirations in delivering more affordable housing by 2028/29 and to then develop or acquire 300 council homes a year over the lifetime of the business plan model.

11.15 The proposed levels of investment in existing stock will rely on subsequent decisions, taken annually, regarding rent increases for council tenants. Government policy regarding rents is unknown beyond April 2025. Should the existing policy of allowing above inflationary increases continue, and the council chooses to apply this, any funding generated would be used to improve the condition of the existing stock and deliver additional much needed social housing.

11.16 The plan provides a robust base upon which to analyse future debt capacity levels and the council can affect future operating surpluses through effective cost management, which would increase borrowing capacity. Similarly, increases in inflation, and in particular rent inflation, would add to future capacity to enable investment in the existing stock.

11.17 The Business Plan model should provide a sound basis for the council to inform its future approach to establishing a decision-making framework for its HRA investment and development strategies.

11.18 The 30-year business plan model is based on the following overarching principles and key assumptions:

- Core inflation projected at 6.7% for April 2024, 2% thereafter
- Rents increasing at 7.7% in April 2024, then CPI plus 1% between 2024/25 - 2027/28, and then CPI thereafter. All new lets and re-lets are charged at formula rent levels
- Depreciation provision increasing at CPI throughout and adjusted based on stock numbers
- Maintenance of the existing tenanted stock (subject to Right to Buy sales and inflation) is modelled at a total of £1.76 billion over the 30 years using the latest HIP figures
- £63 million (being the remaining balance of the £80m previously reported) of investment in energy efficiency to bring properties up to EPC rating C by 2030. It is anticipated that this level of investment could be further enhanced through the application for grant funding
- £100 million for fire safety works over a 10 year period
- £1.8 million of investment over 3 years for improvements to communal blocks and estates
- £83 million for a bathroom replacement programme in council homes by 2027
- £946 million from 2024/25 over 5 years - a range of new development schemes delivering a total of 1,715 of new council properties
- £3.14 billion invested into delivering new council homes over the lifetime of the plan
- The inclusion of loans directly attributable to the HRA totalling £1.90 billion, including £244.6 million of ‘core debt’ associated with the self-financing arrangements agreed in 2012.

11.19 The HRA will require projected borrowing totalling £1.22 billion over years 1 to 10 of the plan to deliver the new developments and additional investment in the existing stock. The prudential borrowing limits for the HRA is based on a maximum Interest Cover Ratio of 1.25, whilst ensuring that minimum balances are held within both the HRA, Major Repairs (£10m) and General Reserve (£26m being the equivalent of 3 months cashflow and a £5 million provision to provide further resilience against economic uncertainty and risk exposure). Any new borrowing is subject to a maximum term of 50 years where utilised for the delivery of new homes, and 30 years when invested in existing stock, and must be repaid in full. These assumptions and constraints are contained within the Business Plan.

HRA Reserves

11.20 As at the beginning of 2023/24 the HRA General Reserve balance was £98.7 million (estimated £45.8m, 1 April 2024) and the Unapplied Capital Reserves balance was £67.0 million. The 2024/25 budget proposal assumes that £18.9 million of the General HRA reserve (to fund capital expenditure) and £27.7 million of the Unapplied Capital Receipts Reserve will be utilised in the year in order to fund the Capital Programme.

11.21 This would leave a balance on the General Reserve of £26.8 million as at 31 March 2025 and £48.9 million on the Capital Receipts reserve. The HRA will maintain a minimum level of reserves on the General Reserve at £26 million and a further £10 million on the Major Repairs Reserve. The application and use of reserves supports the achievement of service delivery and improvements to housing stock.

12. West of England Combined Authority

12.1 The West of England Combined Authority (WECA) was formed in 2017 by Bath and North East Somerset, Bristol and South Gloucestershire councils. Since its formation over £1.7 billion of new funding has been secured for the West of England.

12.2 With local councils facing continued financial challenges, this additional funding secured by the Combined Authority is providing added value for our region's councils, bringing forward investments and programmes which would not have been possible otherwise. The success of the Combined Authority in securing significant new funding, which would not be available to councils, is helping us support people and businesses across the West of England.

12.3 The Combined Authority is working to improve public transport thanks to £540 million secured from government through a successful City Region Sustainable Transport Settlement. This was the highest amount per head awarded anywhere in England.

12.4 The Combined Authority is funded through the transport Levy, government grants and a small element of regional business rates retention growth (which would not have been available without forming the Combined Authority).

12.5 WECA and its partner authorities agreed five strategic investment priorities, which the budget will support as listed below:

- Climate and ecological emergency
- Sustainable communities and places
- Jobs and training
- Strategic infrastructure
- Putting the region on the map for national and global success

12.6 The levy charge for Bristol is £10.235 million in 2024/25. Unitary Authority levies are pooled by the Mayoral Combined Authority's Transport Integration Team and managed on a regional basis. Projected surpluses or deficits are managed on a regional basis and a transport smoothing reserve has been created to help manage financial risk.

12.7 Within the City Region Sustainable Transport Programme, the Mayoral Combined Authority will passport £25 million per annum of capital funding to the West of England Unitary Authorities to provide Highways Maintenance and Transport Improvement Grants. Bristol Council's share is £8.7 million per annum. An additional new pothole funding award was also announced in November 2023 with Bristol City Council allocation for 2024/25 being £1 million.

12.8 The published WECA investment programme will continue to support a number of projects and initiatives for our Unitary Authority throughout 2024/25.

12.9 The Mayoral Combined Authority is not currently permitted to raise Council Tax to fund any of its activity and therefore no precept will be requested.

12.10 Full details of the WECA Budget proposals are available at www.westofengland-ca.gov.uk.

13. Capital Programme 2024/25 to 2033/34

13.1 The council plays a key role in investing in the infrastructure of the city and its communities; providing facilities for local people to use as well as stimulating investment to support growth in housing and business premises that provide jobs and opportunities. This role becomes even more essential in a period of cost restraint and low growth.

13.2 The council's capital strategy which was approved in October 2023 is aligned to the financing principles set out in the MTFP, ensuring that the development of all prospective schemes is based on a clear evidence base and whole-life costing with, where appropriate, anticipated pay-back of the investment. The capital strategy is reviewed annually and in alignment with asset management plans. The approach is for capital investment that it is affordable, sustainable and prudent as well as aligned to the council's corporate priorities. It will support the provision of the right blend of investment in key priority areas to do the following:

- Undertake mandatory duties keeping the public safe and maintain its investment
- Invest for inclusive economic growth
- Invest to save by reducing costs that would be borne by the revenue account or generating external income.

13.3 The capital strategy included the affordability ratios which have been adhered to in developing the proposed capital programme. These include:

- Working within agreed affordability principles for the General Fund (capital financing costs no more than 10% of net revenue budget),
- HRA interest cover ratio of at least 1.25, new debt repayment and minimum reserves
- Subsidiary loan / liability exposure – lower of 10% CFR, £70 million
- Guidance on investments and how Net Present value (NPV) calculation methodologies should be utilised.

13.4 The council has an ambitious capital programme over the next ten years. A significant proportion of this programme is aligned to large infrastructure investments that will support long term regeneration across the city, such as programmes of new housing building and developing the Temple Quarter area. This is balanced against areas which will support improvements in on-going council services such as investing in infrastructure to support delivery of social care and education services. In addition, the council has identified investment for decarbonisation initiatives, enablers for transformation and invest to save opportunities.

13.5 A review undertaken in 2023-24 to support a programme reprioritisation identified the following new and emerging priority capital investments, which arise from the need to meet the council's principal obligation to keep the public safe and protect its assets, these are summarised in the table below.

Table 24: New Capital Investments

New capital investments	2024/25 £m
'New Cut' Harbour walls	6.100
Hybrid tech and AV equipment	1.000
IT end user devices and peripherals	0.650
Investment into the Bristol Operations Centre	0.700
Replacement of grounds maintenance machinery	0.450
Management of council land for nature initiative	0.450
External electrical repairs in parks (health and safety)	0.400
Amphitheatre power upgrade	0.800
Canford Chapel heating	0.050
TOTAL NEW CAPITAL INVESTMENTS	**10.600**

13.6 These pressures amount to £10.6 million over the life of the capital programme. The review further identified underspends or contingencies that can be released totalling £3.33 million and are detailed in table below.

Table 25: Identified Underspends

Identified underspends or contingencies that can be released	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Western Harbour	(0.280)			**(0.280)**
Bristol Beacon	(1.500)			**(1.500)**
Metrobus			(1.550)	**(1.550)**
Total	**(1.780)**	**-**	**(1.550)**	**(3.330)**

13.7 Alongside these underspends and or release of contingencies, further reprioritisation has identified the availability of additional CIL monies and a prudent redirection of 25% of the capital corporate contingency. In total this has enabled £23.299 million of funding to be made available to meet both Invest to Save and emerging pressures. The outcome of these reviews is presented below.

Table 26: Invest to save and emerging pressures fund

Available Funding	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Existing Invest to Save Budget	-	(1.248)	(2.500)	-	-	(3.748)

Additional CIL (2023/24 - 2024/25)	(5.002)	-	-	-	-	(5.002)
Redirection of 25% of Corporate Capital Contingency	(4.881)	(2.500)	(2.500)	(1.338)	-	(11.219)
Identified Underspends and or Release of Contingencies	(1.780)	-	(1.550)	-	-	(3.330)
Invest to Save & Pressures Funding	**(11.663)**	**(3.748)**	**(6.550)**	**(1.338)**	**-**	**(23.299)**

13.8 Part of the fund will be earmarked for 'invest to save' projects across the 4 years 2024/25-2027/28. This approach was outlined as part of the consultation process. Following detailed analysis and review of a number of proposals, 2 children's services projects are to be taken forward for inclusion in the capital programme. These two projects relate to increasing fostering care placements and locally provided care placements in children's homes. Both projects assume positive returns for re-investment resulting from lower internal in-house care costs compared to expensive out of area and independent provision. A further phase (Phase 2) of ITS schemes, which includes property transactions for supporting Temporary Accommodation and Adult Social Care, continues to be explored.

13.9 The council's capital programme includes contingency to manage cost pressures that arise during the development of schemes as they progress through their lifecycle. A contingency is an important element of a capital programme size and complexity, and it is considered best practice to hold a contingency for unexpected events. During recent years the contingency level has been used to finance cost pressures that have arisen. Based on an assessment of risk, a sensible reduction to the general Fund contingency has been applied leaving £7.5 million per annum.

13.10 In accordance with the capital strategy governance process for managing schemes through their lifecycle, new schemes have been identified in Appendix 2 and have been classified as pending schemes, along with similar schemes identified in previous years, and do not form part of the formal capital programme until a full mandate has been completed. In the meantime, funding allocations and their timing are illustrative. Schemes may use the Feasibility Fund to develop their mandate in greater depth.

13.11 The most significant investment schemes in the capital programme 2024/25 to 2033/34 are:

- Investment in the council's housing stock, including the new build and major refurbishments programmes through the Housing Revenue Account (HRA) (£2.3bn)
- Highways and traffic infrastructure (£94m)
- Housing delivery programmes to accelerate the delivery of new homes, in particular affordable homes through enabling, grant funding and land release (£50m)
- Temple Meads Development (£33m)
- Bristol Avon Flood Strategy & Investment (£20.4m)

13.12 The thorough review of the capital programme included an assessment of existing council funded (prudential borrowing and capital receipts) schemes which could utilise strategic Community Infrastructure Levy (CIL). To ensure compliance with the strategic CIL governance regulations, which require allocations to be approved against named schemes, the proposed Capital Programme includes approval for the following schemes:

Table 27: Community Infrastructure Levy (CIL) approved schemes

Strategic CIL Summary	Totals £m
Formally Allocated	
GR08 Bedminster Green Regeneration	(5.266)
PL30 Southmead/Glencoyne Regeneration	(7.277)
PL34 Lawrence Weston Community Hub	(0.650)
GR12 Bristol Avon Flood Strategy (BAFS)	(20.395)
CRF2 Youth Zones	(1.906)
NH02A Invest in Parks Sports Outdoor Equip & Facilities	(1.446)
GR10 Improvements to Local Centres	(1.465)
PL30 Housing Trinity Rd Police Facility/Guinness Partnership	(1.500)
Whitehouse Street Framework	(0.600)
Castle Park City Centre Delivery Plan	(1.200)
Full Council 2022/23 Budget Report - Awaiting Approval of Business Case	
GR11 Cribbs/Patchway New Neighbourhood Development (CPNN)	(1.000)
Full Council 2023/24 Budget Report - Awaiting Approval of Business Case	
GR07A Strategic Capital Fund - Transport	(1.400)
GR07A Strategic Capital Fund - Parks & Green Space	(2.000)
Full Council 2024/25 Budget Report – seeking approval	
Invest to Saves Schemes (subject to meeting CIL criteria)	(5.002)
Total allocated	**(51.107)**

General Fund Capital Programme

13.13 The Capital Programme over the next ten years is fully funded through the use of external funding, capital receipts and borrowing where appropriate. A number of the schemes are earmarked only, with business cases pending approval. Should approval not be forthcoming, these funds may be redirected to ensure maximum available capital investment is targeted to works that begin to address the ambition to make Bristol a more equal, aspirational and resilient city, where everyone can share in its success. Further details on the refreshed rolling capital programme are contained in Appendix 2.

13.14 As noted above the council has significant capital investment requirements in its HRA housing stock, which includes regular planned maintenance and refurbishments to existing assets as well as programmes to deliver new housing stock. The capital programme includes the relevant aspects of the first 10 years of the 30 year HRA Business Plan model.

13.15 The council must ensure sufficient funding is available to meet the requirements of the agreed projects within its Treasury Management Strategy, which is reviewed annually and updated to reflect projects as they are refined or become ready for delivery. The Treasury Management Strategy is set out as Appendix 4 to this report.

13.16 The table and graphs below summarise our current capital spending plans for the next ten years that total £2.722 million. The detailed draft programme and its financing are set out in Appendix 2.

Table 28: Capital programme summary

23/24 £m	Description	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 to 33/34 £m	Total £m
5.633	Resources	2.658	0.534	-	-	-	**3.192**
131.219	Growth & Regeneration	146.713	67.278	28.577	16.610	14.000	**273.178**
0.998	Adult & Communities	7.803	5.851	-	-	-	**13.653**
16.539	Children & Education	40.587	13.580	8.179	0.050	0.050	**62.447**
9.944	Corporate	12.326	8.063	7.500	5.422	-	**33.311**
0.976	Pending Schemes	11.589	17.163	14.945	4.601	20.898	**69.196**
108.467	Housing Revenue Account	358.038	312.891	232.846	249.159	1,114.124	**2,267.058**
273.776	**Total**	**579.713**	**425.360**	**292.047**	**275.842**	**1,149.072**	**2,722.035**
	Financed by:						
52.655	Prudential Borrowing	73.721	36.892	6.650	4.044	1.550	**122.858**
62.852	Grant	72.461	26.138	21.665	3.500	3.500	**127.264**
13.393	Capital Receipts (GF)	19.150	12.244	12.712	5.519	1.998	**51.623**
4.364	Developer Contributions	17.110	14.000	5.225	4.620	18.900	**59.855**
-	Revenue/Reserves (GF)	-	-	-	-	-	**-**
32.046	WECA/Economic Development Fund	39.233	23.195	12.949	9.000	9.000	**93.377**
108.467	Housing Revenue Account	358.038	312.891	232.846	249.159	1,114.124	**2,267.058**
273.776	**Total**	**579.713**	**425.360**	**292.047**	**275.842**	**1,149.072**	**2,722.035**

HRA Capital Programme

13.17 The 10-year capital programme includes: Housing Investment Programme to maintain and improve existing stock; a baseline development programme; a small amount for HRA IT infrastructure and replacement of fleet.

Table 29: HRA capital budget summary

Ref	Description	2023/24 P8 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 to 2033/34 £m	Total £m
HRA1	Planned Programme Major Works	50.213	95.979	110.950	92.980	80.407	406.399	**786,715**
HRA1	Fleet replacement	-	5.000	-	-	-	-	**5.000**
HRA2	New Build & Land Enabling	56.465	255.757	201.463	139.866	168.752	707.725	**1,473.563**
HRA3	HRA IT Infrastructure	1.789	1.302	0.478	-	-	-	**1.780**
GROSS HRA CAPITAL		**108.467**	**358.038**	**312.891**	**232.846**	**249.159**	**1,114.124**	**2,267,058**
Capital Financing								
	Capital receipts	(12.341)	(27.690)	(15.319)	(27.074)	(39.275)	(232.744)	**(342.132)**
	Capital Grants	(6.017)	(82.089)	(65.509)	(44.676)	(20.813)	(41.170)	**(254.257)**
	Prudential Borrowing	-	(185.218)	(185,945)	(115.669)	(150,906)	(572,193)	**(1,209,931)**
	Major Repairs Allowance	(34.160)	(31.535)	(32.165)	(32.809)	(33.465)	(215.322)	**(345.296)**
	Other Contributions	(3.140)	(4.789)	(5.939)	(8.700)	-	(9.400)	**(28.828)**
	Revenue Contribution	(52.809)	(25.915)	(8,013)	(3.917)	(4,700)	(43,265)	**(86,612)**
TOTAL FINANCING		**(108.466)**	**(358.038)**	**(312.891)**	**(232.846)**	**(249.159)**	**(1,114.124)**	**(2,267,058)**
NET HRA CAPITAL PROGRAMME		**-**	**-**	**-**	**-**	**-**	**-**	**-**

13.18 The HRA development programme (2024/25 to 2028/29) aims to deliver 3,082 additional council homes, requiring £946 million investment. This rolling programme will see:

- Approximately 2,544 new homes delivered by 2027
- A further 538 are anticipated by 2029.

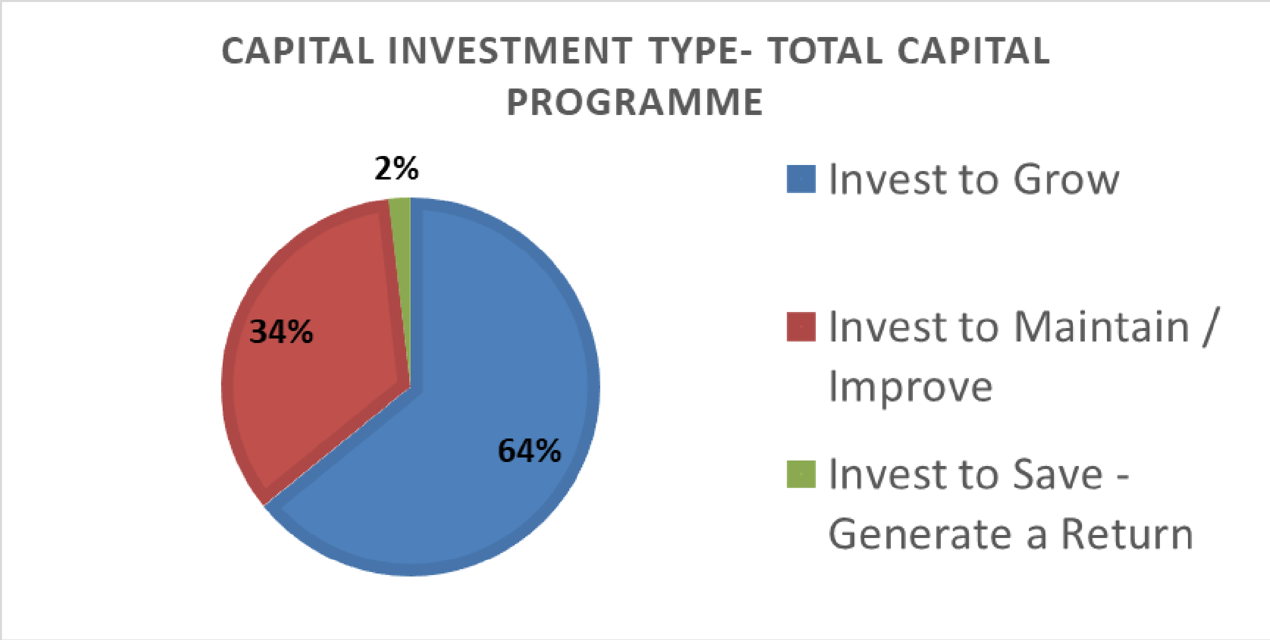
13.19 The capital programme detailed above demonstrates the council's commitment to ensuring existing tenants homes are as safe, secure, warm and energy efficient as possible, as well as ensuring we continue to deliver new homes to help meet Bristol's housing crisis. However, we do acknowledge that such significant ambitions are subject to the constraints of market capacity to deliver. Market conditions will be kept under constant review during 2024/25. Where there are strong indications of insufficient market capacity, the capital programme will be reshaped and reprioritised to ensure we deliver as many new homes and provide as many existing tenants with safe, compliant and energy efficient properties as possible within those bounds.

13.20 The 2024/25 capital programme will be financed by a combination of contributions from major repairs and revenue reserves, capital receipts unapplied and external income (Homes England grant, income from sale of shared ownership and pooled Right to Buy receipts).

13.21 Capital receipts are from the sale of council homes under the Right to Buy (RTB) scheme to sitting tenants at a discount. Sales for 2024/245 are forecast to be 100, with an average sale price after discount of £128,000. The receipts will be reinvested to build new council homes, enabling a greater percentage to be retained.

Analysis of capital programme

Figure 3: Analysis of capital programme by investment principle



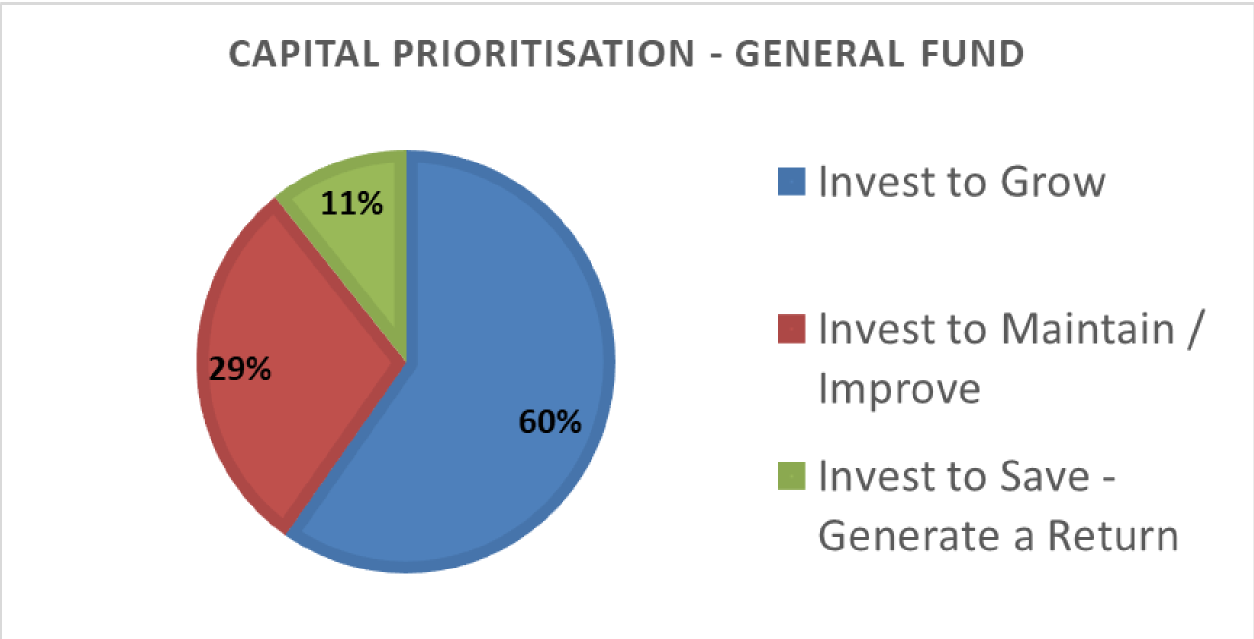
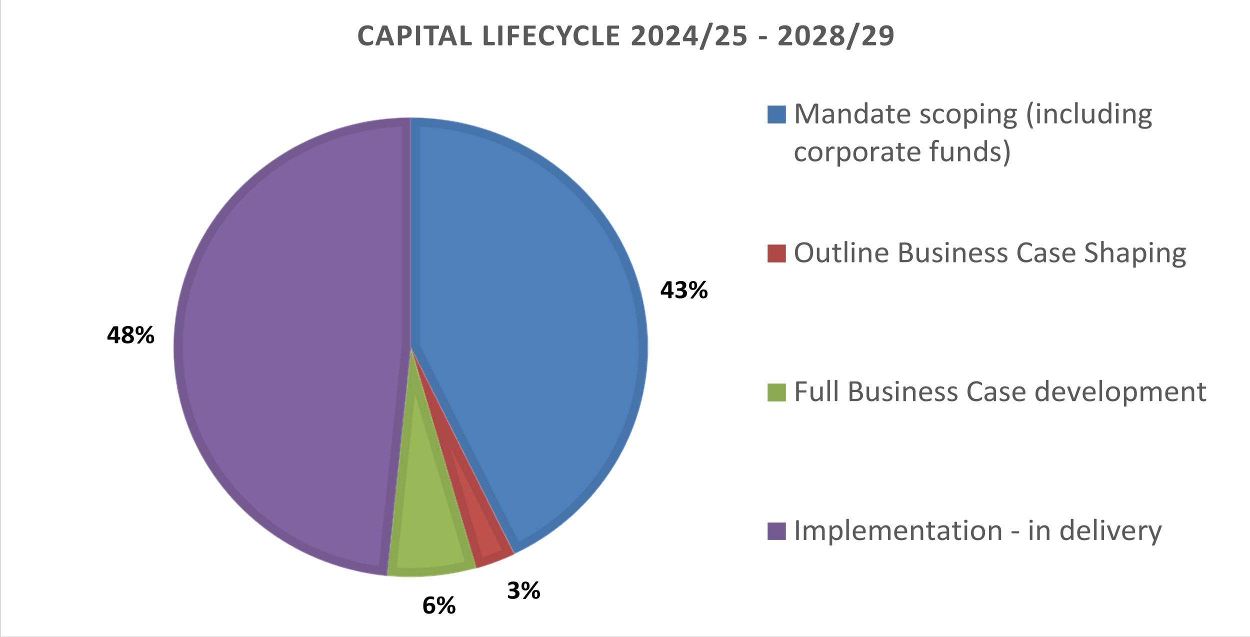


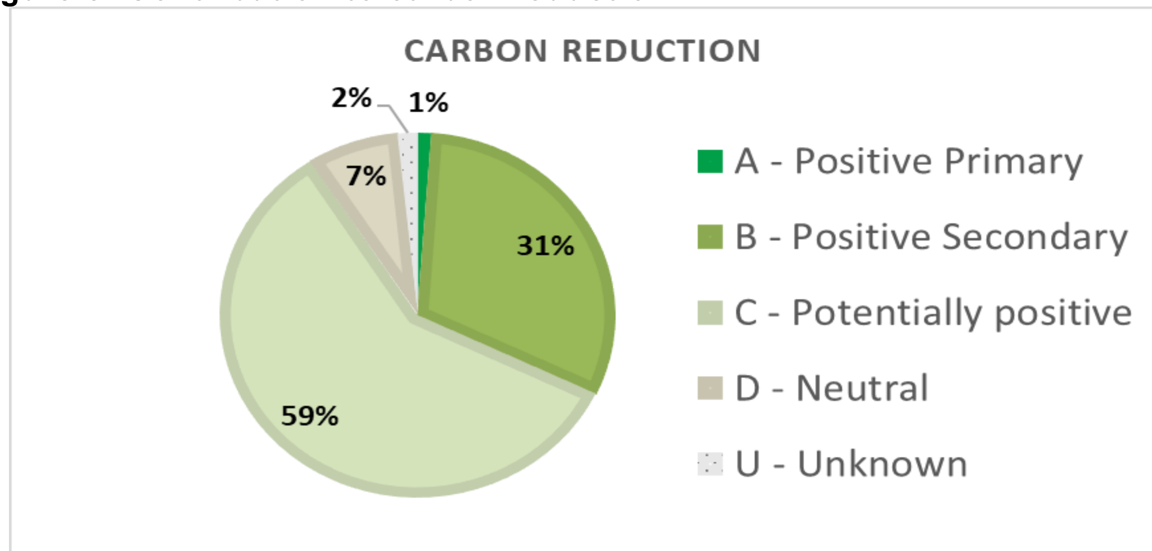
Figure 4: Analysis of capital programme by project lifecycle stage



13.22 The council is committed to reducing its carbon footprint. The chart below analyses the schemes in the Capital Programme according to their level of contribution to carbon reduction (analysis based on existing approved Capital Programme).

13.23 The analysis shows that 91% of the capital programme, by cost of scheme, is making a positive contribution towards carbon reduction. The 91% is broken down as schemes where the primary objective has a positive carbon impact (1%), schemes where the key objective is service delivery but has a positive carbon impact as a secondary objective (31%) and schemes where the primary objectives is service delivery but also have a potentially positive carbon impact (59%). It is anticipated in future years' capital programmes an even greater proportion of the council's capital investment is likely to have a positive impact towards reducing the council's carbon footprint in the city.

Figure 5: Contribution to carbon reduction



14 Treasury Management Strategy

14.1 The council's Treasury Management Strategy, Minimum Revenue Provision Policy, Investment Strategy and Prudential Indicators are set out in Appendix 4. The Treasury Management Strategy incorporates the council's Ethical & Equitable Investment Policy.

15 Reserves and Balances

15.1 The council holds reserves as part of its approach to maintaining a sound financial position and to demonstrate that there are no material uncertainties about the council as a going concern. The requirement for financial reserves is linked to legislation such as Local Government Act 1992, which requires councils to "have regard" to the level of reserves needed to meet future expenditure when calculating a budget.

15.2 The application and use of reserves supports the achievement of service delivery and improvements and can support any in year service budgetary pressures or budget pressures arising from funding reductions. The council's reserves policy is set out in the MTFP approved by Council October 2023 with a high level summary only outlined below.

General Reserve

15.3 The purpose of the council's General Reserve will be to meet costs arising from any unplanned or emergency events such as unforeseen financial liabilities or natural disasters. It also acts as a financial buffer to help mitigate against the financial risks the council faces and can be used to a limited degree to 'smooth' expenditure on a one-off basis across years.

15.4 Our General Reserve Policy is that an unallocated general reserve will be set at the commencement of each year of at least 5% to 6% of the net revenue budget, subject to the further analysis of the sensitivity and risks associated to the financial plans, and turnover days measure will be included, to provide a wider context of impact in a crisis.

15.5 The balance of the General Fund Reserve at 31 March 2024 is anticipated to be £28.52 million increasing to £32.0million for 2024/25 (6% (22,2 days) of net revenue budget).

Table 30: General Fund assumptions as % of net budget and turnover days

2023/24 £m		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
(28.525)	General Fund Reserve @ 1 April	(32.000)	(33.000)	(33.750)	(34.500)	(35.250)
483.523	Indicative Net Budget Requirement	525.493	541.422	554.217	572.448	585.691
5.90%	**General Fund % of net budget**	**6.09%**	**6.10%**	**6.09%**	**6.03%**	**6.02%**
21.5	**Turnover Days**	**22.2**	**22.2**	**22.2**	**22.0**	**22.0**
	Indicative increase in reserve to maintain circa 6%	**(3.475)**	**(1.000)**	**(0.750)**	**(0.750)**	**(0.750)**

Earmarked Reserves

15.6 The purpose of the council's earmarked reserves is to meet identified spending commitments. These reserves will only be used for the purpose for which they were created and will be reviewed periodically but as a minimum annually.

15.7 The opening balance in earmarked reserves on 1 April 2023 was £126.611 million. Contribution in 2023/24 is expected to be £3.081 million, this is predominantly driven by business rates grants, agreed company loans, service and project resources.

15.8 The council is an extremely complex organisation with a wide range and diversity of activities and assets, interests and liabilities. By their nature many of the risks cannot be quantified and in this current challenging financial climate it is essential that the council maintains adequate levels of reserves.

15.9 The council's controllable reserves will be held corporately, and the use is subject to a prioritisation process and assessment of the use of the reserve for the approved purpose. Approval of the Section 151 Officer or Deputy Section 151 Officer is required in order to apply the use of earmarked reserves to support revenue expenditure. Each application will require a robust justification and will be assessed based on the planned and approved legitimate use of the reserve and the financial situation of the council at that time and may result in earlier decisions for funding being revisited and amended.

15.10 All reserves are to be reviewed at least annually to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released, in full or in part, or require topping up based on known/expected calls upon them. Particular attention will be paid in the annual review to those reserves with balances that have not moved over a twelve-month period.

Table 31: Summary of budgeted movement in reserves

Reserve Type	Opening Balance 01.04.2023 £m	Net Movement £m	Forecast Closing Balance at 31.03.2024 £m	Forecast Movement £m	Forecast Closing Balance at 31.03.2025 £m
Statutory / Ring-Fenced	(55.549)	(14.760)	(70.309)	5.435	(64.874)
Capital Investment	(38.582)	3.279	(35.303)	13.099	(22.204)
Financing	(1.808)	0.581	(1.227)	(10.349)	(11.576)
Risk and Legal	(14.172)	0.780	(13.392)	(3.511)	(16.903)
Service	(10.689)	3.263	(7.426)	5.527	(1.898)
Business Transformation	(5.811)	3.775	(2.036)	2.036	0.000
Earmarked Reserve Total	(126.611)	(3.081)	(129.692)	12.238	(117.455)
General Reserves	(29.525)	1.000	(28.525)	(3.475)	(32.000)
Total General Fund	(156.136)	(2.081)	(158.217)	8.762	(149.455)

Table 32: Reserve types

Reserve Type	Opening balances as at 1st April 2023	Description
Capital Investment	(38.582)	The capital reserve is maintained to provide funding for the Council's capital and commercial investments.
Risk and Legal	(14.172)	Risk Reserves Funds set aside to mitigate risks not otherwise provided for as well as commission advice and mitigate risks of potential litigation/claims.
Statutory/Ring-Fenced	(55.312)	Amounts required by statute or accounting code of practice to be set aside and ring-fenced for specific purposes, e.g. Public Health Reserve, City Deal Business Rate Pooling.
Business Transformation	(5.811)	Amounts required for expenditure on business activities, projects and capacity that is critical to delivering the Councils' improvement agenda.
Financing	(1.808)	Includes PFI sinking fund, grant income carried forward in accordance with accounting regulations.
Service	(10.926)	Amounts set aside to finance specific projects or to meet known expenditure plans, for example election reserve for local elections.
Total Earmarked Reserves	(126.611)	

New and Changing Reserves

15.11 In accordance with the policy on reserves, all forecasted balances to 31 March 2024 have been reviewed for their continuing need, alignment with council priorities and a risk assessment considering internal and external factors has been undertaken. In line with the council's reserve policy as set out in the MTFP, as part of setting the annual budget we will also identify any earmarked reserves which could be redirected to revenue if required during the year.

15.12 The following reserves have been reviewed and will be permanently released or realigned in line with the annual profile below. For completeness this includes the top-up to the General Reserve, the new reserves and the smoothing of reserves contributions to and from the general fund budget outlined at Table 1.

Table 33: Earmarked reserves - new or redirected

Reserve	Redirect / (New) in 24/25	Redirect / (New) in 25/26	Redirect / (New) in 26/27	Redirect / (New) in 27/28	Redirect / (New) in 28/29	Total Redirect / (New)
	£'m	£'m	£'m	£'m	£'m	£'m
Capital Investment Reserve	6,000	-	-	-	-	**6,000**
Goram Homes Investment & Returns	2,000	2,000	2,450	-	-	**6,450**
City Funds Investment & Returns	2,149	625	950	1,325	1,300	**6,349**
City Leap Procurement	200	-	-	-	-	**200**
BE Indemnity	-	1,635	-	-	-	**1,635**

Resilience Reserve	(596)	(6,461)	6,666	4,201	(2,986)	**824**
High Needs / SEND Transformation	(10,349)	(8,025)	(3,400)	-	-	**(21,774)**
Waste Contract Payment Mechanism	(1,034)	-	-	-	-	**(1,034)**
Insurance Fund B/S (Actuary)	(1,120)	-	-	-	-	**(1,120)**
Legal Reserve	(500)	-	-	-	-	**(500)**
GF Education Conversions	(260)	-	-	-	-	**(260)**
Total	**(3,511)**	**(10,226)**	**6,666**	**5,526**	**(1,686)**	**(3,231)**
General Reserve	(3,475)	(1,000)	(750)	(750)	(750)	**(6,725)**
Total (Budget Contribution)/Budget Requirement	**(6,986)**	**(11,226)**	**5,916**	**4,776**	**(2,436)**	**(25,637)**

15.13 Summary of each reserve movement:

- Capital Investment Reserve – this reserve covers non-treasury investments, e.g. loan provision cover, warranties and indemnities etc. A detailed assessment of the remaining loans and items now covered by the capital programme has enabled this redirection.

- Goram Homes Investment & Returns - This is the notional reductions to the Goram Homes pipeline reserves to reflect the intent and anticipated profile of anticipated release of profits to the shareholder, as outlined in more detail in Appendix 9.

- City Funds Investment & Returns – This redirect represents the recognition of repayments due on loans issued by the council.

- City Leap - This is the release of funds following completion of the city leap programme.

- BE Indemnity – Transfer residual to resilience reserve following expiration of indemnity.

- Resilience Reserve - In line with its intended use, over the five year period the resilience reserve will smooth forecast budget funding changes, support Transformation projects including SEND.

- High Needs / SEND Transformation - The challenging forecasted position in relation to the school's reserve is covered in the DSG section of the report and within the Section 25 statement provided by the Section 151 Officer.

- Waste Contract Payment Mechanism - Uplift of reserve to facilitate the contractual payment mechanism for Waste.

- Insurance - the Council's Insurance Actuarial Review recommended that an upward adjustment be made to reflect the trend in increasing volume and value of self-insured claims.

- Legal - to replenish the legal reserve to cover exceptional cases outside of the revenue budget parameters.

- GF Education Conversions – to replenish the reserve, which ensures funds for conversion of schools.

Table 34: Estimated Annual Closing Balance on Reserves
Estimated Annual Closing Balance on Reserves

	Estimate 31-Mar 2023/24 £m	Estimate 31-Mar 2024/25 £m	Estimate 31-Mar 2025/26 £m	Estimate 31-Mar 2026/27 £m	Estimate 31-Mar 2027/28 £m	Estimate 31-Mar 2028/29 £m
Earmarked Reserves	(129.692)	(117.455)	(125.809)	(117.426)	(112.301)	(115.288)
General Reserves	(28.525)	(32.000)	(33.000)	(33.750)	(34.500)	(35.250)
Total General Fund	**(158.217)**	**(149.455)**	**(158.809)**	**(151.176)**	**(146.801)**	**(150.538)**
Trading with Schools	(0.302)	(0.277)	(0.252)	(0.227)	(0.202)	(0.202)
Capital Reserves	(2.585)	(2.585)	(2.585)	(2.585)	(2.585)	(2.585)
DSG Reserve	56.076	76.179	96.023	108.444	114.213	111.184
Schools Balances	(0.070)	(0.070)	(0.070)	(0.070)	(0.070)	(0.070)
Total Schools Reserves	**53.119**	**73.247**	**93.116**	**105.562**	**111.356**	**108.327**
HRA Major Repairs Reserve	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)
HRA General Reserve	(45.790)	(26.840)	(27.377)	(27.924)	(28.483)	(29.053)
Total HRA Reserves	**(55.790)**	**(36.840)**	**(37.377)**	**(37.924)**	**(38.483)**	**(39.053)**
Total All Funds	**(160.888)**	**(113.048)**	**(103.070)**	**(83.538)**	**(73.928)**	**(81.264)**

16 Financial Health Indicators

16.1 In developing the budget strategy for 2024/25 and the medium term, the council has been reflective of the outcomes of the CIPFA Financial Resilience Index as set out in the figure below and other financial benchmarking (noting the data used for this is for 2021-22).

Figure 6 : CIPFA Financial Resilience Index Results Breakdown for Bristol

Indicator	Min	Indicator Value	Max
Reserves Sustainability Measure	5.78	100.00	100.00
Level of Reserves	5.16%	38.56%	124.87%
Change In Reserves	-34.16%	50.84%	246.17%
Interest Payable/ Net Revenue Expenditure	0.28%	5.14%	20.67%
Gross External Debt	£2,000k	£575,888k	£1,651,158k
Social care ratio	28.70%	69.11%	93.25%
Fees & Charges to Service Expenditure Ratio	3.11%	19.43%	28.68%
Council Tax Requirement / Net Revenue Expenditure	38.80%	59.94%	89.69%
Growth Above Baseline	-4.19%	2.21%	61.75%

16.2 It is essential to ensure the council manages its financial resilience to meet unforeseen demands and in doing so have considered the two pertinent areas identified as high risks to the financial resilience of the council compared to other similar authorities. These are the level of reserves and gross external debit.

16.3 Level of Reserves

The benchmarking analysis above shows that the council currently has reducing useable reserves. After an improvement across the period of the pandemic the council's levels of reserves have moved into a higher risk boundary. The analysis when compared to both nearest neighbours and unitary authorities provides a consistent picture. This indicator is of high importance in terms of the council's ability to respond to extreme shocks

Figure 7a: Bristol City Council Level of Reserves (statistical near neighbours)

Figure 7: Bristol City Council Level of Reserves ((unitary authorities comparisons)

16.4 Gross External Debt
This indicates the Gross External Debt held by the council and is used to finance the council's borrowing liability known as its Capital Financing Requirement (CFR). It is a requirement of the CIPFA Prudential Code to set a CFR and link into the prudential indicators agreed by Council as part of its annual Treasury Management Strategy set out in Appendix 4.

Figure 8: Bristol City Council Gross External Debt Ratio (statistical neighbours)

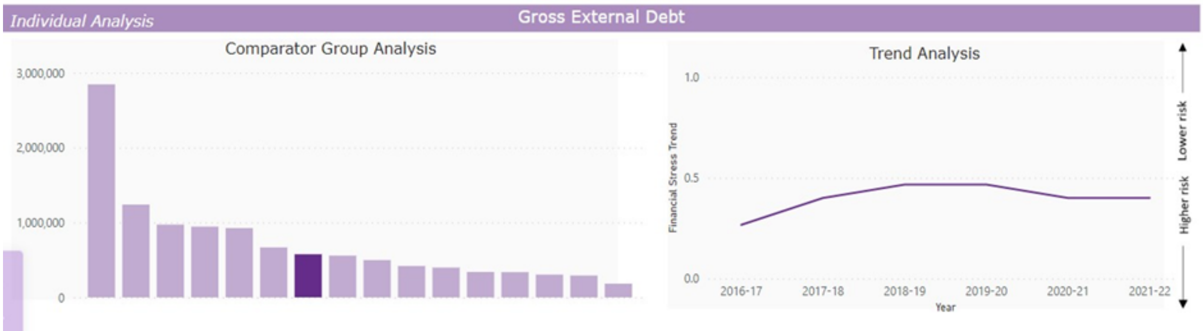
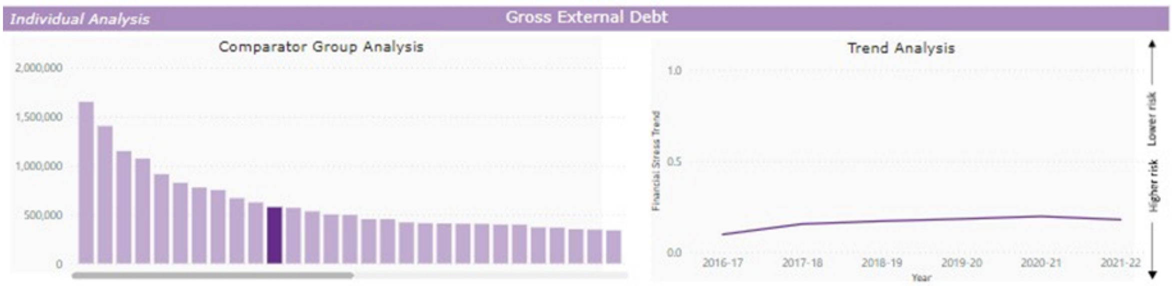


Figure 9: Bristol City Council Gross External Debt Ratio (unitary authorities)



16.5 Given the current position the intention the council should seek to retain a mid-point of all upper tier authorities as a percentage of net revenue expenditure and seek to leverage external funding and grants to provide the headroom and parameters for the additional capital amounts required to deliver the wider Corporate Strategy ambitions.

17 Section 25 Statement of the Section 151 Officer

Introduction

17.1 Section 25 of the Local Government Act 2003 requires that when a local authority is making its budget calculations, the Chief Finance Officer of the authority must report to the council on the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. An authority to which a report under this section is made has a statutory duty to have regard to the report when making decisions about the calculations in connection with which it is made. This includes considering:

- The key assumptions in the proposed budget and the robustness of those assumptions
- The key risk areas in the budget and to assess the adequacy of the council's reserves when reviewing the potential financial impact of these risk areas on the finances of the council

17.2 One of the Standards included in the Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management (FM) Code further reinforces the original requirement stating that the statement in relation to the proposed financial reserves should consider whether the level of general reserves is appropriate for the risks (both internal and external) to which the council is exposed. It is necessary to give reassurance that the authority's financial management processes and procedures are able to manage those risks and while the budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. Compliance must be demonstrated to the FM Code. This is a good practice approach that the council has followed historically, and the statement is updated considering the prevailing circumstances and assessment of relevant risks each financial year.

17.3 In setting the budget the council has a duty to ensure:

- It can continue to meet its statutory duties
- Governance processes in place support effective decision making
- The budget and medium-term plan reflect the significant challenges being faced and remain responsive to the uncertainties in the economy
- Savings plans and the impact on service provision is clear and agreed savings are delivered
- The profile of existing and forecast liabilities are understood and sufficient provision is made for repayment
- The levels of reserves are appropriate and are closely monitored, including their liquidity to underpin its financial resilience
- It prepares its annual statement of accounts in an accurate and timely manner to provide a sound platform upon which to build

17.4 Section 28 of the Local Government Act 2003 also imposes a statutory duty on the council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the council must take such action as it considers necessary to deal with the situation. This might include, for instance, action to reduce spending across the council in the rest of the year, or to increase income, or to finance the shortfall from reserves.

17.5 The importance of this overall approach, need for prudence, and realistic levels of reserves and provisions, has been brought sharply into focus by the impact of the pandemic, more recently the cost of living crisis and the alarming fact that failure in local government, with disastrous consequences for residents, is no longer the rare occurrence that it once was.

17.6 The key assumptions underpinning this annual budget and medium term plan are outlined in the main body of the report and this statement considers key medium-term risk areas faced by the council and adequacy of reserves and provisions.

Assurance Statement

Key medium-term risks & issues faced by the council

17.7 The council is continuing to face a challenging set of sustained economic and financial issues related to local market conditions and the cost of living, that continues to put ever increasing pressure on the council's financial sustainability and resilience, which inevitably underpins key aspects of the council's future strategy.

Core Funding

17.8 The council's financial plans are heavily dependent on future government decisions which dictate local generated income streams such as business rates, council's tax levels and government grants. Whilst the calculations are based on robust methodology being applied by sector experts, it continues to be the case that it is difficult to anticipate the key decisions that the government will make on these matters.

17.9 As a result, a number of key elements of the council's medium term financial plans are subject to some uncertainty with a degree of risk that the position presented in this report could be subject to change once the details of these government decisions and local government funding reforms are published. The council has carried out sensitivity analysis to ascertain the levels of potential risk in the assumptions being used and has presented a realistic estimate for future years.

Flexible use of capital receipts

17.10 The Secretary of State announced on 18 December 2023 consultation on further flexibilities for capital receipts, including the ability to capitalise general cost pressures, allow councils to borrow for revenue costs, and sell investment assets used for rent or capital appreciation only. This is a radical contrast to the policy that local government should not borrow (take out loans) to pay revenue spending and ensure sustainability of core spending. The proposals are a mechanism to meet the higher public spending, which future extrapolations of need in demand led services indicate will be required. The council has used the current flexibilities in an appropriate manner to date in relation to delivering transformation programmes with a clear benefit realisation, and careful consideration will need to be given to risk exposure and the potential to encourage additional debt that may in the long term be unsustainable and could result in failures in meeting the best value duty.

Transformation and Savings Delivery

17.11 The General Fund Revenue budget relies on £39.3 million of savings and efficiencies, predominantly aligned to the 4 large transformation initiatives and external income. The HRA budget has similarly outlined a 3% efficiency target and supporting the DSG deficit to sustainability relies on the further development and delivery of the mitigation proposals currently estimated to deliver up to £58.6 million by 2028/29.

17.12 Many of the proposals are at varying degrees of development / complexity and have been developed with the support of commissioned delivery partners and industry experts. Optimism bias has been individually assessed and some proposals are considered low risk or already certain. At the other extreme some proposals are considered challenging, but in my opinion achievable but with a larger optimism bias provision provided. This will be subject to continuous review and in year monitoring as proposals are further developed and/or implemented. The outcome and overall assessment of this is reflected in the additional contingency provided across each fund for costs of delivery/optimism bias, along with the risks that propositions may be subject to change and/or removed following consultation.

17.13 The percent of savings delivered has demonstrated an improving trend over recent years and the importance of delivery is understood and considered at various programme boards. However, the principle of accountability needs to be further embedded, and the ability to drive pace, critically challenge and identify alternatives to recalibrate programmes that are off track will need to be strengthened. Strong leadership, culture change to one of ownership and delivery that starts with the executive team, directors and heads of service and cascades at all levels within the services, with sound monitoring of performance and demand forecasting, will be essential. I am satisfied that this is under review, however, should senior responsible officers not meet these targets to a value exceeding the contingency earmarked, it will be necessary for the council to draw on its reserves to balance the budget, as it closes each financial year.

Service Pressures

Adult Social Care

17.14 Between 2021/22 and proposed 2024/25, the amount budgeted for adult social care would have increased by £48.0 million, 32% (8% in real terms). With the additional ring-fenced government grant funding and investment from the social care precept to support demand and sustain the market, the service has had the investment required to transform its services. The transformation programme is focused on strength-based practice, reflecting the changing marketplace, supporting people to live independently and achieving better value outcomes. This is a long term programme and will require the ongoing support of an effective delivery partner, other internal partners including housing and children’s, the right commissioning frameworks and the culture of delivery embedded, the reforms planned to make the system truly sustainable for the future can be delivered.

Children’s Social Care

17.15 Between 2021/22 and proposed 2024/25, the amount budgeted for children’s social care would have increased by £38.2 million, 59.2% (32% in real terms). This sustained increase in children's social care spend continues to squeeze the budget available for other children's services and other areas of council spending. Difficulties with supply have been compounded by changes in placement mix and increase in unaccompanied children seeking asylum. Higher than usual numbers of foster parents are withdrawing, which has led to a shortfall in foster carers, resulting in greater use of residential, out of authority and other placement types.

17.16 Higher costs have been driven by both supply constraints and demand pressures. On the supply side, children's homes and other forms of residential care have fewer places available and there are material increases in market prices. The ongoing impact of these pressures has been included as growth within the proposed budgets. The transformation programme is seeking to address these challenges with increased investment (revenue and capital) into placement provision, local early help and intervention with acute challenges. The delivery of the invest to save programmes and associated benefits will be key in turning the market curve and stabilising or changing these trends.

Education

17.17 Between 2021/22 and proposed 2024/25, the amount budgeted for general fund education would have increased by £15.6 million, 130% (89% in real terms). The council has faced unprecedented demand for home to school transport, coupled with increase service costs partly due to the lack of local education provision resulting in many more children traveling out of the authority area to access specialised education provision. These pressures are forecasted to exceed the benefits to be derived from the transformation proposals.

17.18 The ongoing impact of these pressures has been included within the proposed budgets, however if the trends are fully aligned with the future unmitigated trend of education, health and care plans and continue to require out of authority school transport, this would have a greater financial pressure than those outlined. The growth reflects existing trends only, with the assumption that the worst case scenario in this regard for 2027/28 and beyond is closely aligned to the DSG High Needs proposals and will be monitored accordingly.

Housing

17.19 Between 2021/22 and proposed 2024/25, the amount budgeted for housing and landlord services, would have increased by £5.6 million, 38% (13% in real terms). The pressures in the system are driven by multiple and interconnected sources. The cost of living crisis, increased pressure and competition with the Home Office for low cost accommodation and/or transfer of responsibilities for accommodation, private landlords leaving the market, increasing rent and local housing allowance frozen over several years results in subsidy losses and insufficient affordable housing to meet need.

17.20 No further growth has been assumed in the medium term and the assumption is that the following measures, if effectively deployed, will assist in mitigating the challenges. The local housing allowance increase to the 30th percentile of market rents from April 2024, the announcement of a third round of the LA Housing Fund to support those in temporary housing need or to find a permanent home, and the existing transformation programme will need to focus on earlier intervention and preventative strategies to reduce demand and bring about a step change in the number of households, length of time spent and the number of children in temporary accommodation.

Dedicated Schools Grants (DSG) - Deficit

17.21 The DSG deficit is the most significant risks in the 2024/25 budget and medium term plan. The DSG deficit began to accumulate in 2019/20 with a carried forward balance at the time of £2.9 million, and at the end of 2021/22 the deficit on the DSG adjustment reserve had increased to £24.5 million. The forecast position for the end of 2024/25 is £76.2 million. This reflects an increase of £51.6 million, between 2021/22 and 2024/25, 211% (156% in real terms). This is in the context of average annual funding increases of circa 11% for the high needs block.

17.22 The challenges in the SEND system within Bristol are significant, with substantial shortfall in local education provision. Demand for local SEND provision continues to increase at a faster rate than the change being implemented, and as such fundamental transformation is needed to deliver the scale of change required.

17.23 The route to improvement is continuous, with a need to look forward, self-challenge and learn from others. A whole council approach will be essential, encouraging shared responsibility across directorates and professionals. A ‘high support’ and ‘high challenge’ environment will assist in the retention of the core team. This will provide continuity in terms of contact with families, effective partnership working at both a strategic and operational level, creating shared goals and aspirations, which would assist partners in also buying into the improvement and mitigating strategies.

17.24 We have recognised that closing the annual gap over the period of the statutory override (that expires March 2026) will not be possible unless significant alternative funding is received, and as such we have built greater SEND delivery and transformation capacity into our medium term plan and greater resilience in general reserves and will need to ensure there are adequate usable reserves to cover any residual DSG deficit.

Early Years

17.25 The challenges facing the early years sector include the fact that DfE funding rates are lower than the cost of delivering funded places, increases in staffing costs, difficulties in recruiting and retaining staff and an increase in the number of children with formally identified SEND at their setting or who may have SEND that has not yet been formally identified.

17.26 In addition, the number and value of the maintained nursery schools’ deficits have continued to increase. The additional funding from government in this regard, whilst welcomed, is forecast to be insufficient to ensure sustainability. The funding rates announced for 2024-25 will be vital to the success or failure of the expanded entitlements. However, whilst material rate increases are evident for 0-2 and 2 year olds the funding rates for 3 and 4-year-olds, who take up the bulk of provision and therefore determine the viability of the entire sector, are only increasing in line with inflation.

17.27 The nursery transformation programme will continue to seek to address a long-term wide ranging set of issues and ensure sustainability of the sector. Schools Forum has agreed funding to support the underwriting of deficits supported by endorsed recovery plans and with the additional funding from the DfE, licensed deficits are being progressed as appropriate. Progress updates will be incorporated with the finance reports to the Schools Forum and should also be incorporated in the council monitoring reports going forward. Further details per setting are outlined in Section 9 of the budget report.

Housing Revenue Account

17.28 The council has adopted an ambitious 30 year business plan and medium and long-term modelling (up to 30 years) which delivers the key priorities for the HRA, including a strategy to build social housing properties through the capital programme, as well as buy and bring back into use empty properties and to prioritise improving the energy efficiency of its least efficient homes. These investments are funded through the ring-fenced Housing Revenue Account (HRA), funded primarily by rental income received from tenants, with government support limited. The plan ensures decisions are made in the context of long-term impact on the business plan and the affordability thresholds. However, the challenges and emerging pressures have minimised the headroom available. The key risks are the implications of new legislation / regulation or housing policy change which will negatively impact decisions taken at a local level.

HRA Financial Pressures

- The interaction between inflationary pressures and rent setting policy – the government imposition of a 7% ceiling on rent increases at a time when CPI reached 10-11% for much of the year has meant that costs have risen heavily above income and the cap reduced recurrent investible income available to support the 30 year plan.

- New legislation / regulation or housing policy - the new proactive regulatory regime from the Regulator of Social Housing, improvements to the Decent Homes Standard (DHS), building and fire safety, will increase the investment needed into existing stock.

- A new policy for rents is due to be consulted on shortly - it is vital that the approach adopted in looking forward provides the additional resources eg by facilitating a mechanism for catch up funding to enable the new burdens to be appropriately funded.

- Risk of viability challenges - For new build developments with ongoing high construction inflation and new regulatory changes as outlined above, viability challenges are likely. These developments can be compared to the wider impact of housing sufficiency or key areas of need in the council services, which could deliver costs reductions with access to social housing. For example, social care, temporary accommodation, and benefits subsidy losses.

Capital

17.29 The council has set out ambitious capital plans and material increase in the programmes for 2024/25 and 2025/26, primarily in delivering urgent housing maintenance and improvements. The programme remains within the affordability thresholds established for all funds and plans to increase capacity is in hand. However early assessment will need to be undertaken regarding the following risks and issues that could delay the delivery of the programme and early recalibration of the programme will be required if evidenced:

- Internal and external delivery capacity - delays in recruitment of delivery partner, internal projects and procurement leads and labour shortages
- Failure to deliver capital receipts targets due to lack of pipeline to market
- Impact of global markets on inflation / interest rate exposure, materials and supply chain issues

17.30 An earmarked fund has been identified to support the implementation of the Invest to Save strategic improvement projects, which aim to deliver effective and improved citizen-centred public services, whilst delivering wider efficiency savings. These arrangements should be updated on an on-going basis to ensure that there is clarity on who, ultimately, is accountable for performance, the delivery of the fund activity over the agreed period, and the payback period that follows of not only the benefits realised but the associated borrowing costs. Processes will need to be in place to ensure that practice reflects fully these process disciplines, following approval of final business cases, to enable the initial investment to be recycled.

Pay Awards

17.31 The council is a Real Living Wage (RLW) employer and the Autumn Statement 2023 announced 10% - 12% increase in the National Living Wage (NLW) for 2024/25. This is likely to result in a further increase in the RLW. The National Employers and National Joint Council (NJC) unions (GMB, UNISON and Unite), will undoubtedly take this into account in the 2024/25 pay negotiations and seek to ensure a differential in the percentage difference in pay, between the lowest grade, the NLW and mid-point of the next pay band. Pay sensitivity is outlined in the Table 31 and should be viewed in the context of the prudent 5% which has already been reflected within the 2024/25 planning assumptions.

Non Treasury Investments

17.32 In considering the council's investments, and given current market conditions and volatility, it is good practice to regularly review and / or consider the following risks:

- Failure of related companies to deliver growth and/or profit targets in line with agreed business plans
- Risk that non treasury impact investments do not achieve the desired outcomes and that the investment may not necessarily be returned to the council

17.33 These have been reviewed for Bristol's investments with returns and/or loan repayments scheduled in the council's budget. This will be reported in the periodic investment reports and regular reviews should continue to be undertaken.

General Risk Approach

17.34 The significant budget risks have been identified above and suitable proposals are being put in place to mitigate against these risks where possible. The Corporate Risk Register (CRR) is a live document which seeks to provide assurance to senior management and members that the council's main risks have been identified and that arrangements are in place to manage those risks within agreed tolerance. The council's wholly owned companies carry out their own individual risk assessments which are incorporated into the risk registers contained within the business plans, with the key significant strategic risks summarised in the council's CRR.

17.35 The council has adopted key prudency principles with target thresholds to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events and pressures, which are closely monitored.

17.36 Appendix 3 – Budget Risk Matrix contains a summary of selected key strategic risks, extracted from the Quarter 3 CRR which provides further details in relation to the causes, impacts, and mitigating actions. This matrix provides an indicative assessment of how the risks identified in the CRR could be managed should they be realised during this medium term.

17.37 The council needs to be satisfied that it can continue to meet its statutory duties and meet the needs of vulnerable young people and adults. Proposals have been drawn up on the basis that Executive Directors and Directors are satisfied that this will enable them to continue to meet their statutory duties and the needs of the most vulnerable.

17.38 Where unavoidable pressures are identified during the course of the year that cannot be mitigated, collective ownership is taken, and where appropriate funds are held in abeyance (subject to mitigations or a supplementary estimate being agreed) to minimise significant variations to net approved budgets. Where budget savings are not achieved in a timely manner further savings will need to be identified for implementation. Where this is not practical or deliverable and reserves are called on to achieve a balanced position, the savings will be rolled forward in order to ensure the council's future financial stability is maintained.

General

17.39 There are exceptional risks which, should they crystallise, could significantly impact the council's reserves and leave its financial standing seriously in question. These include:

- The potential for unforeseen council owned infrastructure issues, fire safety and insurance risk
- The potential exposure to cyber security
- The financial implications from the Care Act, adult social care and other welfare reform changes
- Risk of exposure to any major legal claims against the council
- Future government changes in policy and funding for local government, particularly the unknown impact of the next Spending Round (2024) and the risk of further significant reductions in income, government approved funding in relation to business rates base and business rates appeals
- School conversions to academies with deficit balances that revert to the council

17.40 The uncertainty regarding future funding for local authorities and inflationary risks makes a robust and evidenced assessment of financial governance and future resilience critical. In considering the robustness of any estimates, the criteria in the table below have been assessed.

Table 35 : Assessment of robustness of estimates

Area	Y/N	Response
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately reflected in the plans?	N / Y	The economic and financial climate has resulted in the increase in demand and need for many council services, particularly social care, home to school transport, homelessness, SEND and housing maintenance and support and higher than budget assumptions across the council. The uncertainty and volatility re external market conditions and pricing have made in year mitigation plans a challenge for some service areas. Detailed monitoring and report have ensued, and ongoing or unavoidable pressures have been considered by EDM's, CLB, scrutiny and members and are included in the plan.
Are arrangements for monitoring and reporting performance against the savings plans robust?	Y / N	Monthly budget monitoring, including savings tracker. Governance via EDM, CLB, Delivery Executive, Cabinet and Scrutiny Commissions, however greater accountability required for early warnings and non-delivery. This has been partially addressed within performance frameworks but needs to be strengthened with greater accountability at the right level.
The reasonableness of the underlying budget assumptions	Y	The major assumptions used in the budget calculation have been examined, where practical benchmarked, associated risks assessed, and impact of sensitivity assessment reported in the section below.
The alignment of resources with the council's service and organisational priorities	Y	The corporate strategy has been refreshed and service planning exercise completed for 2024/25 aligned plans and available resources to the agreed corporate strategy priorities. Service plans are endorsed by directors, executive directors and relevant cabinet member(s)
A review of the major risks associated with the budget	Y	The council and its subsidiary companies' corporate and other risks have been reviewed, likelihood and impact assessed.
The availability of un-earmarked reserves to meet unforeseen cost pressures	Y	Unallocated general reserve is currently forecasted to remain at marginally above the minimum policy level of 5-6% net revenue budget and 22 turnover days, over the 5 year period. Funds have been directed to and from the resilience reserve across the 5 year period with a small amount retained for any greater than expected movement. An appropriate level of earmarked reserves is retained for known liabilities and risk exposure; and sufficient reserves retained for ringfenced funds. However, should this be insufficient, as a short-term emergency measure

		longer term earmarked reserves could be temporarily redirected and replenished.
Have realistic income targets been set and ‘at risk’ external funding been identified?	Y	The income aspects of the overall budget are calculated based on previous and current trends, taking into account known external factors and external funding changes extrapolated over the medium term. To provide greater clarity and aid earlier planning, fees & charges will be set based on PY Sept CPI for 2024/25 and future years. The one off and core revenue estimates including demand pressures and anticipated income lead to the calculation of the council tax requirement and the setting of the overall budget and council tax.
Has a reasonable estimate of demand cost pressures been made?	Y	
Have one-off cost pressures been identified?	Y	Yes, see above. In addition, risks and pressures are identified, provisions made where evidenced and/or mitigating opportunities explored, unavoidable pressures and service improvement investments are outlined within the appendix to this report.
Has a reasonable estimate of future income been made?	Y	Yes, for income streams material to the council’s financial position. It is noted however that these are subject to future government funding decisions and as such present a degree of volatility and risk. A small change could have a material impact eg business rates and council tax. Trends have been obtained, analysed and extrapolated based on a range of scenarios, realistic scenario determined, and sensitivity tested.
Are arrangements for monitoring and reporting performance against the budget and savings plans robust?	Y / N	Closure reports are provided for Delivery Executive, transformation programmes and key projects which include lessons learnt and embedded assurance is also provided by Internal Audit on a range of major programmes. Quarterly detailed reports are provided to Cabinet in relation to budget and savings delivery and full report on saving delivery forms part of the outturn report. Delivery capacity has been enhanced with commissioned delivery partners and greater alignment with finance to support transformation project delivery monitoring and reporting. Arrangements for demand forecasting need to be improved to enable early corrective action to be taken. The governance and monitoring of the delivery of the schemes in the capital programme have been revised as outlined in the Capital Strategy and feasibility funds established for proposition at early development stage prior to full entry to the capital programme. This still requires further embedding to reduce slippage and optimism bias within the programme and to see tangible changes in the delivery of capital projects.

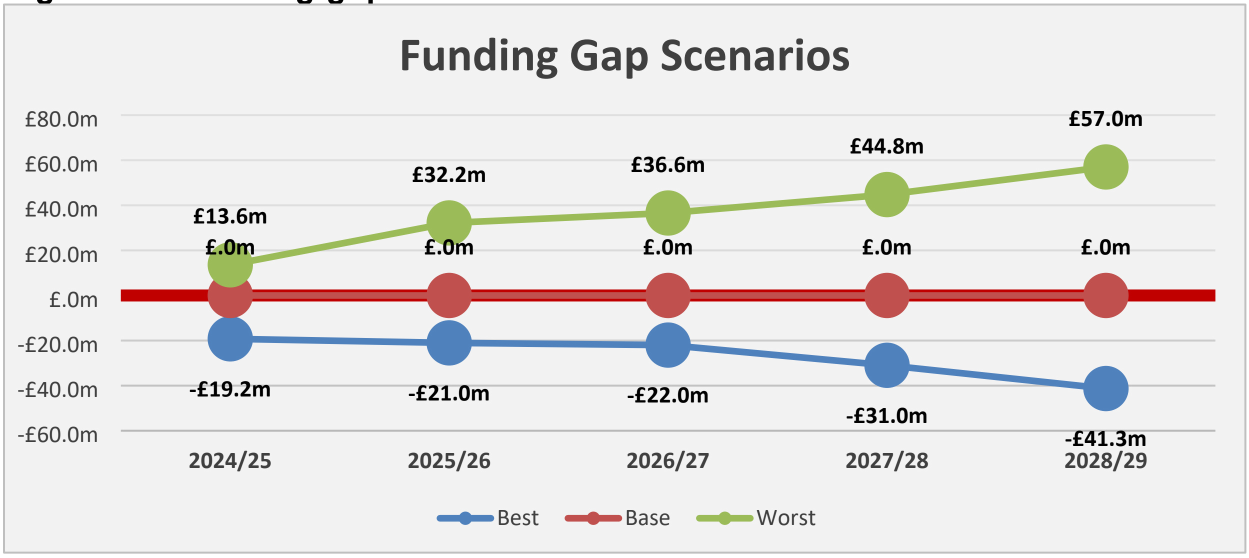
Is there a reasonable contingency available to cover the financial risks faced by the council?	Y	Reserves available for risk mitigations are outlined in Sections 15 & 17 and Appendix 3. In addition, a rolling capital contingency is established to reflect the major project risks and small revenue contingency set aside for non-delivery of savings which are in their infancy, requiring further due diligence or subject to consultation.
Is there a reasonable level of reserves, which could be used to mitigate any issues arising and are they reducing as the risks decrease?	Y	The policy relating to reserves was revised as part of the 2023/24 MTFP and the adequacy of the level of reserves is frequently assessed. It is reviewed periodically throughout the course of the year to check appropriate direction or released where no longer required or increased as necessary. Requests for new reserves are outlined in the budget or Cabinet report.
The strength of the financial management function and reporting arrangements?	Y / N	The council has made good progress in strengthening the Finance capacity via recruitment, development and commissioned reach back capacity. The implementation of the principles outlined in the FM Code and self-assessment indicated compliance, with some areas for improvement. The Annual Governance Statement and audits have identified some areas for improvement, eg investment methodology / financial modelling which we will continue to strengthen.
Has there been a degree and quality of engagement with colleagues and councillors in the process to develop and construct the budget?	Y	There has been widespread and practical engagement throughout the budget development and construction process with senior colleagues, executive, councillors, Mayor and scrutiny MTFP and budget task and finish group. The constructive critical challenge provided is always beneficial in sharing knowledge, testing assumptions and improving our reporting.

17.41 As a result of unprecedented economic and financial uncertainty there will undoubtedly be risks inherent in the budget process and it is important that these are identified, mitigated and managed effectively. These are outlined in the separate reports produced for each of the funds and summarised in the sections above.

Funding gap analysis

17.42 In relation to the General Fund, a balanced position has been proposed for each of the 5 years in the medium term plan. Sensitivity analysis has been carried out in relation to all the major assumptions used within the budget to ascertain the levels of potential financial risk in the assumptions being used. The scenarios indicate that under the worst case scenario the funding gap rises from £13.6 million in 2024/25 to £57.0 million by 2028/29. The key variation in this model is driven by council tax, business rates and inflation assumptions. The key financial planning risks that may affect the projections over the medium term and delivery of a balanced budget are summarised above and in the relevant sections of the main budget report.

Figure 10: Funding gap scenarios



17.43 The table below illustrates the impact of any changes in standard key planning assumptions for any given year and potential impact on General Fund reserves should they come to fruition.

Table 36: Sensitivity analysis of key budget assumptions

Description	£m
Income	
Change in Council Tax Collection Rates by 1%	2.7
Change in Business Rates Collection by 1%	2.5
Change in Council Tax Growth by 1%	3.6
Changes in Government Funding Settlement by 1%	0.7
Expenditure	
Change in Pay Award by 1%	2.1
Change in General Contract Inflation by 1% (inclusive of fees and charges)	2.7

Assessment of the adequacy of the council's reserves

17.44 The council must ensure reserves and balances are retained at an appropriate level in order to provide an adequate buffer for any series of one-off pressures or to provide sufficient time to identify on-going mitigations in a systematic way. The council has a reserve policy and based on internal financial risks assessments undertaken, I believe that the council still retains an adequate level of reserves as outlined in section 15.

17.45 General reserves are forecasted to be £28.5m million and earmarked reserves is forecasted to total £129.7 million by 31 March 2024 (excluding HRA and school balances) which in an emergency can be utilised on a short-term temporary basis, provided the funding is replaced in the future year. The budget proposes to uplift the general reserve to £32.0 million, which in a worst case scenario, combined with the earmarked reserves (£161.7m) would represent 31% of the 2024/25 net revenue budget.

17.46 Within the General Fund earmarked reserves, Public Health retains a reserve of £4.6 million, which represents approximately 12.8% of the annual grant and could provide transitional support should the grant be unexpectedly reduced, unfunded new burdens materialise or pay awards exceed expectation.

17.47 The HRA minimum general reserve is approved at £21.0 million (which reflects 3 months cashflow) and a further £5.0 million to reflect the current economic climate and risk exposure. The operating reserve is necessary to manage unexpected deficits, or for smoothing in-year budget pressures due to timing differences between the cost of building new homes and receiving rental income. The forecast reserve as at 31 March 2024 is £45.8 million (this excludes £10.0 million HRA major repairs reserve) with an interest cover ratio of 1:25. Whilst the funds underpin the 30 year business plan, they could be utilised on a short term basis for alternative pressures in the HRA, providing the funding is replenished and does not fall below minimum thresholds set.

17.48 Schools, like many businesses / organisations are experiencing the squeeze in relation to post pandemic, cost of living, inflation, energy, pay awards, recruitment and retention issues. The forecast reserve for 31 March 2024 reflects a worrying picture with a high volume of schools forecasting an in year deficit for 2023/24. The net forecast reserves balance for local authority maintained schools as at quarter 2 is envisaged to be a net deficit of circa £2.4 million at the end of 2023/24; indicating the need for close monitoring and an increased number of licensed deficits to ensure this is appropriately managed.

17.49 This is mitigated at the bottom line by £2.1 million attributed to; additional funding earmarked by the Council and Schools Forum to support schools whilst they recover their financial situations and additional funding allocated by the DfE to support schools in financial difficulty. After the reversal of legacy revenue contributions to capital for schools in deficit and removal of the deficit attributed to a school that has closed in year where the deficit will transfer to the general fund earmarked reserve, this leaves a small forecast positive but fragile variance of £0.1m on the reserve. Schools block and early years funding in the DSG has increased by a welcome 8.9%, this may not be sufficient to mitigate the deficit in all schools and settings but should return the net position to a more favourable surplus.

17.50 I consider that the assumptions on which the budget has been proposed, whilst challenging, are manageable within the flexibility allowed by the contingencies and general and risk reserves. The fact that the council holds other reserves earmarked for alternative purposes that could be called on if necessary means that overall the budget position of the council can be sustained within the overall level of resources available.

Conclusion

17.51 The short, medium and longer term issues and risks outlined in this statement, seek to raise the awareness of key issues and improve the understanding of members, officers and stakeholders, of the challenges for the council and risks to which I believe the council is exposed.

17.52 A culture of collective leadership is required, with clear accountability for the matters for which the council can control. This will ensure that key issues are successfully addressed and external factors that can be outside the council's control, effectively managed. Given the rigorous focus and work undertaken across the council and by members over last 6 months in developing the budget, I, as the council's Chief Finance Officer (Section 151 Officer), consider the estimates for 2024/25 to be sufficiently robust. I am also able to advise the council that the level of reserves remain adequate for all funds, providing a long term solution is identified for the DSG deficit, good governance prevails, risk is managed, and agreed savings are delivered and can recommend the budget for consideration by council.

Denise Murray
Chief Finance Officer (Section 151 Officer)

18 Consultation and Scrutiny Input

Internal consultation

18.1 Development of the MTFP and budget has been reviewed and challenged by a Task and Finish Group of the council's Resources Scrutiny from September 2023 to January 2024. The Resources Scrutiny commission plans to consider the budget proposals at meetings on 30 January 2024 and 1 February 2024.

18.2 Comments received from Overview and Scrutiny Management Board on individual matters arising will be incorporated in this report for Full Council.

External consultation

18.3 The consultation on the council's 2024/25 budget was open for six weeks from 9 November 2023 until 21 December 2023. The consultation set out alternative options for the level of Council Tax increase and Social Care Precept in 2024/25, before decisions on the 2024/25 budget are made by Full Council in February 2024. It also included information about 25 proposals to reduce costs and increase income to help balance the budget and described 11 'invest to save' ideas (ways to utilise capital investment to reduce costs in the long term).

18.4 The consultation was publicised through media, social media and communications with the public, including partner organisations, non-domestic rate payers and other stakeholders, a range of formats were available and utilised to boost response and responses from individuals and organisations were received via email, suggestion boxes and at events.

18.5 The final report summarising the result is attached at Appendix 6.

18.6 The council has not consulted separately on the HRA this year.

18.7 The council has consulted separately with schools and Schools Forum in relation to schools funding formula for 2024/25. This consultation was open for six weeks from 3 October 2023 until 14 November 2023. It was communicated to schools through the

Service Director for Education & Skills' regular newsletter, email and through school forum members on 28 November 2023. This consultation sought school stakeholder views on the primary and secondary school funding formula for 2024/25. Details are as reported under Item 8 of the following document pack: [Bristol Schools Forum: 28/11/2023]

18.8 The council has consulted separately with early years settings in December 2023 on the basis of the Early Years National Funding Formula (EYNFF) and the results were considered at Schools Forum when agreeing the EYNFF rates and Early Years Block budgets for 2024/25.

Consultation principles for new proposals

18.9 The Mayor and Cabinet are keen to listen to any ideas for generating efficiencies and increasing income. Where it has been identified that further public consultation is required in relation to a new initiative or specific implementation of an existing proposition the opportunity will be provided to discuss with the city the details of exactly how the proposal could be delivered within the approved cash limits.

18.10 Principles:

- Where specific consultation is still considered necessary, Full Council will set the service cash limit but will not make decisions on operation issues within the service budget
- Decision (and consultation) in respect of detailed operational proposals are a matter for Cabinet
- Following Full Council, Cabinet will decide how best to allocate funds within the designated cash limits. When making decisions on specific proposals within budget lines it will take into consideration consultation responses and Equalities Impact Assessments where needed, fully recognising the constraints on any departure from the council's budget / financial plan
- Services should ensure consultation is undertaken on defined proposals, giving consultees enough time and information to respond properly and that responses are considered. Informal engagement at a formative stage of proposals can also be beneficial.

19 Other Options Considered

19.1 Throughout the budget process, a large number of options are proposed and assessed in terms of opportunities, pressures, income generation, investments and risks, all of which need to be considered in the context of a balanced budget and appropriate level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presents the final overall package of detailed proposals, which together seek to balance the delivery of our strategic priorities and statutory and regulatory duties.

20 Public Sector Equality Duties

20.1 As part of this decision-making process, the Public Sector Equality Duty Decision requires council staff and elected members to consider what the impact will be on people with protected characteristics, whether in the wider city or in our own organisation and have due regard to the need to eliminate discrimination and advance equality of opportunity. We need to understand who will be affected, how they will be affected and, where possible, how to minimise unintended negative consequences by planning in mitigations from the start.

20.2 This report sets out the Mayor's budget proposals for Full Council to set the budget. Some proposals will need further development to make a specific decision. The process for this is set out in the section on consultation principles for new proposals (para 19.9). For these proposals an Equalities Impact Assessment (Appendix 7) will be undertaken to inform Cabinet when making that decision.

Proposed Budget 2024/25 - Full Council Summary by Division (General Fund)

		2024/25 Budget - Proposed						Notional		
	Division	Base Budget 2024 / 25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024 / 25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
	Adult & Communities									
14	Adult Social Care	171,388	2,027	(767)	3,665	(10,933)	165,380	1,701	7,619	174,700
34	Public Health Grant	0	0	0	0	0	0			0
36	Communities and Public Health - General Fund	6,287	182	(9)	85	(75)	6,471	179		6,650
3B	Communities and Public Health - Other Grants	0	0	0	0	0	0			0
57	Commissioning, Contracts Quality and Performance (Ad	14,293	3,549	(10)	6,841	0	24,672	94		24,766
	Adult & Communities	**191,968**	**5,758**	**(785)**	**10,591**	**(11,008)**	**196,523**	**1,974**	**7,619**	**206,116**
	Children & Education									
15	Children and Families Services	87,898	3,024	0	10,770	(2,956)	98,736	1,763	2,840	103,339
16	Educational Improvement	21,762	1,190	(31)	5,838	(2,359)	26,400	629	575	27,604
	Children & Education	**109,661**	**4,214**	**(31)**	**16,608**	**(5,315)**	**125,137**	**2,392**	**3,415**	**130,944**
	Resources									
21	Policy, Strategy and Digital	21,240	732	(28)	35	(787)	21,192	936		22,128
22	Legal and Democratic Services	14,793	1,174	(87)	1,054	(560)	16,375	969		17,344
24	Finance	6,719	622	(3)	1,033	67	8,438	630		9,068
25	HR, Workplace & Organisational Design	2,954	420	(3)	0	(125)	3,247	416		3,663
26	Management - Resources	110	0	0	0	0	110			110
	Resources	**45,817**	**2,948**	**(120)**	**2,122**	**(1,405)**	**49,362**	**2,951**	**0**	**52,313**
	Growth & Regeneration									
37	Housing & Landlord Services	21,015	635	(100)	0	(1,608)	19,943	642		20,585
46	Economy of Place	2,941	413	(350)	0	(740)	2,264	987	2,138	5,389
47	Management of Place	(2,800)	1,014	(2,281)	64	41	(3,962)	1,283		(2,679)
4A	Management - G&R	(338)	0	-	0	(3,290)	(3,628)			(3,628)
4B	Property, Assets and Infrastructure	39,167	1,542	(1,151)	3,374	0	42,932	419		43,351
	Growth & Regeneration	**59,985**	**3,605**	**(3,882)**	**3,438**	**(5,597)**	**57,549**	**3,331**	**2,138**	**63,018**
	Corporate Funding & Expenditure									
X2	Levies	11,071	(204)	0	127	(10,300)	693			693
X3	Corporate Expenditure	(8,320)	49,565	0	14,303	(370)	55,178	(10,648)	(13,172)	31,358
X4	Capital Financing	23,738	3,030	0	0	0	26,768			26,768
X8	Corporate Revenue Funding	(445,273)	(68,297)	4,818	(47,189)	30,448	(525,494)			(525,494)
X9	Corporate Allowances	11,353	(617)	0	0	3,547	14,283			14,283
	Corporate Funding & Expenditure	**(407,431)**	**(16,524)**	**4,818**	**(32,759)**	**23,325**	**(428,571)**	**(10,648)**	**(13,172)**	**(452,391)**
	General Fund Total	**(0)**	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**

Proposed Budget 2024/25 - Directorate summary with savings
Directorate: Adult & Communities

Summary by Division		2024/25 Budget						Notional		
	Division	Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000	£000	£000	£000	£000	£000	£000s		£000s
14	Adult Social Care	171,388	2,027	(767)	3,665	(10,933)	165,380	1,701	7,619	174,700
34	Public Health Grant	0	0	0	0	0	0	0	0	0
36	Communities and Public Health - General Fund	6,287	182	(9)	85	(75)	6,471	179	0	6,650
3B	Communities and Public Health - Other Grants	0	0	0	0	0	0	0	0	0
57	Commissioning, Contracts Quality and Performance (Adults	14,293	3,549	(10)	6,841	0	24,672	94	0	24,766
Total Adult & Communities		**191,968**	**5,758**	**(785)**	**10,591**	**(11,008)**	**196,523**	**1,974**	**7,619**	**206,116**

Summary by CIPFA group (Account Type)		2024/25 Budget						Notional		
	CIPFA description	Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
1	Employees	42,342	3,887	0	85	(1,438)	44,876	1,974		46,850
2	Premises-Related Expenditure	338	2	0	0	0	340			340
3	Transport-Related Expenditure	256	0	0	0	0	256			256
4	Supplies & Services	10,407	6,677	0	7,381	0	24,466			24,466
5	Third Party Payments	242,272	5,023	0	3,125	(9,570)	240,850		7,619	248,469
6	Transfer Payments	20,259	0	0	0	0	20,259			20,259
7	Support Services	2,239	161	0	0	0	2,399			2,399
Expenditure		**318,113**	**15,751**	**0**	**10,591**	**(11,008)**	**333,447**	**1,974**	**7,619**	**343,040**
9A	Income - Government Grants	(44,754)	(7,201)	0	0	0	(51,955)			(51,955)
9B	Income - Other Grants/Reimbursements and Contributions	(61,384)	(212)	0	0	0	(61,596)			(61,596)
9C	Income - Customer and Client Receipts	(1,128)	(50)	(785)	0	0	(1,964)			(1,964)
9E	Income - Recharges	(18,835)	(1,815)	0	0	0	(20,650)			(20,650)
Income		**(126,102)**	**(9,279)**	**(785)**	**0**	**0**	**(136,166)**	**0**	**0**	**(136,166)**
N	Income & Expenditure outside of Net Cost of Service	(29)	26	0	0	0	(4)			(4)
Other items outside of the Net Cost of Service		**(29)**	**26**	**0**	**0**	**0**	**(4)**	**0**	**0**	**(4)**
R	Transfer to \ from Reserves	(14)	(740)	0	0	0	(755)			(755)
Transfer to \ from reserves		**(14)**	**(740)**	**0**	**0**	**0**	**(755)**	**0**	**0**	**(755)**
NET Expenditure		**191,968**	**5,758**	**(785)**	**10,591**	**(11,008)**	**196,523**	**1,974**	**7,619**	**206,116**

Savings proposals within Adult & Communities				
Saving Name	**Description**	**Savings £000**	**Savings Reference**	**Savings Cost to Deliver £000**
Previous MTFP				
Increase social housing for people with care and support needs	Better Lives at Home is an innovative transformation programme for adult social care which supports people to lead more fulfilling lives and live independently in their own homes for longer. It boosts usage of TEC (technology enabled care). TEC equipment can be used at home to remain independent.	(870)	ASC1	
East Bristol Intermediate Care Centre	Following a recent review it is proposed to offer East Bristol Intermediate Care Centre to alternative providers, or close the centre. The Centre provides care and accommodation for 17 people over the age of 18 who stay for up to six weeks to help them to be independent after a hospital admission or illness. This is a discretionary service offered by the council.	(834)	2324P6	
Concord Lodge	To review and develop a more efficient and effective delivery model at Concord Lodge.	(104)	2324P7	
Review Bristol Community Links service delivery	Review of day opportunities currently provided within Bristol Community Links by developing options to deliver cost efficiencies. This is subject to consultation.	(500)	ASC7	
Current MTFP				
Complex homecare Reviews	Ensure all homecare packages provide the right supportWe would review more people who receive care and support in their home and have not had a social care review within the last year, to ensure they receive the amount and type of care and support that is appropriate to their needs and are enabled to be as independent as possible.For example, by enabling people's independence through the use of technology and / or equipment we would spend less on direct care and support provided by our teams. Reviews would be based on an individuals' personal strengths, including their social and community networks, in order to promote their wellbeing and independence.	(600)	2324_A001	
Residential Reviews Contract Management	Review contract management with residential and nursing care providersWe would improve the way we pay external organisations to provide residential and nursing care services on our behalf, to ensure the services we provide are funded fairly, are affordable and represent good value. This better management of contracts and expenditure will enable us to spend less while providing the same level and quality of service to people who need residential or nursing care services.	(675)	2324_A003	
Transitions Contract Management & Income	Review contract management with providers of care and support to young people transitioning from children's servicesWe would improve the way we pay external organisations to provide care and support to young people who have transitioned from children's services, to ensure the services we provide are funded fairly, are affordable and represent good value. This better management of contracts and expenditure will enable us to get better value while providing the same level and quality of service to people who need care and support to access employment, independent living, community and wellbeing services.	(1,148)	2324_A004	
Focused Reviews: Increase capacity & prioritisation	Increase reviews of care and support plans. Increase the number of care and support plans which have been reviewed by a social care practitioner within the last year. This will be achieved by improving systems to identify and complete timely reviews and where possible, support approaches which focus on an individuals' personal strengths including social and community networks in order to promote their wellbeing and independence.	(630)	2324_A006	73
Optimising Reablement	Improve Reablement - We would improve the way Reablement Teams work so that more people would be able to receive Reablement. This would mean that more people go on to achieve improved independence, resulting in the need for less care and therefore reduced costs.Reablement helps individuals to learn or re-learn the skills necessary to be able to engage in activities or occupations that are important to them.	(938)	2324_A007	110
Reviews of those receiving Section 117 aftercare	Increase reviews of those receiving Section 117 aftercare. More people who receive Section 117 Mental Health aftercare services (free help and support provided to those after they leave hospital having been detained there under the Mental Health Act) are reviewed within one year of them leaving hospital.This would support and improve independence, resulting in the need for less care and therefore reduced costs.	(1,350)	2324_A008	157
Healthwatch and Communities saving	Communities programme. This budget supports the capacity of the city council's community development team. To make this saving we would not deliver any new community development programmes in 2024/25 (subject to consultation where required). Current ongoing initiatives will continue.	(75)	2324_A009	
Housing Related Support Review	Review housing related support. Review how we would provide the support which helps people stay living independently in their homes. By undertaking Care Act eligibility assessments for people who receive this service, we would ensure that we maintain support for those who are eligible in line with the Care Act 2014.	(1,785)	2324_A005	
Reducing demand: Hospital Reviews	Reduce the number of longer term care packages by increasing the frequency of reviews following a hospital visit.Where people have moved from hospital into residential or nursing care, we would increase the number of reviews carried out at six and twelve weeks following discharge from hospital. This will allow us to revise care packages and/or cease those that are no longer needed to ensure people receive care and support that is appropriate to their needs, while their independence continues to be supported and promoted.	(1,500)	2324_A002	
Total savings proposals		**(11,008)**		**340**

Investment proposals within Adult & Communities	£'000
23/24 Pressures	
Demand and demographic growth	1,037
Environmental Health - Statutory Food Safety Inspections	85
Preparing for Adulthood - cost of care	355
New Burden: New Better Care Fund	2,095
24/25 Pressures	
New burden for transfer of care - first cohort	655
Core grants in service: market sustainability and the improvement fund	2,391
Core grants in service: adult social care discharge fund	622
Core grants in service: independent living fund	1,618
Core grants in service: market sustainability and the improvement fund - workforce fund	1,733
Total investment proposals	**10,591**

Proposed Budget 2024/25 - Directorate summary with savings
Directorate: Children & Education

Summary by Division		2024/25 Budget						Notional		
Division		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000	£000	£000	£000	£000	£000	£000s		£000s
15	Children and Families Services	87,898	3,024	0	10,770	(2,956)	98,736	1,763	2,840	103,339
16	Educational Improvement	21,762	1,190	(31)	5,838	(2,359)	26,400	629	575	27,604
Total Children & Education		**109,661**	**4,214**	**(31)**	**16,608**	**(5,315)**	**125,137**	**2,392**	**3,415**	**130,944**

Summary by CIPFA group (Account Type)		2024/25 Budget						Notional		
CIPFA description		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
1	Employees	52,884	2,630	0	2,205	0	57,719	2,392		60,111
2	Premises-Related Expenditure	826	(23)	0	0	0	804			804
3	Transport-Related Expenditure	9,916	403	0	5,838	(2,270)	13,886			13,886
4	Supplies & Services	4,279	84	0	0	(270)	4,094			4,094
5	Third Party Payments	65,616	757	0	8,225	(200)	74,398		3,415	77,813
6	Transfer Payments	550	0	0	0	0	550			550
7	Support Services	7,236	76	0	0	0	7,311			7,311
Expenditure		**141,307**	**3,927**	**0**	**16,268**	**(2,740)**	**158,762**	**2,392**	**3,415**	**164,569**
9A	Income - Government Grants	(7,037)	0	0	0	(58)	(7,095)			(7,095)
9B	Income - Other Grants/Reimbursements and Contributions	(3,831)	0	0	0	0	(3,831)			(3,831)
9C	Income - Customer and Client Receipts	(642)	(20)	(31)	0	(31)	(723)			(723)
9E	Income - Recharges	(17,563)	257	0	0	(27)	(17,332)			(17,332)
Income		**(29,072)**	**237**	**(31)**	**0**	**(116)**	**(28,982)**	**0**	**0**	**(28,982)**
N	Income & Expenditure outside of Net Cost of Service	(2,574)	49	0	340	(2,459)	(4,644)			(4,644)
Other items outside of the Net Cost of Service		**(2,574)**	**49**	**0**	**340**	**(2,459)**	**(4,644)**	**0**	**0**	**(4,644)**
NET Expenditure		**109,661**	**4,214**	**(31)**	**16,608**	**(5,315)**	**125,137**	**2,392**	**3,415**	**130,944**

Savings proposals within Children & Education				
Saving Name	**Description**	**Savings £000**	**Savings Reference**	**Savings Cost to Deliver £000**
Previous MTFP				
Targeted Commissioning	Review and reduce spend on direct commissioning for Mentoring/Youth services, with a focus on maximising delivery outcomes through alternative routes, such as application of the Youth Zone.	(200)	2324N2	
Short Breaks	Review and reduce pooled budget spend by 10%. This will require further consultation and represents a change to S75 budget.	(270)	2324N3	
Pooled Budgets	Enable a one-off refund of pooled budgets.	100	2324N4	
Foster Carer Recruitment and Retention	Supporting Fostering Services to recruit and retain foster carers, with innovative approaches and strategies to encourage and support people with the right skills and experience, to come forward and offer some of our most vulnerable children an opportunity to experience a stable family life. This proposal would significantly increase our cohort of local foster carers and reduce the use of more expensive distant placements and the use of Independent Fostering Agencies	(1,284)	2324P11	
Social worker retention and recruitment	Increase retention of our experienced social workers so that we can reduce our spend on agency temporary social workers.	(220)	2324P15	
Home to Education Transport	Redesign the service to provide a more efficient Needs-led Statutory Home to School Transport Service, developing more sustainable travel options, including independent travel, for young people with Special Educational Needs and Disability aged 16-25.	(2,270)	2324P21	
Early Help in communities, including Children's Centres & Family Hubs	We are proposing to review how we provide Early Help in communities, including Children's Centres and Family Hubs. The aim is to bring together more services that can be delivered from a range of different local venues and increase the amount of outreach work and online support we are able to provide, reducing the spend on buildings and staffing costs.	(1,052)	2324P23	
Bristol Children's Homes	We will increase our available capacity of Council run children's homes. This will help us to try and reduce the number of children who are placed in expensive placements outside of the city, improving outcomes whilst reducing our overall expenditure.	(300)	2324P25	
Current MTFP				
Children's Homes	Bristol's children's homes Increase the number of council run children's homes. This will help us reduce the number of children placed in more expensive placements outside of the city, and make sure children can stay close to local connections, such as school, friends and family.	597	2324_CE002	
Rebaseline F&C budgets	Review fees and charges. Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	(116)	2324_CEN001	
Recruitment & Retention of Foster Carers	Foster carer recruitment and retentionImplement an extended family peer support model for foster carers, including regular joint planning, training, and social activities. This is an alternative way of providing foster care, and the success has been evidenced nationally in attracting prospective carers and retaining our existing experienced carer community. This will improve the stability of fostering placements and strengthen the relationships between carers, children and young people, fostering services and birth families.	(100)	2324_CE001	107
Operating Model	This proposal covers the redesign for the Children and Education directorate which will contribute to a balanced budget by enhancing our operational delivery of services, improving quality of practice, retaining and developing the workforce, improving governance and quality assurance and working more effectively with partners. This builds on the transformation programme that focuses largely on changes to the Directorate, which were previously agreed by Cabinet, and are currently being implemented. The proposed redesign of the structure has also been informed by Local Authority Ofsted "health checks", Ofsted inspections, independent reviews and best practice.	(200)	2324_CE003	
Total savings proposals		**(5,315)**	**0**	**107**

Investment proposals within Children & Education	£'000
23/24 Pressures	
Benefit from invest to save - Children's Placements demand and cost pressures	(1,195)
Bristol Children's home staffing and maintenance costs	250
Placement costs - additional children from 2023/24	1,296
Additional social workers to support increasing children's numbers	54
Phoenix court (reversal of one off funding)	(65)
Home to School Transport increased demand	51
Special Educational Needs support	385
Home to School Transport – price and volume	1,252
24/25 Pressures	
Prior year recurrent service pressures (Children)	7,897
Prior year recurrent service pressures (Education)	4,150
Probation checks & Local Authority Designated Officer (LADO) changes in guidance	84
Additional pressures from Child Support Agency (CSA) mandatory reporting requirements	55
Working Together implementation	66
Children's social care placement demand growth - additional children	328
Children in need - support for children at home	2,000
Total investment proposals	**16,608**

Proposed Budget 2024/25 - Directorate summary with savings
Directorate: Resources

Summary by Division		2024/25 Budget						Notional		
Division		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000	£000	£000	£000	£000	£000	£000s		£000s
21	Policy, Strategy and Digital	21,240	732	(28)	35	(787)	21,192	936	0	22,128
22	Legal and Democratic Services	14,793	1,174	(87)	1,054	(560)	16,375	969	0	17,344
24	Finance	6,719	622	(3)	1,033	67	8,438	630	0	9,068
25	HR, Workplace & Organisational Design	2,954	420	(3)	0	(125)	3,247	416	0	3,663
26	Management - Resources	110	0	0	0	0	110	0	0	110
Total Resources		**45,817**	**2,948**	**(120)**	**2,122**	**(1,405)**	**49,362**	**2,951**	**0**	**52,313**

Summary by CIPFA group (Account Type)		2024/25 Budget						Notional		
CIPFA description		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
1	Employees	56,224	4,598	0	807	(550)	61,079	2,951		64,030
2	Premises-Related Expenditure	1,508	30	0	0	0	1,538			1,538
3	Transport-Related Expenditure	615	341	0	0	0	956			956
4	Supplies & Services	17,960	(26)	0	(23)	(50)	17,862			17,862
5	Third Party Payments	995	(3)	0	0	0	992		0	992
6	Transfer Payments	132,786	0	0	9	0	132,795			132,795
7	Support Services	686	(3)	0	0	0	682			682
Expenditure		**210,775**	**4,937**	**0**	**793**	**(600)**	**215,905**	**2,951**	**0**	**218,856**
9A	Income - Government Grants	(133,606)	(7)	0	724	0	(132,889)			(132,889)
9B	Income - Other Grants/Reimbursements and Contributions	(6,242)	(677)	0	0	(33)	(6,952)			(6,952)
9C	Income - Customer and Client Receipts	(2,908)	70	(120)	0	(85)	(3,043)			(3,043)
9E	Income - Recharges	(20,834)	(2,377)	0	0	(21)	(23,233)			(23,233)
Income		**(163,590)**	**(2,992)**	**(120)**	**724**	**(139)**	**(166,117)**	**0**	**0**	**(166,117)**
N	Income & Expenditure outside of Net Cost of Service	(623)	602	0	605	(766)	(181)			(181)
Other items outside of the Net Cost of Service		**(623)**	**602**	**0**	**605**	**(766)**	**(181)**	**0**	**0**	**(181)**
R	Transfer to \ from Reserves	(745)	400	0	0	100	(245)			(245)
Transfer to \ from reserves		**(745)**	**400**	**0**	**0**	**100**	**(245)**	**0**	**0**	**(245)**
NET Expenditure		**45,817**	**2,948**	**(120)**	**2,122**	**(1,405)**	**49,362**	**2,951**	**0**	**52,313**

Savings proposals within Resources

Saving Name	Description	Savings £000	Savings Reference	Savings Cost to Deliver £000
Previous MTFP				
City Innovation Team	Cease all activities and delete the City Innovation Team (which focuses on discretionary projects such as digital and smart city innovations)	(76)	2324R11	
IT Contracts	Review all of our spending on IT software and services across the entire council. Seek to reduce or cancel any non-essential contracts and services.	(50)	2324R12	
Networking, partnership and influence services	Review and possibly reduce or stop some services that focus on partnership working at home and abroad. This includes our work with national and international networks which focus on the role of elected Mayors.	(90)	2324R16	
Debt collection outreach	Reduce the temporary funding to the debt outreach programme, which worked with individuals in debt to the council, and instead improve sign-posting to specialist providers of debt advice in the city.	100	2324R22	
Mayor's Office	Reduce the amount of money we spend on staff and activities performed by the Mayor´s Office with a deletion of this function from 2024-25 (upon the end of the Mayoral term) and identify opportunities for reductions in 2023-24	(425)	2324R7	
IT Service	Reduce the amount of money we spend on staff by restructuring and reducing our internal ICT service.	(550)	2324R9	
Democratic Engagement	Review of democratic engagement staffing structures in the context of the change to Council governance.	(50)	2324R2	
Current MTFP				
Professional Services & Consultancy Contract Rebate	Professional services We have procured a contract with Constellia to deliver the council's professional services (including consultancy) requirements. Any secured contract delivered by Constellia will earn a 0.2% rebate which will be returned to the council annually.	(33)	2324_R003	
Rebaseline F&C budgets	Review fees and charges. Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	(30)	2324_CEN001	
Increase income from an additional round of employee's Annual Leave Top Up scheme	Annual leave purchase scheme. We would raise income by offering an additional opportunity for employees to buy extra leave. Managers will consider requests carefully, in relation to business needs and the potential impact of additional leave on the service.	(75)	2324_R001	
Reduction in discretionary learning and development spend	To reduce discretionary spend on learning and development by £50,000. This will be done by prioritising funding for statutory or mandatory training and for learning and development that is in direct support of organisational priorities such as Equality and inclusion Leadership development, Health and wellbeing Performance and talent development	(50)	2324_R004	
Registry Office Fee Income - Ceremonies	Register Office. We would raise Register Office prices for 2024/25 in line with current market rates, including fees to hold a ceremony, for our registrars to attend, to license a venue, for couples to hold a date and for other event hire.	(76)	2324_R002	
Total savings proposals		**(1,405)**	**0**	**0**

Investment proposals within Resources	£'000
23/24 Pressures	
Legal/Mortuary & Coroner contract, backlog and staffing cost	(58)
24/25 Pressures	
Prior year recurrent service pressures	507
Additional phone lines required to ensure Payment Card Industry (PCI) compliance	35
Revenues income / debt collection	300
Leader's Office staffing	100
Committee Model staffing	300
Coroners - Deceased transport contract	123
Coroners - Histology & Toxicology contract	82
Core grants in service: local council tax support	724
Core grants in service: family annexe council tax discount	9
Total investment proposals	**2,122**

Proposed Budget 2024/25 - Directorate summary with savings
Directorate: Growth & Regeneration

Summary by Division		2024/25 Budget						Notional		
Division		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000	£000	£000	£000	£000	£000	£000s		£000s
37	Housing & Landlord Services	21,015	635	(100)	0	(1,608)	19,943	642	0	20,585
46	Economy of Place	2,941	413	(350)	0	(740)	2,264	987	2,138	5,389
47	Management of Place	(2,800)	1,014	(2,281)	64	41	(3,962)	1,283	0	(2,679)
4A	Management - G&R	(338)	0	0	0	(3,290)	(3,628)	0	0	(3,628)
4B	Property, Assets and Infrastructure	39,167	1,542	(1,151)	3,374	0	42,932	419	0	43,351
Total Growth & Regeneration		**59,985**	**3,605**	**(3,882)**	**3,438**	**(5,597)**	**57,549**	**3,331**	**2,138**	**63,018**

Summary by CIPFA group (Account Type)		2024/25 Budget						Notional		
CIPFA description		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
1	Employees	67,184	3,196	0	0	0	70,381	3,331		73,712
2	Premises-Related Expenditure	28,474	(1,024)	0	1,550	0	29,000			29,000
3	Transport-Related Expenditure	2,166	(1)	0	0	0	2,165			2,165
4	Supplies & Services	11,334	143	0	1,864	(258)	13,083			13,083
5	Third Party Payments	75,747	338	0	24	224	76,333		2,138	78,471
6	Transfer Payments	7,375	203	0	0	(1,226)	6,352			6,352
7	Support Services	9,910	1,806	0	0	(330)	11,386			11,386
8	Depreciation and Impairment Losses	15	0	0	0	0	15			15
X	Capital Financing Costs	652	0	0	0	0	652			652
Expenditure		**202,857**	**4,661**	**0**	**3,438**	**(1,590)**	**209,367**	**3,331**	**2,138**	**214,836**
9A	Income - Government Grants	(9,498)	(951)	0	0	0	(10,449)			(10,449)
9B	Income - Other Grants/Reimbursements and Contributions	(3,518)	171	0	0	0	(3,347)			(3,347)
9C	Income - Customer and Client Receipts	(84,862)	(9)	(3,882)	0	(65)	(88,817)			(88,817)
9E	Income - Recharges	(40,620)	(268)	0	0	(652)	(41,540)			(41,540)
Income		**(138,498)**	**(1,057)**	**(3,882)**	**0**	**(717)**	**(144,153)**	**0**	**0**	**(132,100)**
N	Income & Expenditure outside of Net Cost of Service	(4,238)	0	0	0	(3,290)	(7,528)			(7,528)
Other items outside of the Net Cost of Service		**(4,238)**	**0**	**0**	**0**	**(3,290)**	**(7,528)**	**0**	**0**	**(151,681)**
R	Transfer to \ from Reserves	(136)	0	0	0	0	(136)			(136)
Transfer to \ from reserves		**(136)**	**0**	**0**	**0**	**0**	**(136)**	**0**	**0**	**(141,368)**
NET Expenditure		**59,985**	**3,605**	**(3,882)**	**3,438**	**(5,597)**	**57,549**	**3,331**	**2,138**	**63,018**

Savings proposals within Growth & Regeneration				
Saving Name	**Description**	**Savings £000**	**Savings Reference**	**Savings Cost to Deliver £000**
Previous MTFP				
Transport and Highway Maintenance	Access alternative income sources (some of which may be one-off) to pay for routine maintenance and improvements to sustainable transport and air quality to help improve health.	500	2324GR15	
City Transport discretionary activities	Reduce the City Transport budget by focussing on statutory areas and making reductions in discretionary activities, including transport studies, and reviewing our approach to income and expenditure on bus-shelters and bus-stops.	70	2324GR2A	
Temporary Accommodation need	We will reduce the costs of providing temporary accommodation to those with immediate housing needs. We will do this by creating new temporary accommodation, making use of existing properties, including council housing, and working with partners to source available properties. This will reduce our spend on expensive and inappropriate accommodation like hotels.	(821)	2324GR7	
New Parking Charges	New Charges for Small district Car Parks	(150)	2324N5	
Continue with the enforcement of the Bristol Bridge	Continue with the enforcement of the Bristol Bridge restrictions which will generate Penalty Charge Notices whilst encouraging motorists to move towards compliance	300	GR013	
Secure new commercial opportunities through	The conclusion of the Future Parks approach will secure new commercial opportunities for parks and green spaces.	(50)	GR021	
Maximise commercial opportunities for	Explore opportunities to maximise commercial growth in relation to catering outlets in Bristol's parks and green spaces.	(25)	GR022	
Review Museums and Archive Service	Review of the Museums and Archive Service in order to deliver the Corporate Strategy and to deliver savings.	(258)	GR028	
Reduce grant to Bristol Music Trust	Reduction of grant to Bristol Music Trust after substantial investment and opening of Bristol Beacon.	(276)	GR039	
Current MTFP				
Increase direct lets with Private Sector Landlords	Increase direct lets with Private Sector Landlords for Temporary Accommodation. We would reduce our reliance on our most expensive privately managed Temporary Accommodation, by renting properties direct from landlords. This would reduce costs associated with providing Temporary Accommodation.The council has a statutory duty to provide accommodation to people who are homeless, and either reach our vulnerability thresholds, or have dependent children, and where it hasn't been possible to prevent homelessness.	(405)	2324_GR009	124
Rebaseline F&C budgets	Review fees and charges. Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	(479)	2324_CEN001	
City Transport Resourcing	Charge more for City Transport work. We would use income from externally funded projects, where appropriate, to charge for staff time, and replace income from the general fund (the council's main revenue account). Make sure all charges for work are accurately recorded and job vacancies are filled.	(250)	2324_GR002	
HRA contribution to Head of Housing Delivery cost	Fund the Head of Housing Delivery role differently. The Head of Housing Delivery is currently funded by the general fund (the council's main revenue account). Due to the nature of the work, we would seek to fund 50 per cent of this position through the Housing Revenue Account (HRA). The HRA is funded by tenants' rents and leasehold service charges, and funds can only be used for services to tenants and leaseholders and the delivery of new homes. Given that the Head of Housing Delivery will oversee the planned increase in housing delivery it is appropriate that this role be part funded by the HRA.	(52)	2324_GR005	
City Transport Local Transport Schemes	Local Transport schemes. We would use net proceeds from Clean Air Zone charges to cover the costs of local transport schemes which support the Local Transport Plan such as yellow lines, crossings, dropped kerbs including staff costs.	(350)	2324_GR008	
Legible City advertising concession income	Reduce spend on Bristol Legible City. We would spend less money on the Bristol Legible City project. This means signage and wayfinding information that help people navigate the city would be updated less frequently and may not always have the latest information about new developments or transport. This may impact residents and visitors accessing the city centre.	(60)	2324_GR004	
Overhead contribution from a proposed new property licensing scheme	Create two new property licensing schemes. If new property licensing schemes are introduced following the current consultation process, we would increase income by introducing two new property licensing schemes. This new income would be used to fund the council's Private Housing team and cover the costs of running the service.	(330)	2324_GR006	
Maximising the Community Infrastructure Levy (CIL) administration recharge	Keep more of the administration fee from the Community Infrastructure Levy. The Community Infrastructure Levy (CIL) is money collected from new developments and used to fund local infrastructure. We would use the 5 per cent of this levy allocated to administration to replace money from the general fund (the council's main revenue account). This would be used to fund staff time spent supporting CIL work.	(150)	2324_GR001	
E-scooter concession	Use e-scooter payments for highway maintenance. Use new income from e-scooter operator payments to fund highway maintenance. This new income could also be used to support the use of bikes and e-scooters in the city.	(500)	2324_GR003	
H&T Swap out for CAZ	Use Clean Air Zone funds to maintain and improve the highways network. We would use net proceeds from Clean Air Zone charges to carry out repairs and improvement works on the city's roads and footpaths. These works would support the Local Transport Plan by keeping our roads and footpaths safe for all users, encouraging walking and cycling and reducing traffic congestion.	(2,311)	2324_GR010	
Total savings proposals		**(5,597)**	**0**	**124**

Investment proposals within Growth & Regeneration	£'000
23/24 Pressures	
BWC - Transfer of additional waste efficiencies	29
BWC - Facilities Management net annual contractual efficiencies	(5)
24/25 Pressures	
Prior year recurrent service pressures (Energy)	1,550
BWC - Waste growth and demand pressures	1,800
Increased kenneling costs	50
Core grants in service: food security enforcement	14
Total investment proposals	**3,438**

Proposed Budget 2024/25 - Directorate summary with savings
Directorate: Corporate Funding & Expenditure

Summary by Division		2024/25 Budget						Notional		
Division		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award & National Insurance Contributions	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000	£000	£000	£000	£000	£000	£000s		£000s
X2	Levies	11,071	(204)	0	127	(10,300)	693	0	0	693
X3	Corporate Expenditure	(8,320)	49,565	0	14,303	(370)	55,178	(10,648)	(13,172)	31,358
X4	Capital Financing	23,738	3,030	0	0	0	26,768	0	0	26,768
X8	Corporate Revenue Funding	(445,273)	(68,297)	4,818	(47,189)	30,448	(525,494)	0	0	(525,494)
X9	Corporate Allowances	11,353	(617)	0	0	3,547	14,283	0	0	14,283
Total Corporate Funding & Expenditure		**(407,431)**	**(16,524)**	**4,818**	**(32,759)**	**23,325**	**(428,571)**	**(10,648)**	**(13,172)**	**(452,391)**

Summary by CIPFA group (Account Type)		2024/25 Budget						Notional		
CIPFA description		Base Budget 2024/25	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2024/25 Budget	Pay Award	Inflation	Proposed 2024 / 25 Budget After Notional Allocations
		£000						£000s		£000s
1	Employees	2,490	0	0	0	0	2,490	(10,648)		(8,158)
4	Supplies & Services	1,404	50	0	200	0	1,654			1,654
5	Third Party Payments	22,620	14,400	0	127	(10,300)	26,846		(13,172)	13,674
X	Capital Financing Costs	11,621	0	0	0	0	11,621			11,621
Expenditure		**38,134**	**14,450**	**0**	**327**	**(10,300)**	**42,611**	**(10,648)**	**(13,172)**	**18,791**
9A	Income - Government Grants	0	(7,032)	0	0	0	(7,032)			(7,032)
9B	Income - Other Grants/Reimbursements and Contributions	(3,290)	0	0	0	0	(3,290)			(3,290)
9C	Income - Customer and Client Receipts	0	0	0	14,103	0	14,103			14,103
9D	Income - Interest	(3,150)	0	0	0	0	(3,150)			(3,150)
Income		**(6,440)**	**(7,032)**	**0**	**14,103**	**0**	**631**	**0**	**0**	**631**
N	Income & Expenditure outside of Net Cost of Service	(404,783)	(77,732)	0	(7,111)	3,177	(486,448)			(486,448)
Other items outside of the Net Cost of Service		**(404,783)**	**(77,732)**	**0**	**(7,111)**	**3,177**	**(486,448)**	**0**	**0**	**(486,448)**
R	Transfer to \ from Reserves	(34,342)	53,790	4,818	(40,078)	30,448	14,636			14,636
Transfer to \ from reserves		**(34,342)**	**53,790**	**4,818**	**(40,078)**	**30,448**	**14,636**	**0**	**0**	**14,636**
NET Expenditure		**(407,431)**	**(16,524)**	**4,818**	**(32,759)**	**23,325**	**(428,571)**	**(10,648)**	**(13,172)**	**(452,391)**

Savings proposals within Corporate Funding & Expenditure				
Saving Name	Description	Savings £000	Savings Reference	Savings Cost to Deliver £000
Previous MTFP				
Discretionary Rate Relief (#1)	Suspend the Council's discretionary rate relief scheme and the discretion to 'top-up' relief to 100% of the business rates due, following the required 12 months notice period. Eligible registered charities and other voluntary and community organisations will be restricted to mandatory relief of 80%.	(170)	2324R29	
Discretionary Rate Relief (#2)	Robustly administer the existing discretionary business rates relief policy ensuring that discretionary business rates relief is only paid to those organisations set out in the policy as eligible.	(200)	2324R30	
Current MTFP				
Transport Levy external funding swap incl subsidised buses	Alternative investment in sustainable transport. We would use net proceeds from Clean Air Zone charges to contribute to the amount of money we pay to the West of England Combined Authority for the annual Transport Levy which supports the Local Transport Plan, funding concessionary fares and other public transport related services.	(10,300)	2324_GR007	
Total savings proposals		**(10,670)**	**0**	**0**

Investment proposals within Corporate Funding & Expenditure	£'000
Insurance Premium & Self Insurance Fund	1,500
PFI Education / Leisure Unitary Charge	2,000
Professional Fees - incl Accounts	500
SEND project delivery capacity	663
SEND transformation - corporate contribution	3,500
Transformation project delivery capacity	6,140
23/24 Corporate Levies	4
24/25 Corporate Levies	123
Total investment proposals	**14,430**

2024/25 - 2033/34 Capital Programme Summary

Appendix 2

Resources

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
Information Technology									
500	RE01	ICT Refresh Programme	1,295	0	0	0	0	0	1,295
3,507	RE07	Digital Transformation Programme - Networks	871	524	0	0	0	0	1,395
560	RE08	Digital Transformation Programme	493	10	0	0	0	0	503
Legal & Democratic Services									
1,066	RE09	Expansion of Flax Bourton Mortuary	0	0	0	0	0	0	0
5,633		**Resources Total**	2,658	534	0	0	0	0	3,192

Growth & Regeneration

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
FM Services									
2,793	PL21	Building Practice Service - Essential H&S	3,662	523	500	500	500	1,000	6,684
1,473	PL27	Vehicle Fleet Replacement Programme	1,208	0	0	0	0	0	1,208
Bristol Ops Centre									
443	NH06A	Bristol Operations Centre - Phase 2	0	0	0	0	0	0	0
Parks and Green Spaces									
1,883	NH02	Investment in parks and green spaces	2,263	406	0	0	0	0	2,668
54	NH02A	Invest in Parks Sports Outdoor Equipment & Facility Improvements	2,078	0	0	0	0	0	2,078
213	PL35	Harbour Operational Infrastructure	2,562	0	0	0	0	0	2,562

Economy of Place									
1,223	CRF3	Covid Recovery Fund – Economic Infrastructure	543	0	0	0	0	0	543
6,026	GR01	Strategic Property – Temple Meads Development	27,409	4,475	1,003	0	0	0	32,887
7,600	GR03	Economy Development - ASEA 2 Flood Defences	2,513	1,849	0	0	0	0	4,362
2,492	GR08	Delivery of Regeneration of Bedminster Green	7,203	4,059	0	0	0	0	11,262
35	GR10	Improvements to Local Centres	434	1,031	0	0	0	0	1,465
1,965	PL01	Metrobus	481	72	412	0	0	0	965
182	PL02	Passenger Transport	0	309	0	0	0	0	309
11,620	PL04	Strategic Transport	14,671	5,788	1,684	0	0	0	22,144
2,266	PL05	Sustainable Transport	4,114	373	0	0	0	0	4,486
205	PL06	Portway Park & Ride Investment	0	0	0	0	0	0	0
435	PL11A	Cattle Market Road site re-development	720	719	0	0	0	0	1,439
19	PL17	Resilience Fund (£1m of the £10m Port Sale)	0	0	0	0	0	0	0
266	PL36	Investment in Markets infrastructure & buildings	253	0	0	0	0	0	253
Transport									
1,004	PL09	Highways infrastructure - bridge investment	215	0	0	0	0	0	215
1,185	PL09A	Highways infrastructure - Cumberland Road Stabilisation Scheme	0	0	0	0	0	0	0
15,204	PL10	Highways & Traffic Infrastructure - General	17,274	13,827	12,772	9,000	9,000	0	61,872
6,750	PL10B	Highways & Traffic - Street Lighting (ITS)	3,604	0	0	0	0	0	3,604
148	PL10C	Transport Parking Services	250	0	0	0	0	0	250
Housing Delivery GF Programme									
5,701	PE06C	Local Authority Housing Fund - Refugee Resettlement	0	0	0	0	0	0	0
13,983	PL30	Housing Delivery Programme	24,329	18,999	2,677	3,610	0	0	49,616
400	PL34	Community investment scheme (Lawrence Weston)	749	0	0	0	0	0	749

Clean Air Zone Programme									
7,629	GR09	Clean Air Zone Programme	7,759	6,000	6,000	0	0	0	19,759
Property, Assets and Infrastructure									
122	GR05	Strategic Property - Hawkfield Site	0	0	0	0	0	0	0
2,467	GR05A	South Bristol Light Industrial Workspace Redevelopment	84	0	0	0	0	0	84
192	NH03	Cemeteries & Crematoria investment	830	0	0	0	0	0	830
348	NH04	Third Household Waste Recycling and Re-use Centre	0	0	0	0	0	0	0
505	PL20	Strategic Property	43	28	29	0	0	0	100
22,469	PL24	Bristol Beacon	11,206	5,321	0	0	0	0	16,527
Housing & Landlord Services - Private Housing									
5,323	NH07	Private Housing	3,500	3,500	3,500	3,500	3,500	0	17,500
Management of Place									
12	NH01	Libraries for the Future	0	0	0	0	0	0	0
Energy - Commercialisation									
6,586	PL18	Energy services - Renewable energy investment scheme	6,759	0	0	0	0	0	6,759
131,219	**Growth & Regeneration Total**		146,713	67,278	28,577	16,610	13,000	1,000	273,178

Adult & Communities

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
Public Health Division									
770	CRF1	Covid Recovery Fund – Community Improvements	1,944	1,285	0	0	0	0	3,230
0	NH05	Leisure Centres Operational Contract – Capital Investment	4,030	4,000	0	0	0	0	8,030
Adult Social Care & Transformation Programmes									
227	PE06B	Adult Social Care – Better Lives at Home Programme	1,829	565	0	0	0	0	2,394
998	**Adult & Communities Total**		7,803	5,851	0	0	0	0	13,653

Children & Education

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
Education									
6,083	PE01	School Organisation/ Children’s Services Capital Programme	15,242	5,886	50	50	50	0	21,279
6,154	PE02	Schools Organisation/SEN Investment Programme	18,107	5,794	8,129	0	0	0	32,030
1,468	PE03	Schools Devolved Capital Programme	862	800	0	0	0	0	1,662
Children & Families									
1,600	CRF2	South Bristol Youth Zone	4,086	1,100	0	0	0	0	5,186
127	PE05	Children & Families - Aids and Adaptations	55	0	0	0	0	0	55
1,107	PE06	Children Social Care Services	2,234	0	0	0	0	0	2,234
16,539	**Children & Education Total**		40,587	13,580	8,179	50	50	0	62,447

Corporate Funding & Expenditure

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
Capital Funding									
2,800		Bristol Waste	0	0	0	0	0	0	0
1,044	CP03	Corporate Contingencies	7,500	7,500	7,500	6,059	0	0	28,559
3,844		**Corporate Funding & Expenditure Total**	7,500	7,500	7,500	6,059	0	0	28,559
158,233		**Capital Programme (GF) Total**	205,260	94,743	44,256	22,719	13,050	1,000	381,029

Schemes Pending Business Case Development

(Schemes not formally part of the capital programme and subject to further approval once more detailed work has been undertaken. Funding allocations and profile between years are illustrative only).

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
0	CP04	Invest to Save Fund	0	225	6,217	672	0	0	7,114
0	NEW - ITS	Children Homes sufficiency (ITS)	1,570	3,200	0	0	0	0	4,770
0	NEW - ITS	Fostering sufficiency (ITS)	333	333	333	333	333	1,665	3,330
0	CP05	Decarbonisation Fund	0	0	5,000	0	0	0	5,000
500	NEW	Decarbonisation Delivery Programme	6,000	5,500					11,500
0	GR07	Areas for Growth & Regeneration *- Illustrative schemes include Bristol Avon Flood Strategy, Frome Gateway, Green Infrastructure (inc tree planting & biodiversity improvements), and City Region Sustainable Transport Strategy*	500	780	0	0	0	6,000	7,280
0	GR07A	Strategic CIL Capital Funds - Transport and Parks & Green Spaces	0	500	1,000	1,000	900	0	3,400
0	NEW	Regeneration - Whitehouse Street Framework Infrastructure	100	500	0	0	0	0	600
0	NEW	Regeneration - City Centre - Castle Park Infrastructure	0	1,200	0	0	0	0	1,200
0	GR11	Cribbs/Patchway New Neighbourhood Development (CPNN)	0	1,000	0	0	0	0	1,000
0	GR12	Bristol Avon Flood Strategy & Investment	0	3,000	2,395	3,000	3,000	9,000	20,395
0	PL03	Residents Parking Schemes	0	650	0	0	0	0	650
0	PE10	Sports Capital Investment	350	0	0	0	0	0	350
6,100		Pressures as set out in the Cabinet Report	4,500	0	0	0	0	0	4,500
0		Pressures	0	0	0	0	0	0	0
6,600	**Schemes Pending Business Case Development Total**		13,353	16,888	14,945	5,005	4,233	16,665	71,089
164,834	**Capital Programme (GF) including Corporate Contingencies & Pending Sc**		218,614	111,631	59,201	27,724	17,283	17,665	452,118

Capital Funding - General Fund

2023/24 £000s	Source of Finance	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
(39,509)	Prudential Borrowing	(49,953)	(30,708)	(6,397)	(4,044)	(550)	(1,000)	(92,653)
(13,146)	Prudential Borrowing – Economic Development Fund	(23,768)	(6,184)	(253)	0	0	0	(30,205)
(62,846)	Grants	(72,462)	(26,138)	(21,665)	(3,500)	(3,500)	0	(127,265)
(12,917)	Capital Receipts	(16,088)	(11,406)	(12,712)	(6,560)	(333)	(1,665)	(48,764)
(4,364)	Developer Contributions	(17,110)	(14,000)	(5,225)	(4,620)	(3,900)	(15,000)	(59,855)
(32,046)	WECA/LEP	(39,233)	(23,195)	(12,949)	(9,000)	(9,000)	0	(93,377)
(7)	Revenue and Reserves	0	0	0	0	0	0	0
(164,834)	Capital Funding - General Fund Total	(218,614)	(111,631)	(59,201)	(27,724)	(17,283)	(17,665)	(452,118)

Housing Revenue Account

2023/24 £000s	Ref	Scheme	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
50,213	HRA1	Planned Programme - Major Projects	95,979	110,950	92,980	80,407	72,229	334,170	786,715
56,465	HRA2	New Build and Land Enabling	255,757	201,463	139,866	168,752	180,532	527,193	1,473,563
1,789	HRA4	HRA Infrastructure	1,302	478	0	0	0	0	1,780
0	HRA6	HRA Fleet Replacement programme	5,000	0	0	0	0	0	5,000
108,467	**Housing Revenue Account Total**		**358,038**	**312,891**	**232,846**	**249,159**	**252,761**	**861,363**	**2,267,058**

HRA Financing

2023/24 £000s	Source of Finance	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
0	Prudential Borrowing	(185,218)	(185,945)	(115,669)	(150,907)	(153,203)	(418,990)	(1,209,932)
(27,174)	Grants	(86,878)	(71,448)	(53,376)	(20,812)	(20,860)	(29,710)	(283,084)
(17,711)	Capital Receipts	(27,690)	(15,319)	(27,074)	(39,275)	(40,227)	(192,547)	(342,132)
(2,537)	Developer Contributions	0	0	0	0	0	0	0
(61,045)	Revenue and Reserves	(58,252)	(40,179)	(36,727)	(38,165)	(38,471)	(220,116)	(431,910)
(108,467)	**Housing Revenue Account Total**	**(358,038)**	**(312,891)**	**(232,846)**	**(249,159)**	**(252,761)**	**(861,363)**	**(2,267,058)**

2023/24 £000s	Capital Programme Budget Combined	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 to 2033/34 £000s	Total £000s
273,301	**(GF + HRA) Totals**	**576,652**	**424,522**	**292,047**	**276,883**	**270,044**	**879,028**	**2,719,177**

Appendix 3 Budget Risk Register Report

Corporate Risk Report Summary Page	Risk	Rating (as at Dec 2023)	Financial Impact Y / N Financial Impact Mitigation Cost	Financial Impact £m Cost Impact Potential to Mitigate Dec 23	Choose Source
Risks					
Adult and Communities					
CRR56	Potential threat to the ASC Care Quality Commission (CQC) Assurance Preparedness and Rating	3x7=21	N	0.0	MA
CRR51	ASC may be financially unsustainable due to national and local pressures, leading to a failure to deliver statutory duties and budgetary control	3x7=21	Y	7.0	UR
CRR53	Increased social worker and occupational therapists vacancies and sickness rates may result in vulnerable adults care being comprised	4x5=20	N	0.0	MA
CRR10	Safeguarding Adults may be at Risk with Care and support needs.	3x7=21	N	0.0	MA
CRR39	Adult and Social Care major provider/supplier may fail to deliver as expected	3x3=9	Y	2.0	MA
Children and Education					
CRR55	Risk of children placed in unregistered provision which is unlawful.	4x7=28	N	0.0	MA
CRR9	Possible Failure of Safeguarding Vulnerable Children	3x7=21	Y	13.0	UR
CRR45	Potential failure to deliver statutory duty in respect of Children	4x5=20	N	0.0	MA
CRR54	Potential Threat of Financial Sustainability Of Nursery Schools	2x3=6	Y	1.7	EMR
Growth & Regeneration					
CRR48	We may not be able to meet the affordable housing needs of the City by failing to meet the Project 1000 Delivery targets.	3x7=21	Y	54.0	MA
CRR52	Failure to manage and evidence compliance with building safety obligations in HRA stock may lead to regulatory enforcement.	3x7=21	Y	0.5	UR
CRR5	Business Continuity and Operational Resilience May Not Be Effective	3x7=21	N	0.0	MA
CRR12	Emergency planning measures & resources may be overwhelmed by scope / scale of an emergency or incident faced by the council	3x7=21	Y	0.2	UR
CRR37	Homelessness and the subsequent cost of providing suitable affordable accommodation may affect long-term outcomes	4x5=20	Y	2.3	MA
CRR43	Lack of progress for Mass Transit may have on Impact on the city	4x5=20	N	0.0	MA
CRR41	Capital Portfolio Delivery May Fail	3x5=15	Y	0.5	MA
CRR18	Possible failure to deliver enough new homes to meet Mayoral and Annual Business Plan targets.	3x5=15	N	0.0	MA
CRR27	We may fail to Deliver the Capital Transport Programme	3x5=15	Y	15.0	MA
CRR58	Failure to maintain and replace the Highway and Traffic assets may lead to future budget shocks and potential injuries to the public	7x3=21	Y	9.0	CC
CRR59	Failure to deliver timely statutory planning decisions	5x4=20	Y	0.5	MA
Resources					
CRR13	Possible Financial Framework and Medium Term Financial Plan (MTFP) Failure	3x7=21	Y	5.0	EMR
CRR15	Possible In-Year Financial Deficit	3x7=21	Y	5.0	UR
CRR57	Possible procurement breaches and compliance with procurement rules & legislation	4x5=20	N	0.0	MA
CRR40	Potential Threat of Unplanned Investment in Subsidiary Companies	4x5=20	Y	2.0	EMR
CRR25	Possible Suitability of Line of Business (LOB) Systems Issues	4x5=20	N	0.0	MA
CRR7	Potential Cyber Security Issues	4x5=20	Y	5.0	UR
CRR4	Possible failure to Deliver an effective Corporate Health, Safety and Wellbeing Framework	3x5=15	N	0.0	MA
CRR26	Potential ICT Resilience Failure	2x7=14	N	0.0	MA
CRR29	Information Security Management System (ISMS)	2x5=10	N	0.0	MA
CRR49	Potential Impact of Weak Workforce Resilience	3x3=9	N	0.0	MA

CRR6	Potential threat of Fraud and Corruption	2x3=6	Y	1.0	MA
External Risks					
BCCC1	Flooding May Impact Public Safety	3x5=15	N	0.0	EMR
BCCC4	Possible increase in winter diseases including COVID-19 & Flu	4x3=12	Y	2.0	MA
BCCC5	Cost of Living Crisis may have major impact on Citizens and Communities	4x3=12	N	0.0	MA
Opportunities					
OPP01	Possible Impact of One City Approach	2x7=14	N	0.0	MA

Strategies to manage risk **Definitions of the provision identified in the table above table by which risk will be managed**		Mitigation £m Dec 23
MA	Mitigating Action – Strategic Directors / Directors to identify alternative measures to manage risks / opportunities within available resources and growth allocated as per budget report	77.3
CC	Corporate Contingency - due to its recurrent nature a corporate contingency has been set aside	9.0
EMR	Earmarked provision – the Council has set monies aside in an earmarked reserve or other provision to meet the estimated costs.	8.7
UR	Unallocated Reserve – Council would require drawing funding down from the unallocated General Fund balance to meet costs	30.7
		125.6

APPENDIX 4

Treasury Management Strategy Statement

1 Background

1.1 The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.

1.2 The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer-term cash flow planning to ensure that the council can meet its capital spending plans. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

1.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund balance.

1.4 The Chartered Institute of Public Finance Accountants (CIPFA) defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day to day treasury management activities.

Reporting Requirements – Capital Strategy

1.6 The CIPFA revised 2021 Prudential and Treasury Management Codes require, for 2024-25, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level, long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services.
- an overview of how the associated risk is managed.

- the implications for future financial sustainability.

The aim of this capital strategy is to ensure that all elected members of the Full Council understand the overall long term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. Full Council approved the current Capital Strategy on 31st October 2023.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

Reporting Requirements – Treasury Management

1.7 The council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

I. **A Treasury Strategy including Prudential and Treasury indicators** (this report) - the first, and most important report covers:
   - the capital plans (including prudential indicators)
   - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time)
   - the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
   - an investment strategy (the parameters on how investments are to be managed).

II. **A Mid-Year Treasury Management Report** – this will update the council with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury activity is meeting the strategy or whether any policies require revision.

III. **An Annual Treasury Report** – this provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.8 The above reports are required to be adequately scrutinised before being recommended to the council. This role is undertaken by the Audit Committee.

1.9 **Quarterly reports –** in addition to the three major reports detailed above, there is also provision for quarterly reporting (end of June/end of December) on Treasury/Prudential indicators, if required to do so. These additional reports do not have to be reported to Full Council but, there is an expectation that they will be appropriately scrutinised. This role is again undertaken by the Audit Committee.

2 Treasury Management Strategy for 2024/25

2.1 The Treasury Management Strategy for 2024/25 covers two main areas:

Capital Issues
- The capital plans and the prudential indicators
- The minimum revenue provision (MRP) policy.

Treasury Management Issues
- current and projected treasury position
- treasury indicators which limit the treasury risk and activities of the council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

2.2 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny with Treasury Management training planned in 2024.

2.3 The training needs of treasury management officers are periodically reviewed.

2.4 The council uses Link Group Treasury Services Limited as its external treasury management advisors. The council recognises that responsibility for treasury management decisions remains with the organisation at all times to avoid any undue reliance being placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

2.5 The council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2.6 The scope of investments within the council's Treasury operations include the placing of residual cash from the council's functions in various products such as fixed term deposits, call accounts and money markets with a variety of financial institutions.

3 The Capital Prudential Indicators 2024/25 – 2028/29

3.1 The council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital Expenditure

3.2 This prudential indicator is a summary of the council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The table also summarises how the capital expenditure plans are being financed. Any shortfall of resources results in a borrowing need. Members are asked to approve the capital expenditure forecasts.

Table 1: Capital expenditure plan and financing

Capital expenditure £m	2022/23 Actual £m	2023/24 Estimate (P8) £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
General Fund	133	165	219	111	59	28	17
HRA	62	109	358	313	233	249	253
Total	**195**	**274**	**577**	**424**	**292**	**277**	**270**
Financed by:							
Capital receipts	26	31	44	27	40	46	40
Capital grants	78	129	215	134	94	38	38
HRA (Self Financing)	33	32	32	32	33	33	34
Revenue	5	30	27	8	4	5	4
Net financing need for year	**53**	**52**	**259**	**223**	**121**	**155**	**154**
General Fund	**53**	**52**	**74**	**37**	**6**	**4**	**1**
HRA	**0**	**0**	**185**	**186**	**115**	**151**	**153**

Note - the table above exclude arrangements such as service-concession contracts including Private Finance initiative (PFI) and finance leases that have their own financing / borrowing facilities.

The council's borrowing need (the Capital Financing Requirement)

3.3 The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

3.4 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

3.5 The CFR includes any long-term liabilities (eg PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's borrowing requirement, these types of schemes include a borrowing facility and so the council is not required to separately borrow for these schemes. The council currently has £118 million of such schemes within the CFR.

3.6 The council is asked to approve the CFR projections below:

Table 2: Capital Financing Requirement projections

	2022/23 Actual £m	2023/24 Estimate (P8) £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
CFR – non housing	577	615	676	699	690	679	665
CFR – PFI/Lease schemes	118	109	100	91	82	74	67
CFR – housing	245	245	430	615	727	874	1,021
Total CFR	**940**	**969**	**1,206**	**1,405**	**1,499**	**1,627**	**1,753**
Movement in CFR	**24**	**29**	**237**	**199**	**94**	**128**	**126**
Net financing need for year	53	52	259	223	121	155	154
Less MRP & other financing (GF)	(29)	(23)	(22)	(23)	(24)	(23)	(22)
Less MRP & other financing (HRA)				(1)	(3)	(4)	(6)
Movement in CFR	**24**	**29**	**237**	**199**	**94**	**128**	**126**

Liability Benchmark

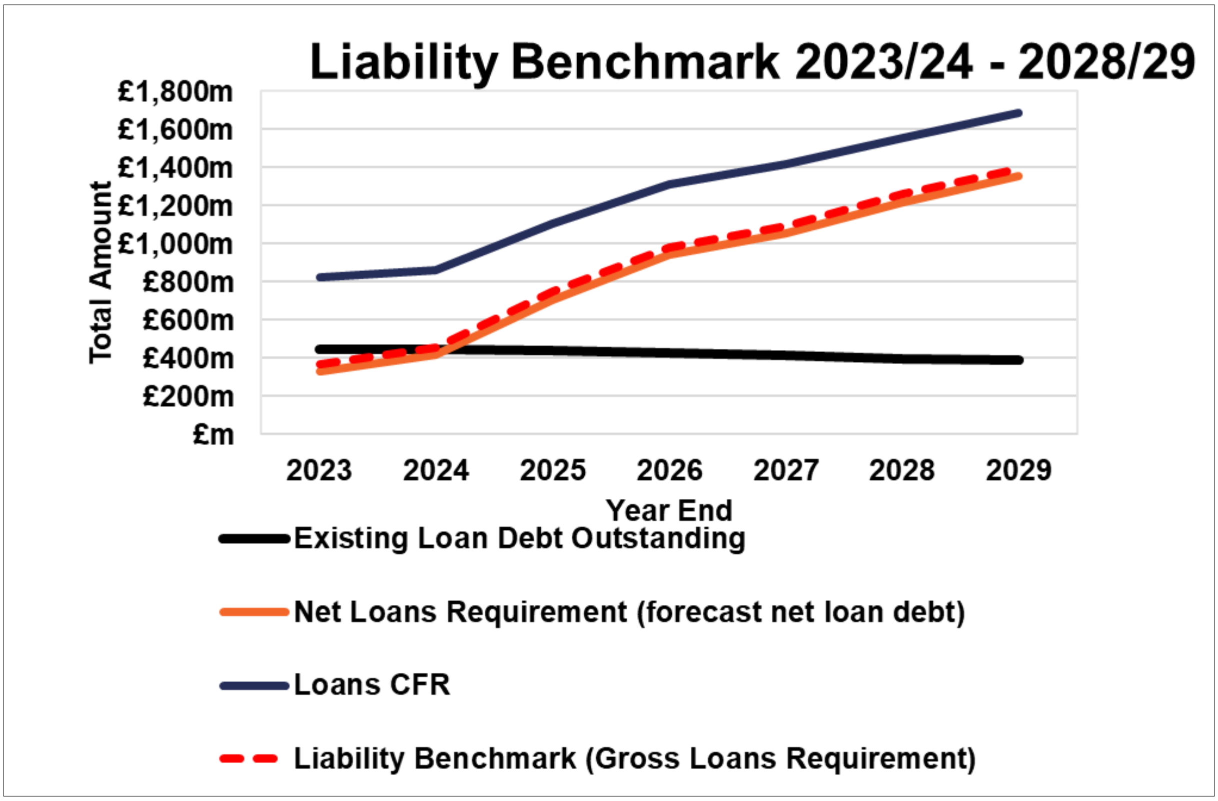
3.7 The Authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the Liability Benchmark: -

- **Existing loan debt outstanding**: the Authority's existing loans that are still outstanding in future years.
- **Loans Capital Financing Requirement (CFR)**: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Minimum Revenue Provision.
- **Net loans requirement**: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned Minimum Revenue Provision and any other major cash flows forecast.
- **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The chart below sets out the four components of the Liability Benchmark.

Figure 1: Liability Benchmark



Minimum Revenue Provision (MRP) policy statement

3.8 The council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge, the minimum revenue provision (MRP), although it is also allowed to undertake additional voluntary provision (VRP).

3.9 The Department for Levelling Up, Housing and Communities (DLUHC) has issued regulations which require Full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 and capital expenditure incurred on or after that date which forms part of its Supported Capital Expenditure - The MRP policy will be based on the pre 2007/08 borrowing and post supported borrowing at 2% fixed so that the whole debt is repaid after 50 years.

Note a change in policy approved by Full Council on 13 December 2016 amended the rate that is used to calculate MRP from 4% reducing balance to 2% straight line as this is better aligned to the average lives of the authority's assets and results with the debt being fully repaid. This means that the authority has overprovided during the period 1 April 2008 through to 31 March 2016. The council has reduced its MRP provision in 2017/18 through to 2022/23 to recover this overprovision while also ensuring a prudent annual provision is maintained.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be the asset life method – MRP will be based on the estimated life of the *assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);*

Any loan or investment to an organisation defined as capital expenditure will not attract MRP. The original capital expenditure will be met from the capital receipt on the maturity of the loan/investment.

Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, as justified by the circumstances of the case, as determined by the Chief Finance Officer.

These options provide for a reduction in the borrowing need over approximately the asset's life.

3.10 There is no requirement on the HRA to make a minimum revenue provision but, there is a requirement for a charge for depreciation.

3.11 Repayments included in annual PFI or finance leases are applied as MRP.

MRP Consultation

3.12 DLUHC is also finalising a consultation on amending the MRP regulations and guidance that is planned to take effect from the 1st April 2024. The outcome of the proposed amendments will not impact on the MRP policy proposed above.

Affordability prudential indicator

3.13 The previous sections cover the overall capital and control of borrowing prudential indicators but, within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the council's overall finances. Council is asked to approve the following indicator:

Ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Table 3: Ratio of financing costs to net revenue stream

	2022/23 Actual %	2023/24 Estimate (P8) %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
General Fund	6.5	7.7	7.2	9.1	9.5	9.2	9.1
HRA	6.4	2.2	7.2	13.0	14.7	16.9	19.6

The estimates of financing costs include current commitments and the proposals in this budget report.

4 Borrowing

4.1 The capital expenditure plans set out in Section 3 provide details of the service activity of the council. The treasury management function ensures that the council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the council's capital strategy. This will involve both the management of the daily cash flows and, where capital plans require, the arrangement of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

Current and projected portfolio position

4.2 The council's treasury portfolio position at 31 March 2023, with forward projections, is summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement), highlighting any over- or under-borrowing.

Table 4: Current and projected debt portfolio position

	2022/23 Actual £m	2023/24 Estimate (P8) £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
External Debt 1 April	**451**	**446**	**486**	**801**	**1,036**	**1,164**	**1,337**
Expected change in debt	(5)	40	315	235	128	173	145
Other long-term liabilities	125	118	109	100	90	82	74
Expected change in other long-term liabilities	(7)	(9)	(9)	(10)	(8)	(8)	(8)
Debt Administered on behalf of the Unitary authorities	(36)	(35)	(33)	(32)	(31)	(30)	(28)
Actual gross debt 31 March	**528**	**560**	**867**	**1,094**	**1,215**	**1,381**	**1,520**
Capital Financing Requirement	**940**	**969**	**1,206**	**1,405**	**1,499**	**1,627**	**1,753**
Under borrowing	**(412)**	**(409)**	**(339)**	**(311)**	**(284)**	**(246)**	**(233)**

Gross Debt and the Capital Financing Requirement

4.3 Within the prudential indicators there are a number of key indicators to ensure that the council operates its activities within defined limits. One of these is that the council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.4 The Chief Finance Officer reports that the council complied with this prudential indicator in the current year and does not envisage any difficulties for future compliance. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: limits to borrowing activity

4.5 **The operational boundary for external debt** - This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and ability to fund under-borrowing by other cash resources.

4.6 Currently the operational boundary is planned to be lower than the CFR as the council is utilising other cash resources to support the financing of the capital programme, also commonly known as under-borrowing or internal borrowing, as shown in table 5.

Table 5: The Operational Boundary

	2023/24 Approved £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Debt	546	801	1,036	1,164	1,337	1,482
Other long-term liabilities	116	119	109	100	91	82
Total	**662**	**920**	**1,145**	**1,264**	**1,428**	**1,564**

4.7 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

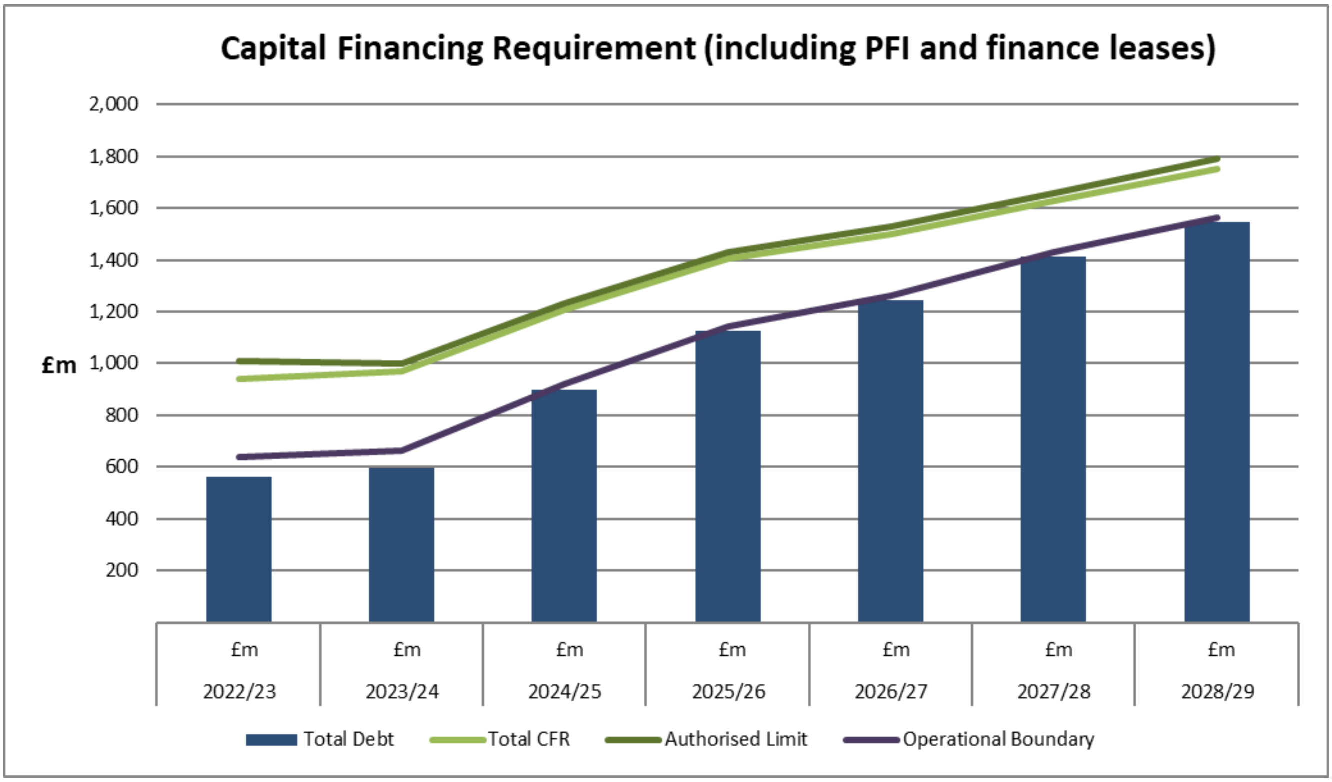
- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- Council is asked to approve the following authorised limit:

Table 6: The Authorised limit for External Debt

	2023/24 Approved £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Total	**1,000**	**1,230**	**1,430**	**1,530**	**1,660**	**1,790**

A graphical representation of these prudential indicators in relation to the council's projected external borrowing (Gross Debt) and its Capital Financing Requirement are presented below:

Figure 2: Capital Finance Requirement Chart



Prospects for interest rates

4.8 The council's treasury advisors routinely provide information on the prospects for interest rates to support the council in formulating its view on interest rates as set out in the following table.

Table 7: Prospects for Interest Rates

Period	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)			
		5 year	10 Year	25 year	50 year
Mar 2024	5.25	4.90	5.00	5.30	5.10
Mar 2025	4.00	4.20	4.20	4.50	4.30
Mar 2026	3.00	3.60	3.70	4.10	3.90
Mar 2027	3.00	3.50	3.50	4.00	3.80

4.9 The above forecast reflects the view that the Monetary Policy Committee are keen to demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least September 2024. Rate cuts are expected to start when both the Core Price Inflation (CPI) and wage / employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent Gross Domestic Product (GDP) releases have surprised markets with their on-going robustness.

The timing on this will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late, and any downturn or recession may be prolonged.

The above forecast expects the MPC to keep Bank Rate at 5.25% for the first half of 2024 to combat on-going inflationary and wage pressures. The council's treasury advisors do not think that the MPC will increase Bank Rate above 5.25%, but it is a possibility.

As there are so many variables at this time, caution must be exercised in respect of these interest rate forecasts.

Investment and borrowing rates

4.10 **Investment percentage returns** are expected to be similar in 2024/25 due to the expected fall in interest rates over the second half of the year, as inflationary pressures ease.

4.11 **Borrowing interest rates** - the forecast for PWLB borrowing rates show a general downward trend across all maturity bands over the next three years. There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates from numerous factors.
There are risks to these forecasts as set out in Annex 2: Economic Forecast and Interest Rate Forecast.

4.12 **Borrowing for capital expenditure**. The long-term (beyond 10 years), forecast for Bank Rate is 3.00%. As the PWLB certainty rates are significantly above 3.00%, there remains value in considering short term / temporary borrowing as these rates are likely to remain near Bank Rate, that is below forecasted PWLB rates over the medium to long term and may also prove attractive as part of having a balanced debt portfolio.
It should be noted that HM Treasury have introduced a discounted HRA loan rate for one year from June 2023 with its continuation subject to review. The discount below the PWLB certainty rate that the Council's General Fund has access to is 20 basis points.

The policy of avoiding new borrowing by using spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

There could be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

There are also alternative sources of long-term borrowing available, besides PWLB, if an authority is seeking to avoid a "cost of carry" but also wishes to mitigate future re-financing risk, and these sources will be considered.

Borrowing Strategy

4.13 Based on current cash flow forecasts, it is estimated that the council will have a net borrowing requirement of £996m over the MTFS period. The most significant consideration from a treasury management perspective is the timing and duration of that borrowing. Should the financial environment change and borrowing is deemed advantageous, the council will seek to borrow long-term loans near / below a “target rate” of 4.00% and short to medium term loans near / below the “target rate” of 5.50%.

4.14 The council is forecasting to reduce its under-borrowed position. The under-borrowed position means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the council’s reserves, balances and cash flow has been used as a temporary measure (internal borrowing). This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once inflation concerns are addressed by tighter near-term monetary policy. That is, the Bank Rate remains elevated through to the second half of 2024.

4.15 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Chief Finance Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *If it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then borrowing would be postponed.
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

4.16 Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

- Long term and short-term fixed interest rates are expected to fall over the medium term. The Chief Finance Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the Economic Interest Rate Forecast (Annex 2).
- The strategy of postponing borrowing and running down investment balances has been applied in 2023/24. This approach will continue until balances are reduced to adequate liquidity requirements unless it is felt that there is a significant risk of a sharp rise in interest rates.
- The council’s borrowing strategy will consider new borrowing in the following ways:
    - The cheapest borrowing in recent years has been internal borrowing by running down cash balances and foregoing interest earned at historically low rates, however over the past 2 years, investment returns have increased significantly and the savings generated from internal borrowing over the coming year will be negligible.

      In view of the overall forecast for long-term borrowing rates to fall over the medium term, consideration will continue to be given to the short term advantage of internal borrowing while also considering taking short to medium term funding from the PWLB as long term borrowing rates are expected to fall during the medium term.
    - Short to medium funding from local authorities and financial institutions at rates lower than the PWLB.
    - PWLB loans for up to 10 years where rates are expected to be lower than rates for longer periods. This offers a range of options for new borrowing, which will

spread debt maturities away from a concentration in the longer dated debt that the council holds.

- PWLB loans in excess of 10 years where rates are considered to be low and offer the council the opportunity to lock into low value long-term finance.
- Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintain an appropriate balance between PWLB and market debt in the debt portfolio.
- Long-term borrowing from the Municipal Bond Agency and the UK Infrastructure bank if available and appropriate and the rates are lower than those offered by the Public Works Loan Board (PWLB).
- Financial institutions, primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years.

4.17 The authority is planning net borrowing of £996m over the period, to finance the expected Prudential Borrowing requirement of £912m as set out in in the Capital programme. The higher borrowing of £84m reflects the cash needed to reverse internal borrowing that was undertaken in previous years due to reserves and working capital that is now planned to be utilised during the MTFP period. This is increased further by the cash set aside for the repayment of debt, also known as Minimum Revenue Provision (MRP). The most efficient arrangement is for MRP to be used to reduce the new long-term debt expected to be required. This ensures that MRP is utilised and does not accumulate as cash on the balance sheet and reduces the expected level of debt. Alternatively, MRP could be used to repay existing debt, but this would be a cost to the council in the current interest rate environment.

The level of borrowing will ensure the authority will maintain adequate liquidity levels as set out in the strategy.

4.18 The council will seek to undertake temporary borrowing (less than one year) loans to cover day-to-day cashflow requirements as and when required. Such a decision will be based on the availability of and access to cash in deposit accounts and money market funds to cover the cashflow requirement, whilst also considering the most cost effective method for the authority.

4.19 Temporary borrowing will also be considered when the draw down deadline for a deposit account for same day transfer has passed, thus resulting in borrowing cash from the money markets.

4.20 The Chief Finance Officer will be kept informed of the temporary loans outstanding on a monthly basis and reviewed at the regular Treasury Management Group meeting.

Policy on borrowing in advance of need

4.21 The council will not borrow more than or in advance of its needs purely to invest to make an additional return. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds.

4.22 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

4.23 As the yield curve is relatively flat there are limited opportunities to generate savings by switching from long term debt to short term debt. In addition, rescheduling of our PWLB loans is unlikely to be beneficial due to how the repayment penalties and discounts are calculated. Any savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

4.24 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings.
- helping to fulfil the treasury management strategy.
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

4.25 All rescheduling will be reported to the council at the earliest meeting following its action.

4.26 As set out in the capital strategy, the council will seek to reduce its borrowing costs over the strategy's timeframe, by repaying and / or restructuring debt (CFR) to reduce annual debt financing costs to support delivery of services.

The Department for Levelling Up, Housing & Communities has recently published a document requesting a call for views on new local authority capital flexibilities. Included within these flexibilities are the use of disposal proceeds from Investment Estate assets to repay Public Works Loan Board Borrowing without a penalty (where one would otherwise be charged). This could be an opportunity for Council's to repay high coupon debt without penalty, though the loss of investment income will need to considered. The outcome of any changes will be reported accordingly.

5 Zero Carbon initiatives

5.1 The capital strategy references the council being able to:
....explore zero carbon initiatives funded through Community Municipal Investments or Retail Bonds up to a maximum exposure in such investments of £2m. The exposure to such initiatives would be included within the General Fund capital financing costs exposure of a maximum 10% of the net revenue budget.

5.2 If such an opportunity arose, the council would explore the zero carbon initiative in accordance with this strategy.

6 Annual Investment Strategy

Investment policy

6.1 The Department of Levelling Up, Housing and Communities (DLUHC, formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the capital strategy (a separate report approved by Council).

6.2 The council's investment policy has regard to the following:
- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021.

6.3 The council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and within the council's risk appetite.

6.4 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

6.5 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term credit ratings.
- Credit ratings are collated by our advisors from the major credit rating agencies such as Moody's, S&P and Fitch.
- Other information: credit ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- Other information sources used will include the financial press, share price and other such information pertaining to the financial sector, in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- The council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Annex 3 under the categories of 'specified' and 'non-specified' investments. Counterparty limits are set through the council's treasury management practices – schedules using the parameters below:
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or those which could be for a longer period but where the council has the right to be repaid within 12 months if it wishes or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, maybe for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
  - Counterparty lending limits (amounts and maturity) will be set using the investment criteria below.

Creditworthiness policy

6.6 The primary principle governing the council's investment criteria is the security of its investments, whilst liquidity and the yield on the investment is also a key consideration. After this main principle, the council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the council's prudential indicators covering the maximum principal sums invested.

6.7 The Chief Finance Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the council may use, rather than defining what types of investment instruments are to be used.

6.8 The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the council's criteria, the other does not, the institution will fall outside the lending criteria. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) are considered before making investment decisions.

6.9 The criteria for providing a pool of high-quality investment counterparties (both specified and non-specified investments) is:

- **Banks 1:** good credit quality **–** the council will only use banks which:
  - i. are UK banks; and/or
  - ii. are non-UK and domiciled in a country which has a minimum sovereign long-term rating of AA-

  and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
  - i. Short term – F1 (or equivalent)
  - ii. Long term – A- (or equivalent)
- **Banks 2:** part nationalised UK banks – Royal Bank of Scotland ring-fenced operations. This bank can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.
- **Banks 3:** the council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- **Bank subsidiary and treasury operation:** the council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.

- **Building societies:** the council will use all societies which meet the ratings for banks outlined above.
- **Money market funds (CNAV Constant Net Asset Value):** AAA rated (sterling)
- **Money Market Funds (LVNAV Low Volatility Net Asset Value):** AAA rated (sterling)
- **Money Market Funds (VNAV Variable Net Asset Value):** AAA rated (sterling)
- **Ultra-Short dated Bond Funds with a volatility rating of S1+**
- **UK Government** (including gilts, Treasury Bills and the DMADF)
- **Local authorities, parish councils etc**
- **Supranational institutions**
- **Council owned subsidiaries:** the council invests in wholly owned council subsidiaries. Depending on the nature of the investment this will either be classified as a service investment or a treasury investment. Service investments fall outside the scope of the specified/ non-specified categories and currently investments of this type are classified as service investments.

A limit of £50 million will be applied to the use of non-specified investments.

Country and sector considerations

6.10 Due care will be taken to consider the country, group and sector exposure of the council's investments. The council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent). In addition:

- no more than 25% will be placed with any non-UK country at any time
- limits in place above will apply to a group of companies
- sector limits will be monitored regularly for appropriateness.

6.11 **Use of additional information other than credit ratings.** Additional requirements under the Treasury Management Code require the council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision. This additional market information (for example Credit Default Swaps (CDS), negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments

6.12 Time and monetary limits apply to investments. The time and monetary limits for institutions on the council's counterparty list are as follows (these will cover both specified and non-specified investments):

Table 8: Time & monetary limits applying to investments

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 - higher quality	*AAA*	£50m	5 Years

Banks 1 - medium quality	*AA-*	£20m	3 Years
Banks 1 - lower quality	*A-*	£10m	1 Year
Banks 2 – part-nationalised	N/A	£10m	1 Year
Limit 3 category – council's banker (not meeting Banks 1/2)	-	£200k	Liquid
Other institutions limit*	-	£50m	5 Years
DMADF	UK Sovereign rating	unlimited	1 Year
Local authorities	-	£40m	5years
Money market funds (MMF) (Including CNAV, LVNAV & VNAV)	AAA	£40m	liquid
Ultra-Short Dated Bond Funds	S1+	£10m	liquid

**The Other Institution Limit will be for Gilt and Supranational investments*

The proposed criteria for specified and non-specified investments are shown in Annex 3 for approval.

6.13 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (ie rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods.

6.14 The current shape of the yield curve suggests that this is the case at present, with the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024, so an agile investment strategy would be appropriate to optimise returns.

6.15 While most cash balances are required in order to manage the fluctuations of the cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

6.16 **Investment return expectations.**

The current forecast shown in Annex 2 includes a forecast for Bank Rate to have peaked in Q4 2023. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

- 2023/24 (remainder) 5.30%
- 2024/25 4.70%
- 2025/26 3.20%
- 2026/27 3.00%

- 2027/28 3.25%
- Long term later years 3.25%

As there are many variables at this time, caution must be exercised in respect of these interest rate forecasts.

Treasury management limits on activity

6.17 There are three debt-related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates
- Maturity structure of borrowing. These gross limits are set to reduce the council's exposure to large, fixed-rate sums falling due for refinancing, and are required for upper and lower limits
- The council is asked to approve the following treasury indicators and limits:

Table 9: Treasury management limits on activity

	2023/24 Upper	2024/25 Upper	2025/26 & Beyond Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	40%	40%	40%
Maturity structure of fixed interest rate borrowing 2023/24			
		Lower	**Upper**
Under 12 months		0%	40%
12 months to 2 years		0%	40%
2 years to 5 years		0%	40%
5 years to 10 years		0%	50%
10 years and above		25%	100%

Investment treasury indicator and limit

6.18 **Total principal funds invested for greater than 364 days** - These limits are set with regard to the council's liquidity requirements and to reduce the need for early sale of an investment.

Table 10: Investment treasury indicators & limit

Maximum principal sums invested > 365 days (Treasury Investments)

£m	2024/25	2025/26	2026/27 & Beyond
Principal sums invested > 364 days	£50m	£50m	£50m

6.19 For its cash flow generated balances, the council will seek to utilise its business reserve instant access and notice bank accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

7 Ethical & Equitable Investment Policy

7.1 An updated Ethical and Equitable Investment Policy was approved by Cabinet and Full Council on the 18 January 2022 and 22 March 2022 respectively. The original policy stated the city council will not knowingly invest in organisations whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the city council. The updated policy builds on this by taking a more proactive approach to ethical investment and a widening of the policy to promote an equitable approach to investment across all communities in Bristol. It should be noted a core element of the new policy continues to be the application of statutory guidance relating to treasury management funds. A copy of this policy forms part of this report (annex 4).

Investment Risk Benchmarking

7.2 These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

7.3 **Security** - The council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.04% (AAA rated) to 0.05% (A rated) historic risk of default when compared to the whole portfolio.

Liquidity – in respect of this area the council seeks to maintain:

- Bank overdraft – zero (available upon request).
- Liquid short-term deposits of at least £50m available within a rolling three-month period.
- Weighted average life benchmark is expected to be a minimum of a day with a maximum of 1 year.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7-day SONIA compounded rate (Sterling Overnight Interbank Average).

And in addition, that the security benchmark for each individual year is:

Table 11: Investment risk benchmarking

	1 year	2 years	3 years	4 years	5 years

Maximum	**0.05%**	**0.13%**	**0.24%**	**0.36%**	**0.50%**

This benchmark is an average risk of default measure and would not constitute an expectation of loss against a particular investment.

Annexes
Annex 1 - Treasury Management Policy Statement
Annex 2 – Economic Interest Rate Forecast
Annex 3 – TMP1 Credit and Counterparty Risk Management
Annex 4 – Ethical and Equitable Investment Policy

Annex 1

Treasury Management Policy Statement

1. The council defines its treasury management activities as follows:

   The management of the council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. The council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.

3. The council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

4. The council's high-level policies for borrowing and investments are:

   - The council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken, and the type of borrowing, should allow the council transparency and control over its debt

   - The council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the council's investments followed by the yield earned on investments remain important but are secondary considerations.

Annex 2

Economic Interest Rate Forecast

Table 1 – Interest Rate Forecast

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

The forecasts for average earnings are averages ie rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.

The central interest rate forecast reflects a view that the MPC are keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the middle of 2024. Rate cuts are expected to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

The timing on this will remain one of judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the coming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be holding onto excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

PWLB rates are expected to fall by circa 1.5% across all maturity periods during the next 3 years with 5 to 50 years PWLB rates operating within a narrow band of circa 0.50%.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).

- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- **Geopolitical risks,** for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)

- Projected **gilt issuance, inclusive of natural maturities and QT,** could be too much for the markets to comfortably digest without higher yields compensating.

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Annex 3

Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the council's policy below. These guidelines do not apply to either trust funds or pension funds, which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the guidance requires this council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Chief Finance Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - the key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the council will use. These are high security (i.e. high credit rating, although this is defined by the council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall number of various categories that can be held at any time.

The investment policy proposed for the council is:

Strategy guidelines – the main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – these investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.

5. A body that is considered of a high credit quality (such as a bank or building society). For this category this covers bodies with a minimum short term rating of A- (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are set out below: -

Table 1 – Specified Investment Limits

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 higher quality	*AAA*	£50m	5 Years
Banks 1 medium quality	*AA-*	£20m	3 Years
Banks 1 lower quality	*A-*	£10m	1 Year
Banks 2 – part nationalised	N/A	£10m	1 Year
Limit 3 category – council's banker (not meeting Banks 1/2)	-	£200k	Liquid
Other institutions limit*	-	£50m	5 Year
DMADF	AAA	unlimited	5 Years
Local authorities	-	£40m	5 Years
Money market funds (Including CNAV, LVNAV & VNAV)	AAA	£40m	Liquid
Ultra-Short Dated Bond Funds	S1+	£10m	liquid

**The Other Institution Limit will be for Gilt and Supranational investments*

Non-specified investments – are any other type of investment (ie not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments are limited to an overall exposure of £50m and would include any sterling investments with:

Table 2 – Non-Specified Investments Limits

	Non-Specified Investment Category	Limit (£ or %)

a.	**Supranational bonds greater than 1 year to maturity** **(a) Multilateral development bank bonds** - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.). **(b) A financial institution that is guaranteed by the United Kingdom Government** (e.g. National Rail) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	AAA long term ratings £50m
b.	**Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	£50m
c.	**The council's own banker** if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	Minimal
d.	Any **bank or building society** that has a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	£40m
e.	Any **non-rated subsidiary** of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to: • Parent company guarantee • Parent company to be a UK institution.	£10m
f.	**Share capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. **Loan capital** in a body corporate. There is a higher risk of loss with these types of instruments.	£10m
g.	**Share capital to council owned companies** – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. **Loan capital** to council owned companies	£50m
h.	**Bond funds** – There is a high risk of loss with this type of instrument.	£10m
i.	**Pooled property funds** – The use of these instruments will normally be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. The key exception to this is an investment in the CCLA Local Authorities Property Fund. This Authority will seek guidance on the status of any fund it may consider using.	£50m

j.	**Property funds managed by a wholly owned council subsidiary** – The use of these instruments will normally be deemed to be capital expenditure, and as such will be an application (spending) of capital resources.	£50m

In respect of categories f and h, these will only be considered after obtaining external advice and subsequent member approval.

Council owned companies - the council has purchased share capital / provided loans to wholly owned council subsidiaries. These are classified as service investments, rather than treasury management investments, and are therefore outside the specified / non specified categories.

The monitoring of investment counterparties - the credit rating of counterparties will be monitored regularly. The council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Chief Finance Officer, and if required new counterparties which meet the criteria will be added to the list.

Annex 4

Bristol City Council Ethical and Equitable Investment Policy

Date published: Cabinet 18th January 2022

Contents

Purpose

The purpose of this policy statement is to provide guiding principles to ensure Bristol City Council (“the council”) make investments which:

- are consistent with the council’s values framework and ethical policies (ethical)
- are inclusive and equitable with regards to access to the council’s investment funding, as well as helping to address economic inequalities (equitable)
- provide a positive social and/or environmental return, in other words have “impact”, alongside financial return where possible

This policy should be regarded as a baseline when making decisions. It is in no way intended to limit projects that seek to tackle different council objectives in a joined up and innovative way.

Aim

The aim is to use the council’s investments to support the council’s vision in playing a leading role in driving an inclusive, sustainable and healthy city of hope and aspiration, one where everyone can share in its success, in line with the council’s corporate strategy and the One City Plan.

To this end, the policy sets out investment principles which mainly based on three aspects:

- who the council will not invest in (ethical review 1)
- who the council want to invest in (ethical review 2)
- how the council will ensure investments are equitable (equitable principles)

These principles are outlined in more detail within the sections ethical review 1, ethical review 2 and equitable principles.

Legislative and Policy Context

Local authority investments are governed by the Statutory Guidance on Local Government Investments [1], and the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code [2]. This is set out in further detail in the council's annual Treasury Management Strategy.

This policy is also complemented by the council's Equality and Inclusion Policy and Strategy; its Social Value policy; and its commitments to payment of the Living Wage and eradicating modern slavery.

Strategic Alignment

This policy statement aligns to the One City Plan's 'Corporate Strategy and A One City: Economic Recovery and Renewal Strategy' which sets out the following priorities:

- Reduce poverty and inequality
- Increase the city's resilience and environmental sustainability
- Enhance community economic and social wellbeing

In addition, the positive environmental criteria's have been identified with reference to the One City Climate Strategy.

Investment Principles

The council's Ethical and Equitable Investment policy ensures that investments made will embed the following investment principles:

[1] Statutory Guidance on Local Government Investments, 3rd edition - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/678866/Guidance_on_local_government_investments.pdf

[2] CIPFA: "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition

Principle 1: We will be active owners and incorporate ethical and equitable issues into our investment policies and practices, making sure investments or loans support the council's policies and objectives on such matters

Principle 2: We will not knowingly undertake direct investments or loans to organisations whose core activities or behaviour include practices which directly pose a risk of serious harm to individuals, groups or the environment or are inconsistent with the mission and values of the council

Principle 3: We will aspire to make investments that achieve positive social and/or environmental benefit and impact within Bristol alongside financial return

Principle 4: We will seek investees who incorporate ethical and equitable practises into their business practises. Where appropriate, we will actively engage with investees and use our influence to encourage ethical standards, practices, and lines of business acceptable to the council

Principle 5: We will incorporate equitable principles into our investment policy, to ensure investments reach and benefit disadvantaged groups and communities experiencing greatest inequity and who are typically under-represented when receiving investment

Principle 6: When current service investments or loans mature and funds are returned to the council, where appropriate we will consider recycling those funds back into investments that deliver ethical and equitable impact

Principle 7: We will explore different ways of working to improve our systems and procedures and remove barriers. This includes collaborative working and partnerships with co-investors and intermediaries to help manage risk and enhance opportunities to deliver positive social and environmental impact, as well as support equitable access to investment

Principle 8: Where practical, we will seek disclosure on positive impact regarding ethical and equitable issues by the entities in which we invest

Principle 9: We will report on our activities and progress towards implementing these Principles

Scope

The council holds three types of investments:

- Treasury investments, which are short to medium-term investments to manage surplus cash
- Service investments, which are investments made primarily for service benefit or impact - for example investment in a subsidiary and
- Service loans, which are loans made primarily for service benefit or impact - this does not include loans to another local authority as these are categorised as treasury investments.

Whilst grant investments do not fall within the statutory definition of investments as these are not expected to generate profits, due regard to this policy statement should be made when making a decision on grant investments.

The council's pension fund is held with the Avon Pension Fund administered by Bath and North East Somerset Council. The scheme's funds are invested entirely separately from those of the council, has its own policy for Responsible Investment and are subject to separate regulatory regimes to local authority investments. They are therefore not directly governed by this policy. However, the policy can be used to inform the views of the council's pension representative who feeds into matters such as the pension funds' Responsible Investment policy.

Ethical Review 1

This first ethical review ensures that the council does not knowingly undertake direct investment or borrowing activities with organisations/Sovereigns whose behaviour or core activities are deemed unethical. This may be controversial business practices which directly pose a risk of serious harm to individuals, groups or the environment, corporate behaviour which is in serious violation of widely accepted international norms, or core activities and behaviour which are inconsistent with the mission and values of the council.

This review applies to direct investments only, except in the case where the council has invested in an intermediary specifically to deploy investments and deliver impact. The council cannot guarantee approved financial institutions will not have clients or branches/offices/subsidiaries in countries that may breach the exclusions list.

In some instances, the council may allow the counterparty time to achieve compliance over a reasonable timeframe, taking into consideration the risks and opportunities specific to that business and its size and resources. The council will only proceed with investment if we anticipate that the requirements of the policy will be met within the given timeframe. Any persistent delays in meeting the requirements would result in the council taking remedial action, which could be to cease funding or exit the investment.

Exclusion List

As part of this review, the council will exclude from consideration where there are consistent or significant transgressions of the appropriate regulatory framework or a failure to ignore directions of the regulatory body, investments in counterparties which have significant involvement with any of the activities or business practises on the following exclusions list:

Human Rights and Labour

- breaches of human rights principles
- breaches of international labour standards
- supports/are part of oppressive regimes
- modern slavery
- poor Health and Safety records

Environment

- toxic spills and releases
- negative impact on land use, habitats and biodiversity
- contributes to carbon intensive industries
- causes water resource scarcity
- poor supply chain management
- animal testing for cosmetic purposes / unnecessary exploitation of animals

Governance

- bribery/ fraud/ corruption
- violation of international intellectual property rights
- unethical market behaviour and business practise - for example, blocking competition

Controversial Business Activities

- alcohol – relating to manufacture, supply and distribution of alcoholic beverages
- gambling – relating to owning and/or operation of gambling establishments
- tobacco – relating to production, retail, distribution, or supply of tobacco products
- adult entertainment, such as pornography or violent material – relating to distribution and retail of adult entertainment products and/or services
- military or controversial weapons (Arms trade) – relating to manufacture or distribution of weapons
- fossil Fuel extraction
- nuclear industries
- exploitative credit providers – where credit has APR > 100% and provided in way that leads to significant harm to consumers
- third world debt exploitation

Other – for non-treasury investments only

- investments that don't generate any benefits within Bristol

Ethical Review 2

Where practical and applicable, we will prioritise investments that provide positive social or environmental impact by assessing whether they meet the positive criteria listed here. We will also prioritise those which will deliver the most impact (high impact return) and have greatest likelihood of delivering impact (low impact risk). The glossary provides more detailed definitions.

The positive criterions are not an exhaustive list as priorities and policies may change, but they provide a baseline for making investment decisions. Such investments are typically riskier and require longer term investment. Therefore, we will take a balanced portfolio approach, maximising the number of investments that provide positive social and/or environmental impact whilst balancing this with financial risk and return considerations.

Balanced Portfolio Approach

A balanced portfolio approach will enable the council to have a portfolio of investments that range from investments that deliver no impact but are less financially risky or more liquid (in other words accessible), to investments that deliver impact but are typically more financially risky or less liquid.

Impact is articulated through “Impact return”, the positive measurable impact generated and “Impact risk”, the likelihood that the investment does not achieve the desired impact. Whilst the aim is to transition our investments towards those that deliver impact, having a range of investments helps to diversify and thus reduce financial risk and liquidity issues.

In addition to managing risk, the balanced portfolio will also balance investments that address a range of challenges, from environmental issues to inequality. Appendix 1 sets out a table showing the spectrum of investments within the balanced portfolio, with investments providing greater impact to the right of the table.

This approach, which will be evaluated continuously, is preferable to setting percentage or monetary targets for investment, as this gives greater flexibility to respond to changes in priorities, economic outlook or the investment market as the responsible treasury investment market is still in the early stages of development.

Positive Criteria for Treasury Investments

The following positive criteria will be used to determine whether an investment is given greater priority when considering a range of investments to invest in. For treasury investments, whether priority is given based on positive criteria will need to be balanced against trade-off on yield since this could impact on the council’s ability to deliver services.

Where practical, ESG (Environmental, Social and Governance) investments that specifically fund ESG-related projects will be favoured over Responsible and Sustainable investments as the former provides direct impact whereas the latter is indirect. Greater priority will be given to investments with local impact and organisations that are living wage employers. Criterion outlined below carrying greater weighting is marked with an asterix*.

Responsible and Sustainable

- *counterparty pays Living Wage
- counterparty has ESG (environmental, social and governance) or Responsible Investment policy
- counterparty has Diversity and Inclusion policy
- counterparty is involved in projects addressing ethical or equitable issues - for example, runs free business support training for SMEs

*ESG Investments

- *investment specifically funds ethical and equitable projects locally within Bristol area
- investment specifically funds ethical and equitable projects - for example, funds renewable energy or SME businesses in deprived areas

Positive Criteria for Service Investments/Loans

The following positive criterion will be used to determine whether an investment is given greater priority when considering a range of investments to invest in. Some criteria carry greater weighting, indicated with an asterix*, for example, because they support the equitable investment principles. The criteria will be considered alongside the balance of portfolio, impact return, impact risk and alignment with current priorities as set out in the Corporate Strategy.

We will refer to the Social Value policy, National Social Value Measurement Framework, the TOMs, as a means for measuring and scoring impact return.

Reduce Poverty and Inequality

- *targets geographical areas with deprivation or other marker for inequality such as income disparity or ethnicity
- *targets population groups known to be economically disadvantaged or under-represented when receiving investments
  Both the above criteria will be linked to the Social Value policy
- *pays Living Wage
- supports tackling homelessness
- supports local employment

- supports the creation and retention of high-quality, sustainable jobs for local people

Increase the City's Resilience and Environmental Sustainability

- *the investment will lead to carbon emissions being reduced – supporting Bristol's Net Zero by 2030 target
- is a responsible buyer of goods and services
- provides jobs and skills related to the green economy
- improves ecology and biodiversity, within Bristol or elsewhere
- contributes to resilient food supply chain, with food and drink produced sustainably

Enhance Community Economic and Social Wellbeing

- *Bristol based investments - local investments focussed on creating impact in the city region, which in turn should create additional economic value in the area
- supports creation, sustainability and growth of micro, small and medium-sized enterprises
- supports local people with opportunities for life-long learning, skills development and experiences of work
- supports the creation, sustainability and growth of local community groups, voluntary groups and social enterprises
- promotes the involvement of local people and organisations in active citizenship such as volunteering and foster caring
- promotes the mental and physical health and well-being of local people
- supports the creation of high quality, affordable and sustainable homes and inclusive public spaces
- investment catalyses further investment into Bristol

Equitable Principles

The equitable investment principles enable investments to be used as a lever to help address equality issues affecting disadvantaged groups and communities in Bristol. The investments are intended to be inclusive and accessible to all.

Principles

We will ensure investments are equitable by applying the following principles:

Engaging with local groups

We will identify and engage with local disadvantaged and under-represented groups to make sure there is awareness of investment opportunities and to build confidence and ability for such groups to apply successfully for investment.

This could be through direct engagement with local communities or indirectly through intermediaries, linking with outreach programmes in order to maximise engagement reach with under-represented groups.

Targeting investment

Through our investment we will empower communities that experience the greatest inequity. We will place greater weighting on investments which invest in communities and enable greater self-determination. By investing in this way, we are building civic and social capital.

We will also favour investments that deliver positive impact around equality issues affecting Bristol, placing greater priority on those that deliver direct impact, but also recognising that some investments will have indirect impact. For instance, investment which reduces pollution could also address inequalities as less wealthier communities tend to live in areas of higher pollution [3].

Improving success

We will endeavour to identify and remove barriers that prevent local disadvantaged and under-represented groups from applying and being successful in securing investments. This may include providing support and training so those groups have equal opportunity of success when applying for investments or looking at alternative means of investments, such as asset transfers.

[3] Environmental inequality must not be ignored - GOV.UK (www.gov.uk)

Collecting and monitoring equalities data

We collect equalities data specifically around investments to improve our intelligence and ensure we monitor and track progress towards making investment more equitable. Data will also ensure that our targeted investment approach is focussed on the correct areas and groups.

Governance

In order to give effect to its commitment to this policy the council will:

- apply this policy at the point of investment
- monitor investments thereafter, to review the operation and effectiveness of the policy, including any setting of annual targets
- report progress annually, including any breaches, within the annual Treasury Management Outturn Report

Investment Breaches - Ethical Review 1

Where a counterparty is found in breach of the exclusions list under ethical review 1, the council will look to divest. Any outstanding investments will be reviewed in accordance with the terms and conditions of the contractual arrangement. A cost benefit appraisal will be undertaken to minimise the cost of prematurely redeeming the investment.

Depending on the nature of the breach and the investment, the council may enter into dialogue with the counterparty to allow the counterparty the opportunity and time to address the breach. If the breach is not addressed within a given timescale or the counterparty is not seen to be making any progress, then the council would look to divest.

The Chief Finance Officer, Cabinet Member for Finance and the council's Treasury Management Advisors will be consulted when a breach of the exclusions list has been identified and breaches will be reported through the Treasury Management Outturn Report.

Glossary

Impact return	The positive, measurable social and environmental impact generated by the investment alongside any financial return, such as those outlined in the list of positive criteria under ethical review 2 or in the council's corporate strategy.
Impact risk	The risk that the investment does not achieve the desired impact. The likelihood that impact will be different than expected, and that the difference will be material from the perspective of the people and the planet who experience such impact.
Service investments	These are investments made primarily for service benefit or impact. Like treasury investments, these are also subject to financial risk considerations around security, liquidity and yield, but these are secondary concerns to service benefit or impact. Service investments could be investments in impact funds, wholly owned subsidiaries or in non-financial assets such commercial property.
Service loans	These are loans repayable with interest made to a third party, joint venture, subsidiary or associates. Like service investments, these are made primarily for service benefit or impact, with financial risk considerations around security, liquidity and yield being secondary. This does not include loans to another local authority as these are categorised as treasury investments.
Treasury Investments	These are investments made using treasury powers under section 15(1)(a) of the Local Government Act 2003 to manage surplus cash. These are typically short-term investments (duration of less than one year), as cash must be accessible as and when

payments need to be made by the organisation. Hence security followed by liquidity are primary financial considerations for local authority treasury investments, as stipulated by the Treasury Management Code. Yield is also a consideration, after security and liquidity, as greater yield means more funding for the council’s services. Due to the restrictions set out in the Treasury Management Code, treasury investments are typically with financial institutions such as banks, building societies and money market funds.

Appendix - Balanced Investment Portfolio

Greater positive social and/or environmental impact

Treasury Investments *Service investments/loans* *Grants*

	Classic Investment	Responsible and Sustainable	ESG investment	Classic Investment	Service Investment	Grants
Purpose	**Invest primarily for financial return**			**Invest primarily for Service impact/benefit**		
Description	Investment focuses on SLY only	Investment incorporates ESG into its investment approach	Investment has direct impact on environmental, social or governance (ESG) issues	Invest for indirect social benefit/ impact	Invest for direct social benefit/ impact	Invest for service/ social benefit only (no profit)
Financial risk (security)	Low	Low	Low	Medium	Medium - High	N/A
Liquidity risk (liquidity)	Low	Low	Low	High	Medium - High	N/A
Financial return (yield)	Medium - Low	Medium - Low	Low (often lower vs classic)	Medium - High	Low - High	N/A
Impact risk	High	High	Medium	Medium	Low	Low
Impact return	Low	Low	Medium	Medium	High	High
Examples	Standard treasury investments	For example, Investment counterparty has an ESG or Responsible investment policy	For example, ESG investment that specifically funds environmental projects	For example, Commercial property	For example, Loan to Community bank	For example, Community Resilience Fund

Figure 3 - Table illustrating balanced portfolio of investments and associated financial and impact risks and returns

APPENDIX 5

Flexible Use of Capital Receipts Strategy 2024/25 to 2025/26

Background and guidance

1. Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not allowed by the regulations. The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the regulations.

2. In February 2021, the Secretary of State announced, alongside the local government finance settlement, the continuation of the capital receipts flexibility programme for a further three years, 2022/23, 2023/24 and 2024/25 to give local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

   This is the principle upon which this strategy is based:
   - It should be noted that the Secretary of State announced on 18 December 2024 consultation on further flexibilities for capital receipts including:
     capitalising general cost pressures
   - Extending ‘flexible use of capital receipts to allow councils to borrow for revenue costs
   - New flexibilities for the use of proceeds of selling investment assets used for rent or capital appreciation only

3. Should these proposals proceed a set of conditions will be attached to the new flexibilities. The consultation once closed can be expected to result in the government bringing forward legislation to permit the new flexibilities to be utilised by Councils and should the Council want to adopt these a revised policy will need to be submitted to Council and subsequently Ministers for approval.

4. This strategy provides background information under the statutory framework and guidance as at January 2024, it provides the principles on which the flexible use of Capital Receipts policy is based and its application within this authority.

5. Accordingly, the Secretary of State directs, in exercise of his powers under sections 16(2)(b) and 20 of the Local Government Act 2003 (“the Act”), that:
   - The expenditure for which the flexibility can be applied and treated as capital expenditure (known as ‘Qualifying Expenditure’), should be:
     - Expenditure properly incurred by the authorities for the financial years that begin on 1 April 2022, 1 April 2023 and 1 April 2024
     - Expenditure for which local authorities cannot borrow, for example revenue costs of the service reforms.
     - Up-front (set up or implementation) costs for a proposal that is designed to generate future ongoing revenue savings in the delivery of public services

and/or transform service delivery to reduce costs or the demand for services in future years for any of the public sector delivery partners; and

- The expenditure for which the flexibility cannot be applied (Non Qualifying Expenditure), should be:
  - The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
  - Cost incurred with respect to redundancy payments, except where such redundancy costs are necessarily incurred and limited to the amounts available as statutory redundancy payments.

6. The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure and examples of qualifying expenditure is outlined in Annex 2 of this strategy.

Objectives and purpose

7. The Corporate Strategy 2022 to 2027 sets out the council's vision for Bristol, including the key priorities to be delivered over the medium term. It links with other key strategies and contributes to the delivery of the long-term One City Plan and shared vision for the city.

8. The Corporate Strategy will lay the foundation for delivery of the vision and consists of 7 high level strategic themes:
   - **Children and Young People -** City where every child belongs and every child gets the best start in life, whatever circumstances they were born in to.
   - **Economy and Skills** - Economic growth that builds inclusive and resilient communities, decarbonises the city and offers equity of opportunity.
   - **Environment and Sustainability-** Decarbonise the city, support the recovery of nature and lead a just transition to a low carbon future.
   - **Health, Care and Wellbeing** - Tackling health inequalities to help people stay healthier and happier throughout their lives.
   - **Homes and Communities** - Healthy, resilient and inclusive neighbourhoods with fair access to decent, affordable homes.
   - **Transport and Connectivity -** A more efficient, sustainable and inclusive connection of people to people, people to jobs and people to opportunity.
   - **A Development Organisation** - From city government to city governance: creating a focussed council that empowers individuals, communities and partners to flourish and lead.

9. This flexible use of capital receipts strategy is intended to support the council in delivering its objectives outlined against the themes, and potentially take advantage of the extension of the flexibility where appropriate to use capital receipts to fund transformation projects with qualifying criteria.

Historic Use of Capital Receipts Flexibility up to 2022/23

10. Since the flexibility was introduced, the council has applied £11.372 million of capital receipts for transformation and savings as outlined in table 1 in Annex 1 attached.

11. These programmes have been successful in delivering a combination of non-cashable / enabling savings to improve efficiency and effectiveness and cashable revenue savings

which have reduced the net expenditure. Internal governance arrangements are in place to monitor the delivery of agreed savings and details provided within quarterly finance reports to Cabinet.

12. Assurance in relation to the council's processes for monitoring the delivery of savings and for large transformation / efficiency programmes is provided by Internal Audit.

13. The 2022/23 budget proposal presented to Full Council in February 2022 (produced in line with the previous direction) included proposals to utilise the flexible use of capital receipts. However, from the capital receipts forecasted to be received during 2022/23 funding for the capital programme was prioritised and alternative funding sources identified for delivery of these programmes. This flexibility was not used in 2022/23.

Use of Capital Receipts Flexibility 2023/24 and 2024/25

14. In responding to the ongoing financial challenges facing the council, a Top 4 Transformation Programme was established as part of the 2023/24 budget strategy that included Adult Social Care, Childrens and Families and Temporary Accommodation. In addition, a Property Programme was included as an enabler to provide an opportunity to rationalise the operational running costs of the estate and asset holdings and in so doing generate capital receipts.

15. The amount of planned capitalisation using the flexibility for 2023/24 and 2024/25 is £20 million of which £8 million is forecast to have been utilised in the financial year 2023/24 and the remaining £12 million is forecast to be applied in 2024/25. The value of expenditure capitalised must not exceed the amount set out in the plan, unless approved by Full Council and the updated plan is provided to the Secretary of State. If capital receipts generated are insufficient to meet these commitments, other funding sources will need to be identified or expenditure reduced. These amounts will support the ongoing delivery of the Transformation Programmes alongside an additional £6 million of one-off revenue transformation funding that will be prioritised towards delivering cashable savings within a relatively short payback period.

16. The programmes in tables 2 & 3 (Annex 1) have been included in this strategy as being potentially eligible for capital receipts funding to support their delivery (subject to its availability and their approval), with a description of the programme, its objectives and potential planned use of receipts.

17. The proposals illustrated in tables 2 & 3 (subject to their approval) will directly support the release of net financial benefits committed to in the budget. This list is not definitive and subject to availability of this value of receipts. Should further or more priority programmes / projects with qualifying expenditure be identified during the course of the year, further revisions will be made to the strategy and will be requested through the relevant channels for resubmission in line with the council's Policy and Budget Framework Rules.

18. Table 4 (Annex 1) details the planned savings set out over the medium-term period in the council's budget from which alternative propositions may be identified and further detail is set out in the budget report.

Disposals

19. Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use their existing stock of capital receipts to finance the revenue costs of reform.

20. It is a condition that the disposal of assets by which the capital receipts are obtained must be disposals by the local authority outside the “group” structure. Here “group” has the same meaning as defined in "group accounts" in the Code of Practice on Local Authority Accounting, as issued by Chartered Institute of Public Finance and Accountancy (CIPFA), whether or not these transactions are consolidated into group accounts and irrespective of whether the authority produces group accounts.

21. Capital receipts are primarily used to fund capital investment which has a relatively short economic life, such as IT investment where borrowing is not economical. Excluding land disposals to Goram Homes, there is a further need to generate nearly £80.9 million of capital receipts to fund the future general fund capital programme, including £20 million for transformation using this flexibility. At the end of the financial year 2023/24 the council estimates to have £24.5 million of capital receipts towards the overall financing requirement. Work is continuing to develop the future pipeline of disposals to enable the council to meet the remaining funding commitments (£56.4m) as set out in the approved capital programme and this strategy.

22. The pipeline of disposals will need to be closely monitored to ensure sufficient cash resource is available prior to projects being committed to prevent any consequential budget pressures. Should the disposal programme not progress as currently profiled other funding sources will need to be identified or programmes and projects reduced.

23. The amount of planned capitalisation using the flexibility for 2023/24 and 2024/25 is £20 million of which £8 million is forecast to have been utilised in the financial year 2023/24 and the remaining £12 million is forecast to be applied in 2024/25. These amounts will support the ongoing delivery of the transformation programmes alongside an additional £6 million of one-off revenue transformation funding that will be prioritised towards delivering cashable savings within a relatively short payback period.

Impact of 2024/25 strategy on Prudential Indicators

24. The guidance requires that the impact on the council’s Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. These capital receipts have not been factored into the council’s Capital Financing Requirement (CFR) by way of either reducing debt or financing capital expenditure.

25. Capital receipts which are allocated to fund the council’s capital programme have been allocated, will be monitored throughout the year and will not be subsequently used to fund qualifying expenditure. Therefore, there will be no change to the council’s Prudential Indicators that are contained in the Treasury Management Strategy Statement which will be presented to Full Council in February 2024 for approval.

26. The prudential indicators show that this strategy is affordable and will not affect the council’s operational boundary and authorised borrowing limit.

27. In using the flexibility, the council will have due regard to the Guidance on Flexible Use of Capital Receipts issued by the Secretary of State under section 15(1)(a) of the Act, the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of

Practice and the current edition of the Treasury Management in Public Services Code of Practice.

Governance

28. It is a condition that local authorities applying this direction must send details of their planned use of the flexibility to the Secretary of State for each financial year in which the direction is used.

29. This should be sent as soon as is practicable after the council has determined and approved its strategy for the use of the direction but must be sent before the flexibility is used. Where local authorities update their plans during the financial year, an updated plan reflecting the changes must be sent to the Secretary of State. This requirement can be met by providing to the Secretary of State a copy of the authority's own planning documents.

30. By submitting the information set out to the Secretary of State the council will have met the condition; there is no further requirement to receive explicit consent in order to use the flexibility as set out in this direction. It is expected that the council will evidence compliance in full with this condition to their external auditors as necessary.

31. The strategy will be presented with the budget annually to Full Council for approval.

Annex 1

Table 1: Historic Use of Capital Receipts Flexibility up to 2022/23

Project	Description / Benefits	Qualifying Expenditure							
		16/17 £m	17/18 £m	18/19 £m	19/20 £m	21/22 £m	22/23 £m	23/24 £m	Total £m
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Organisational Business Change	Programme to right size and shape how the organisation works to make it more effective, streamline processes and deliver operational efficiencies, which were reduced from net expenditure.	5.300	-	-	-	-	-		5.300
Transformation Project Management	Project management capacity to support the delivery of the agreed £76 million 2018 medium term savings programme and delivery of specific savings with qualifying expenditure within it. IT transformation and Strengthening Families are included in this programme.	-	-	-	0.400	-	-		0.400
IT Transformation Programme	Transform ICT service to deliver an efficient, modern, secure, flexible service which supports delivery of the Corporate Strategy. Cashable and non-cashable efficiencies have been generated from reducing support costs, facilitating remote working and more recently hybrid working post pandemic.	-	-	-	2.172	3.203	-		5.375
Strengthening Families	The programme objective was a system-wide transformation of children's services, which succeeded in making savings in external placement costs; however wider service demands mean the budget could not be reduced.	-	-	-	0.297	0.060	-		0.297
Total		**5.300**	**0.000**	**0.000**	**2.809**	**3.263**	**0.000**		**11.372**

Table 2: 2023/24 Planned / Forecast Use of Capital Receipts Flexibility

Project	Qualifying Expenditure Estimate £m	Transformation Programme Benefits	Transformation Projects
Reduce Council Owned Property	6.000	In light of continued new ways of working this programme is to enable the council to review its asset holdings to ensure assets that no longer meet the business operational need can be rented out / leased to other public and private sector partners, so the council is able to benefit from lower cost or higher rental income. Where this is not feasible the asset will be disposed of to generate a useable capital receipt for financing future investment and/or reducing debt.	Illustrative projects include: the rationalisation of office space allowing the NHS to lease 1600 sqm of commercial office space in 100 Temple Street (FY saving £1.3m, 22/23 £0.3m); commercial estate rent reviews (£1.5m saving), renting out office / storage space to the HRA (£0.4m saving), commercial lease for fleet vehicles for use in the HRA function (£0.5m saving), review of corporate landlord function, capacity and structure (£0.9m saving)
Transformation Project - Top 4 Delivery Capacity	2.000	Project management, commissioned support and delivery partner service capacity to support the timely delivery of the savings targets agreed within each directorate. This funding is to be applied to the delivery of specific workstreams and savings within qualifying expenditure within it, a number of which are illustrated below.	
Adult Social Care Transformation		To develop a sustainable model of care that builds upon community assets and improves outcomes whilst delivering within budget. Working with a strategic delivery partner, a range of workstreams/initiatives for delivering efficiencies have been identified.	The programme is made up of a number of workstreams and initiatives the main ones being: reducing the cost of the adult purchasing costs aligned to the outcomes from the Peopletoo diagnostic report which is forecast to save £4.3m; the realignment of Bristol Community Links services (£1m saving); a revised target operating model and management restructure (£2.0m saving); recommissioning of Redfield Lodge pathway beds (£0.370m saving); the closure of the South Bristol Rehabilitation Centre (£0.408m saving).
Our Families Programme		The programme will design effective services with, and for, children, young people and families and efficiency of delivery will improve as a result through a whole system change. A range of workstreams across all aspects of the service have been identified for change including home to school transport, early intervention and prevention services, enhancing in house carer sufficiency.	The transformation programme consists of 3 main and illustrative projects: 1. Operating Model and Workforce - introduction of a new target operating model with new ways of working including a new practice offer, improved organisational development and talent management (£1.68m) 2. Demand Management - including the redesign of: home to school transport, management of care transitions, enhanced early intervention and prevention, lean business processes (£1.24m) 3. Commissioning and Partnerships - introduction of a single commissioning hub, develop a single supported housing pathway, working better together with health and police (£0.87m)
Temporary Accommodation Need		This programme aims to reduce the costs of providing temporary accommodation to those with immediate housing needs. We will do this by creating new temporary accommodation, making use of existing properties, including council housing and working with partners to source and commission available properties more cost effectively. This will reduce our spend on expensive and inappropriate accommodation like hotels.	The main programme has made available new temporary accommodation through the use of general needs properties (saving £0.500m), the move to a new single emergency accommodation commissioning albeit the 'go live' date has been delayed (saving £0.141m), the introduction of more private lettings from October (£0.287m) and the lease / refurbishment of an ex NHS nursing accommodation block for 11 families (saving 0.147m)
Total Potential Spend	**8.000**		

Table 3: 2024/25 Future Use of Capital Receipts Flexibilities

Project	24/25 Estimate £m	Description / Benefits	25/26 Estimate £m	26/27 Estimate £m	27/28 Estimate £m
Transformation Programme - incl Top 4 Delivery Capacity Projects	*12.000	Project management, commissioned support and delivery partner service capacity to support the timely delivery of the savings targets agreed within each directorate. This funding is to be applied to the delivery of specific workstreams and savings within qualifying expenditure within it, a number of which are illustrated below.			
Reduce council Owned Property		In light of continued new ways of working this programme is to enable the council to review its asset holdings to ensure assets that no longer meet the business operational need can be rented out / leased to other public and private sector partners, so the council is able to benefit from lower cost or higher rental income. Where this is not feasible the asset will be disposed of to generate a useable capital receipt for financing future investment and/or reducing debt. Illustrative projects include: the office rationalisation of 100 Temple square that will see a long term commercial lease for 1600 sqm to the NHS that will realise £1.3m of rental income pa and the availability of short term leases for approx 2,200 sqm at commercial office rates; the rationalisation of locality office space and the maturity of the corporate landlord model across the council including the reprovision of the Hard FM contract.	4.800	4.800	4.800
Adult Social Care Transformation		To develop a sustainable model of care that builds upon community assets and improves outcomes whilst delivering within budget. Working with a strategic delivery partner, a range of workstreams/initiatives for delivering efficiencies have been identified. The main project is the full implementation (year 2) of the Peopletoo diagnostic report into adult purchasing including the new target operating and social care practice model and the focus on reducing both the demand and cost of care packages.	10.402	10.402	10.402
Our Families Programme		The programme will design effective services with, and for, children, young people and families and efficiency of delivery will improve as a result through a whole system change. A range of workstreams across all aspects of the service have been identified for change including home to school transport, early intervention and prevention services, enhancing in house carer sufficiency. This is broadly both a continuation and acceleration of the 23/24 programme and workstreams highlighted in Table 2.	3.800	3.800	3.800
Temporary Accommodation Need		This programme aims to reduce the costs of providing temporary accommodation to those with immediate housing needs. We will do this by creating new temporary accommodation, making use of existing properties, including council housing and working with partners to source and commission available properties more cost effectively. This will reduce our spend on expensive and inappropriate accommodation like hotels and is both a continuation and acceleration of the current initiatives aligned to the 24/25 capital programme that provides opportunity to enhance the council's approach to capital "invest to save" subject to a full business case.	4.071	4.071	4.071
Total Potential Spend	**12.000**				

Note: *£2m was approved as part of the 2023/24 Use of Capital Receipts Flexibilities Policy approved by Full Council

Table 4: Medium Term Savings – 2024/25

	24/25 £'000	25/26 £'000	26/27 £000	27/28 £'000	28/29 £'000	Total £'000
Adults, Community & Public Health	11,009	1,906	468	0	0	13,383
Childrens & Education	5,315	3,280	1,633	547	29	10,803
Growth & Regeneration	5,597	(57)	760	810	(353)	6,757
Resources (& Shareholding)	1,775	160	150	0	0	2,085
Corporate	10,300	(4,000)	0	0	0	6,300
TOTAL SAVINGS	**33,996**	**1,289**	**3,011**	**1,357**	**(324)**	**39,328**

Examples of qualifying expenditure

There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector body;
- Investment in service reform feasibility work, eg setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others);
- Integrating public facing services across two or more public sector bodies (for example children's social care, trading standards) to generate savings or to transform service delivery.

Consultation and Engagement

Bristol's Budget 2024/25

Consultation

Budget 2024/25 Consultation

Consultation Report v5

15 January 2024

Executive summary

ES1 Bristol City Council Budget 2024/25

The council's budget proposals will be considered by Cabinet on 23 January 2024 for recommendation to Full Council to consider and agree on 20 February 2024.

The budget sets out how much money the council will be able to spend on each service area. As part of the budget, Full Council will decide on the level of Council Tax and Social Care Precept[1] for 2024/25.

Bristol City Council is spending around £1.051 billion[2] this year (2023/24) providing services to the people of Bristol. In 2023/24, 40% of this budget is raised locally through Council Tax (£263 million; 25%) and Business Rates (£154 million; 15%). The remaining 60% (£634 million) of funding comes from grants from the government (£451 million; 43%), income we make from fees and charges for some services we provide (£137 million; 13%), contributions from other organisations (£41 million; 4%), and income from investment (£5 million; less than 1%).

The budget decisions for 2024/25 will again be made in the context of acute financial pressures due to rising costs, continuing constraints on government funding, and increasing demand for the services the council provides. Based on our current forecasts, we face a funding gap over the next five years (from 2024/25 to 2028/29) of between £4.7 million and £81.2 million, with a realistic assumption of £32 million[3]. This is in addition to the £13.6 million of savings and efficiencies proposals for 2023-2028 outlined in the 2023/24 budget.

Each year, the government sets a limit for the maximum amount councils can increase core Council Tax without holding a local referendum. The government also sets the maximum level of Social Care Precept local authorities can charge. The government announced the proposed 2024/25 referendum limits for Council Tax (up to 3%) and Social Care Precept (2%) in the Provisional local government finance settlement: England, 2024 to 2025 on 18 December 2023. This was after the start of the council's budget consultation.

Each 1% increase in Council Tax would raise approximately £2.7 million. If the council increases Council Tax by 3%[4] and adds an additional Social Care Precept of 2% in 2023/24, we estimate there would still be a substantial funding gap in the council's core budget in 2024/25. If we do not increase Council Tax or levy a Social Care Precept, the funding gap would be even greater; by up to £13.7 million more. With such a significant challenge the budget cannot be balanced without more funding, making greater efficiencies (doing the same for less money) and, in some cases, stopping doing some things entirely.

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1 Social Care Precept is a levy on top of core Council Tax, which is dedicated to help fund adult social care.

2 The £1.051 billion is general fund revenue and excludes capital and ringfenced funds.

3 The wide range in these forecasts is due to national economic uncertainties (such as inflation and interest rates), the council's ability to manage demand and risks, and unknown levels of future government funding.

4 The council is permitted to raise Council Tax by **up to 3%** in 2023/24. Where we refer to a 3% increase in Council Tax, this is shorthand for an increase of 2.99%.

ES2 The Budget 2024/25 consultation

The Budget 2024/25 consultation took place between 9 November and 21 December 2023. It sought views from the public (including businesses and organisations which represent non-domestic rate payers[5]) on options for the level of Council Tax and Social Care Precept in 2024/25, and proposals for how the council might save money and generate income to help bridge the forecast funding gap. The responses to the consultation have helped to inform final budget recommendations and will be taken into consideration by the Cabinet and by Full Council when making their decisions in January and February 2024.

The Budget 2024/25 consultation sought feedback on the following.

- Options for the level of core Council Tax people would prefer in 2024/25. Options were no increase, a 1% increase, a 2% increase or a 3% increase, each of which would have different implications for how much money the council could spend on general services.
- Options for the level of Social Care Precept they would prefer in 2024/25 to support the delivery of adult social care, in addition to the increase in core Council Tax for general services. Options were no Social Care Precept, a 1% Social Care Precept, or a 2% Social Care Precept.
- Whether respondents would be prepared to pay an increase of more than 3% in core Council Tax and/or more than 2% Social Care Precept if the government permits this in 2024/25. The Provisional local government finance settlement: England, 2024 to 2025 on 18 December 2023 set out that these larger increases would not be permitted.
- Respondents' reasons for the level of Council Tax and Social Care Precept they would prefer, and any suggestions they have for how the council could save money or generate income[6].

The budget consultation comprised information about the council's financial position and an online survey. Easy Read and British Sign Language formats were also available online on the Consultation and Engagement Hub. Paper copies of the survey were available in libraries and on request. Alternative accessible formats, including language translations, were available on request.

The consultation was widely publicised through media, social media and communications with the public, including partner organisations, non-domestic rate payers and other stakeholders, as described in section 2.2.

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5 The council has a statutory duty to consult each year with representatives of non-domestic rate payers about the authority's proposals for expenditure in the forthcoming year. The activities undertaken to consult representatives of non-domestic rate payers are described in section 2.2.4.

6 The consultation included information about 25 proposals to reduce our costs and increase income to help balance the budget. We also described 11 'invest to save' ideas (ways we might use capital investment to reduce our costs in the long term). We did not include specific questions about these other proposals because we do not think they are likely to mean major changes to services the council provides. However, people could provide feedback on any of the proposals as part of their free text comments in the survey.

ES3 Scope and use of this report

This consultation report describes the methodology and presents the feedback received in the Budget 2024/25 consultation. It includes quantitative data for all 2,547 survey responses and analysis of the 1,146 survey free text responses (question 5) and 12 email responses.

This consultation report does not contain the council's recommendations for the level of Council Tax increase or Social Care Precept (if any) in 2024/25, nor an assessment of the feasibility of any of the suggestions received. The consultation feedback that is summarised in this report has been taken into consideration by officers when developing final proposals for the level of Council Tax and Social Care Precept, and ways to balance the budget gap in 2024/25. The final proposals are included in a separate report which, together with this consultation report, will be considered by Cabinet on 23 January 2024. Full Council will take into consideration this consultation report and responses when making its decisions about the 2024/25 budget at the Full Council meeting on 20 February 2024.

Budget decisions will be published through normal procedures for Full Council and Cabinet decisions at democracy.bristol.gov.uk

ES4 Budget 2024/25 consultation - Key findings

ES4.1 Response rate

The Budget 2024/25 consultation survey received 2,547 responses.

2,082 responses (82%) were received from postcodes within the Bristol City Council area, 23 (1%) were from South Gloucestershire, Bath & North East Somerset (B&NES), and North Somerset. A further 54 (2%) were from unspecified locations within the four West of England authorities[7]. 385 (15%) did not provide a postcode.

Analysis of respondents' postcodes shows that there was under-representation of responses from the most deprived 30% of the city, and response rates from the least deprived 20% of the city were over-represented. People with the following protected characteristics were under-represented compared to the proportion of people in these groups living in Bristol:

- Children and young people aged 24 years and younger, and people aged 85 and older
- Respondents of Asian or Asian British backgrounds; Black, Black British, Caribbean or African backgrounds; Mixed or multiple ethnic groups; and other ethnic backgrounds
- Christians, Muslims, Hindus and Sikhs
- Female respondents
- Heterosexual respondents.

A map of response rate by ward for the Bristol respondents is presented in Chapter 3 along with the details of age profile, sex and other respondent characteristics.

[7] Incomplete postcodes identified the home location as within the WOE authorities area (Bristol, B&NES, North Somerset and South Gloucestershire), but not which authority.

ES4.2 Level of Council Tax increase and Social Care Precept in 2024/25

Core Council Tax

Of the 2,485 people who stated their preference for the level of Council Tax, a majority (1,641 respondents; 66%) favour an increase in core Council Tax to support general services in 2024/25.

- 1,046 (42%) would prefer a 3% increase in core Council Tax. This is the option with the highest support.
- 316 (13%) favour a 2% increase.
- 279 (11%) favour a 1% increase.
- 844 (34%) respondents would prefer ‘no increase to Council Tax’ in 2024/25. This is the option with the second highest support.
- 62 respondents did not give a view on Council Tax.

Social Care Precept

Of the 2,494 people who stated their preference for the level of Social Care Precept, a majority (1,498 respondents; 60%) favour some Social Care Precept (on top of core Council Tax) to support the delivery of social care in 2024/25.

- 932 (37%) would prefer a 2% Social Care Precept. This is the option with the second highest support
- 566 (23%) favour a 1% Social Care Precept
- 966 (40%) respondents would prefer no Social Care Precept in 2024/25. This is the option with the highest support
- 53 respondents did not give a view on Social Care Precept.

Combinations of core Council Tax and Social Care Precept

Figure ES1 shows the percentage of 2,547 survey respondents who prefer each combination of Council Tax increase (0%, 1%, 2% or 3%) and Social Care Precept (0%, 1% or 2%) proposed in the consultation.

In Figure ES1, each of the coloured rectangles represents a combination of one Council Tax option (0%, 1%, 2% or 3%) and one Social Care Precept option (0%, 1% or 2%). For example, the top left green rectangle is the combination of no increase to Council Tax and no Social Care Precept. 28% of respondents favour this option. Options with lower support appear red; those with higher support are green.

The numbers in the coloured circles show the total percentage increase in Council Tax plus Social Care Precept for each combination. For example, 2 indicates a 2% total increase.

Figure ES1: Preferred combinations for Council Tax and Social Care Precept

Percentage of respondents who prefer each combination of Council Tax and Social Care Precept

	No additional Social Care Precept	An additional 1% Social Care Precept	An additional 2% Social Care Precept	No view on Social Care Precept
No increase to Council Tax	28% 0	3% 1	2% 2	0.3%
1% increase to Council Tax	3% 1	7% 2	1% 3	0.1%
2% increase to Council Tax	3% 2	6% 3	3% 4	0.1%
3% increase to Council Tax	5% 3	6% 4	30% 5	0.2%
No view on Council Tax	0.4%	0.2%	0.3%	1%

Key

0 No change to Council Tax or Social Care Precept

1 1% increase from Council Tax plus Social Care Precept

2 2% increase from Council Tax plus Social Care Precept

3 3% increase from Council Tax plus Social Care Precept

4 4% increase from Council Tax plus Social Care Precept

5 5% increase from Council Tax plus Social Care Precept

Figure ES1 shows that:

- The option with the highest support (30% of 2,547 respondents) is a 3% increase in core Council Tax and a 2% Social Care Precept. This is the maximum increase permitted under government limits announced on 18 December 2023 in the [Provisional local government finance settlement: England, 2024 to 2025]
- The second most popular option (28% of 2,547 respondents) is no increase in core Council Tax and no Social Care Precept.
- The third most popular option is 1% increase in core Council Tax and 1% Social Care Precept. This has substantially lower support (7% of 2,547 respondents).
- For options where Council Tax and Social Care Precept are not the same, more people favour a higher increase in Council Tax than Social Care Precept. For example:
    - 6% favour 2% increase in core Council Tax with 1% Social Care Precept, compared to 1% who prefer a 1% increase in core Council Tax with 2% Social Care Precept
    - 3% favour 2% increase in core Council Tax with no Social Care Precept, compared to 2% who prefer no increase in core Council Tax with 2% Social Care Precept.

ES4.3 Differences in views on the level of Council Tax in areas of high and low deprivation

Views on the preferred level of core Council Tax increase (0%, 1%, 2% or 3%) were compared for respondents in areas with different levels of deprivation (Figure ES2). The comparison looked at levels of deprivation in 10 bands (known as 'deciles') from decile 1 (most deprived) to decile 10 (least deprived).

Figure ES2 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the combined views of all respondents.

Figure ES2: Preference in each deprivation decile for the core Council Tax options

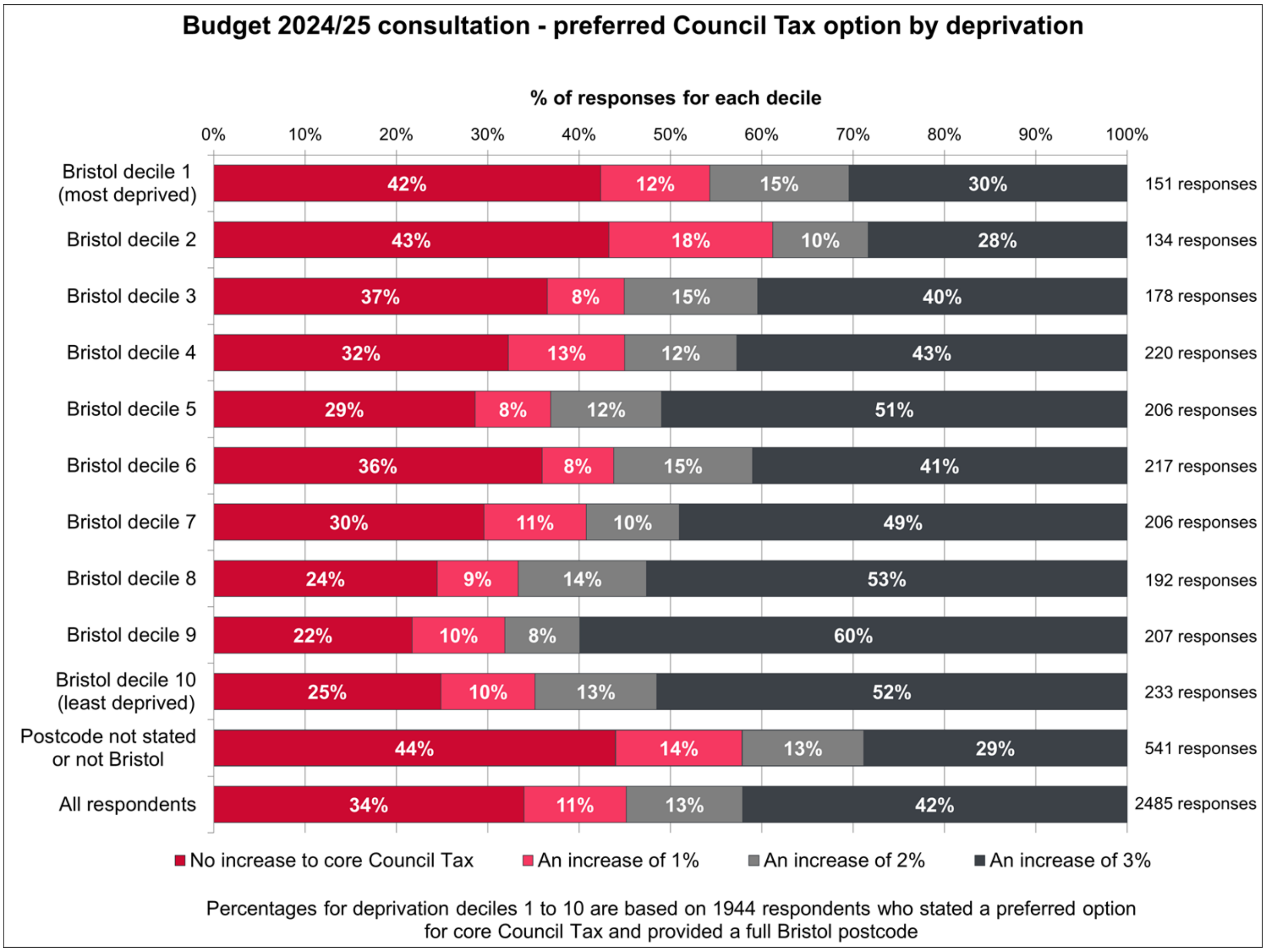


Figure ES2 shows that people living in less deprived areas tend to support higher levels of core Council Tax.

Support for a maximum **3% increase** in Council Tax is highest in the least deprived 30% of Bristol (60% of respondents prefer a 3% increase in decile 9, 53% in decile 8, 52% in decile 10). Support is lowest in the most deprived 20% of areas (30% in decile 1, 28% in decile 2).

Support for **no increase** in core Council Tax is highest for respondents in the most deprived 20% of Bristol (42% of respondents in decile 1, 43% in decile 2). Support for no increase reduces to 22% in decile 9, 24% in decile 8, 25% in decile 10 (the least deprived 30%).

A 3% increase in Council Tax is the most popular option in all deciles except the most deprived deciles 1 and 2. For deciles 1 and 2, no increase is the preferred option.

Support for 1% and 2% increases in Council Tax do not show a clear trend between more deprived and less deprived areas.

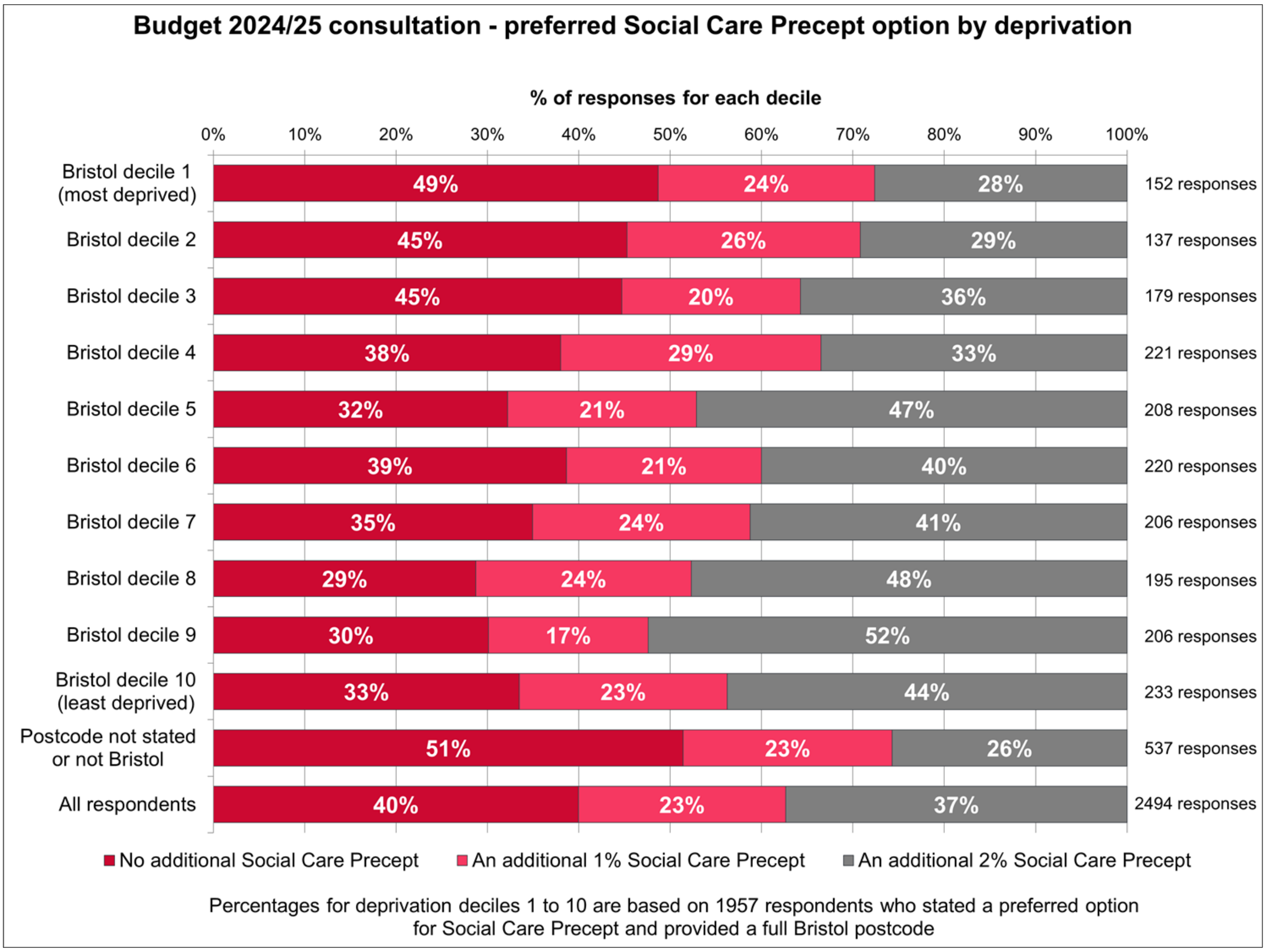
The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to an average of the most deprived deciles 1 and 2. 44% in this group favour no increase and 29% support a 3% increase.

ES4.4 Views on the level of Social Care Precept in areas of high and low deprivation

Views on the preferred level of Social Care Precept (0%, 1% or 2%) were also compared for respondents in areas with different levels of deprivation (Figure ES3).

Figure ES3 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure ES3: Preference in each deprivation decile for the Social Care Precept options



As with core Council Tax, support for a Social Care Precept is highest in the least deprived areas.

Support for no Social Care Precept ranges from 49% in decile 1 (most deprived) to 29% in decile 8 (with slightly higher figures of 30% in decile 9 and 33% in decile 10). Conversely, support for 2% Social Care Precept increases from 28% in decile 1 to 52% in decile 9 (44% in decile 10).

A 2% Social Care Precept is the most popular option in deciles 5 to 10. In the most deprived deciles 1 to 4, preference for no Social Care Precept exceeds support for a 2% precept.

A 1% Social Care Precept is the least popular option in all deciles.

The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to the most deprived decile 1. In this group, 51% favour no increase and 26% support a 2% increase.

Comparison of Figures ES2 and ES3 shows a greater willingness to pay more Council Tax than Social Care Precept. More people support the maximum 3% increase in Council Tax than support the maximum 2% Social Care Precept, for all deprivation deciles except decile 2. This is also the case for respondents who provided no postcode or a non-Bristol postcode.

ES4.5 Views on increasing Council Tax more than 3% and Social Care Precept above 2%

The Budget 2024/25 consultation was launched before the government announced the limits for the level of Council Tax increase or Social Care Precept for 2024/25. To ensure we could take into account the public's views on any possible scenario the government might announce, respondents were asked if they would be prepared to pay an increase of more than 3% in core Council Tax and/or more than 2% Social Care Precept, if the government announced this is permitted in 2024/25.

Figure ES4 shows the percentage of the 2,547 respondents who prefer each combination of the options for Council Tax increase above 3% and Social Care Precept of more than 2%. Each of the coloured rectangles represents a combination of one Council Tax option (no increase above 3%, or increases of 4%, 5%, or 6% or more) and one Social Care Precept option (no precept above 2%, or a precept of 3%, 4%, or 5% or more).

Figure ES4 shows that:

- The option with the highest support (57% of 2,547 respondents) is no increase above 3% to core Council Tax and no Social Care Precept above 2%.
- The second most popular option is an increase of 6% or more to Council Tax and a Social Care precept of 5% or more. This is the maximum option included in the budget consultation. This option has substantially lower support (9% of 2,547 respondents) than the no further increases option.

The Provisional local government finance settlement: England, 2024 to 2025 published on 18 December 2023 set out that these larger increases would not be permitted in 2024/25.

Figure ES4: Views on combinations of higher Council Tax and Social Care Precept

Percentage of respondents who prefer each combination of Council Tax increase above 3% and Social Care Precept above 2%

	No Social Care Precept above 2%	An additional 3% Social Care Precept	An additional 4% Social Care Precept	An additional 5% or more Social Care Precept	No view on Social Care Precept above 2%
No increase above 3% to Council Tax	57% ≤5	6% ≤6	1% ≤7	1% ±8	1%
4% increase to Council Tax	4% ≤6	7% 7	1% 8	1% ≥9	0.4%
5% increase to Council Tax	1% ≤7	2% 8	3% 9	2% ≥10	0%
6% or more increase to Council Tax	1% ±8	0% ≥9	0% ≥10	9% ≥11	0%
No view on an increase above 3% to Council Tax	1%	0.1%	0.1%	0.1%	1%

Key

- ≤5 No more than 5% increase from Council Tax plus Social Care Precept
- ≤6 No more than 6% increase from Council Tax plus Social Care Precept
- ≤7 No more than 7% increase from Council Tax plus Social Care Precept
- ±8 No more than 3% increase from Council Tax plus 5% or more Social Care Precept OR no more than 2% Social Care Precept plus 6% or more increase in Council Tax
- 7 7% increase from Council Tax plus Social Care Precept
- 8 8% increase from Council Tax plus Social Care Precept
- 9 9% increase from Council Tax plus Social Care Precept
- ≥9 9% or more increase from Council Tax plus Social Care Precept
- ≥10 10% or more increase from Council Tax plus Social Care Precept
- ≥11 11% or more increase from Council Tax plus Social Care Precept

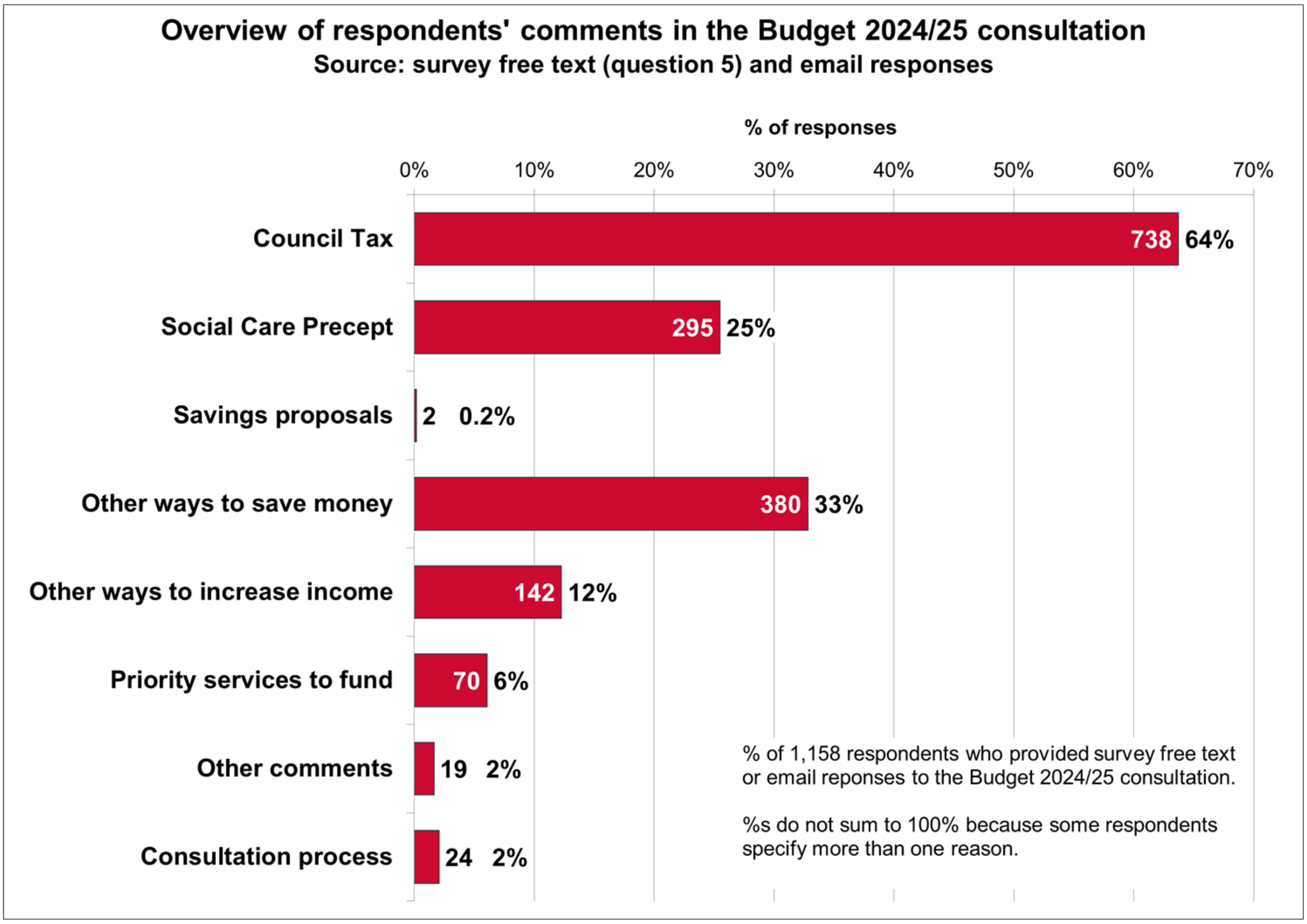
Produced by Consultation and Engagement
Email consultation@bristol.gov.uk

ES4.6 Free text comments on the budget proposals

1,158 (45%) of the 2,547 survey and 12 email respondents provided free text comments which explained their preference for the level of Council Tax and Social Care Precept, their views on the savings / income generation proposals, suggestions for other ways the council could save money or generate more income, and some comments about the consultation.

The 1,158 free text and email responses have been categorised into themes (Figure ES5).

Figure ES5: Overview of survey free text and email comments about the budget



- 738 (64% of 1,158 respondents) explained their preference for the level of Council Tax or made other comments about Council Tax. A breakdown is provided in section 4.7.2
- 295 (25%) explained their preference for the level of Social Care Precept, or made other comments about Social Care Precept (section 4.7.3)
- 2 respondents (0.2%) provided comments on the savings proposals to reduce the budget gap (section 5.2)
- 380 (33%) suggested other ways the council could save money (section 5.3)
- 142 (12%) suggested other ways the council could increase income (section 5.4)
- 70 (6%) identified services they think are priorities to continue to fund (section 5.5)
- 19 (2%) provided other comments or suggestions (section 5.6)
- 24 (2%) provided comments about the consultation process (section 5.7).

The total number of comments exceeds 1,158 because some respondents addressed several themes.

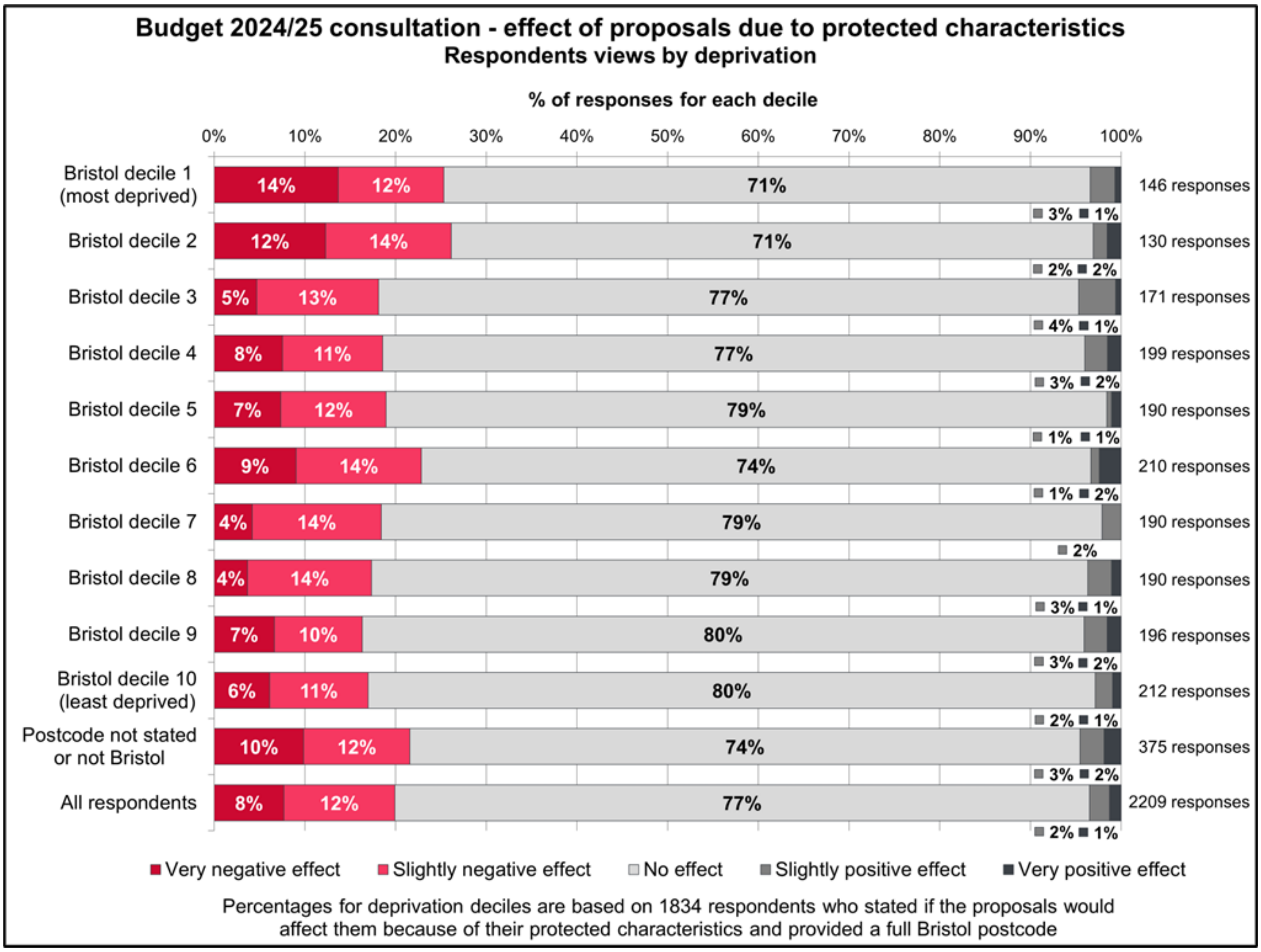
ES4.7 Impact of the proposals because of protected characteristics

Respondents were asked what effect, if any, the proposals would have on them because of their protected characteristics[8]. Of the 2,209 (87%) respondents who answered the question:

- 170 (8%) said the proposals would have a very negative effect
- 270 (12%) said the proposals would have a slightly negative effect
- 1,692 (77%) said the proposals would have no effect
- 49 (2%) said the proposals would have a slightly positive effect
- 28 (1%) said the proposals would have a very positive effect.

The proportion of respondents who think the proposals would have a very negative or slightly negative effect because of their protected characteristics is higher in the most deprived 20% of the city (26% in each of deciles 1 and 2) than other areas (Figure ES6). For other deciles, the proportion who say the proposals would have a slightly negative or very negative effect ranges from 16% in decile 9 to 23% in decile 6.

Figure ES6: Effect by deprivation of the proposals because of protected characteristics



217 respondents explained their reasons why the proposals would have an impact on themselves or others. This is summarised in section 6.2.

[8] The protected characteristics defined in the Equality Act 2010 are age; disability; race including colour; nationality, ethnic or national origin; religion or belief; sex; gender reassignment; sexual orientation; being married or in a civil partnership; being pregnant or on maternity leave.

1 Introduction

1.1 The council's budget

Bristol City Council is spending around £1.051 billion this year (2023/24) providing a range of services to the people of Bristol. The money the council has available to spend on delivering day-to-day services to citizens is called the revenue budget[9].

In 2023/24, 40% of this budget is raised locally through Council Tax (£263 million; 25%) and Business Rates (£154 million; 15%). The remaining 60% (£634 million) of funding comes from grants (such as schools funding) from the government (£451 million; 43%), income from fees and charges we make for some of the services we provide (£137 million; 13%), contributions from other organisations (£41 million; 4%), and income from investment (£5 million; less than 1%).

Every year, the council must agree an annual budget which balances the money we spend with the money we expect to receive. On 20 February 2024, Full Council will set the council's budget for the 2024/25 financial year. The budget sets out how much money the council will be able to spend on each service area and what the priorities are. As part of the budget, Full Council will decide on the level of Council Tax and Social Care Precept[10] for 2024/25.

This year, these decisions will be again made in the context of acute financial pressures due to rising costs, continuing constraints on government funding, and increasing demand for the services the council provides.

1.2 Funding pressures and uncertainty

Councils are facing unprecedented financial pressures because of ongoing high inflation, interest rates at a 15-year high, pay pressures, and a global energy crisis, affecting the cost of our supply chain of goods, energy and services. At the same time, there have been many years of reductions or changes in local government funding. And in Bristol, demand for services, and the cost of providing them, have continued to rise as the city's population has grown, and the complexity of care and support packages we provide has increased.

Based on our current forecasts, we face a funding gap over the next five years (from 2024/25 to 2028/29) of between £4.7 million and £81.2 million, with a realistic assumption of £32 million[11]. This is in addition to the £13.6 million of savings and efficiencies proposals for 2023-2028 outlined in the 2023/24 budget.

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9 The £1.051 billion is general fund revenue and excludes capital and ringfenced funds.

10 Social Care Precept is a levy on top of core Council Tax, which is dedicated to help pay for adult social care.

11 The wide range in these forecasts is due to national economic uncertainties (such as inflation and interest rates), the council's ability to manage demand and risks, and unknown levels of government funding in the future.

The council is able to increase core Council Tax by up to 3%[12] to help fund general services in 2024/25, without a local referendum. This would raise an additional £8.2 million. A Social Care Precept of up to 2% can be added to support the delivery of adult social care. This would raise £5.5 million and is in addition to the permitted increase of up to 3% in core Council Tax for general services. These limits are set by government[13]. There was not enough time to hold a local referendum on increases above these limits before Full Council decides on its 2024/25 budget in February 2024.

If we increase Council Tax by 3% and levy a Social Care Precept of 2% next year, we estimate there would remain a substantial funding gap in the council's core budget in 2024/25. If we do not increase Council Tax or levy a Social Care Precept, the funding gap would be even greater; by up to £13.7 million more. With such a significant challenge the budget cannot be balanced without additional funding, making greater efficiencies (doing the same for less money) and, in some cases, stopping doing some things entirely.

1.3 Budget 2024/25 consultation

The Budget 2024/25 consultation took place between 9 November and 21 December 2023. It sought views from the public (including businesses and organisations which represent non-domestic rate payers[14]) on the following:

- Options for the level of core Council Tax they would prefer in 2024/25 to support the delivery of general council services
- Options for the level of Social Care Precept they would prefer in 2024/25 to support the delivery of adult social care, in addition to the core Council Tax for general services
- Other ideas or suggestions for how the council might bridge the budget gap.

In addition to options for increasing Council Tax and Social Care Precept, the consultation described 25 other proposals for how we can reduce costs and increase our income to help balance the budget. We also described 11 'invest to save' ideas (early ideas for how we might use capital investment to reduce costs for the council in the long term). We do not think these other budget proposals are likely to mean major changes to services the council provides, so we did not include specific questions about them. However, people could provide feedback on any of these proposals as part of their free text comments in question 5 of the survey. If specific proposals are brought forward, public consultation and assessment will be undertaken if needed.

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[12] Where we refer to a 3% increase in Council Tax, we are using 3% as shorthand for an increase of 2.99%.

[13] The limits of a 3% increase in Council Tax and 2% for Social Care Precept were announced in the Provisional local government finance settlement: England, 2024 to 2025 on 18 December 2023.

[14] The council has a statutory duty to consult each year with representatives of non-domestic rate payers about the authority's proposals for expenditure in the forthcoming year. The activities undertaken to consult representatives of non-domestic rate payers are described in section 2.2.4

1.4 Scope of this report

This consultation report describes the consultation methodology and the feedback received, which will be considered by Cabinet on 23 January 2024 before decisions on the 2024/25 budget are made by Full Council on 20 February 2024.

- **Chapter 2** of this report describes the consultation methodology. The consultation information and questions are summarised in section 2.1.1. The print versions of the consultation information guide and survey booklet can be viewed online.
- **Chapter 3** presents the consultation survey response rate and respondent characteristics
- **Chapter 4** describes feedback on the level of Council Tax and Social Care Precept
- **Chapter 5** summarises respondents' suggestions on other ways to reduce costs and generate more income, which would help to bridge the forecast budget gap over the next five years.
- **Chapter 6** sets out the effects that respondents said the proposals would have on them because of their protected characteristics.
- **Chapter 7** describes how this report will be used and how to keep updated on the decision-making process.

This report includes analysis of the responses to the multiple-choice questions and the 'About You' survey questions for all 2,547 respondents to the survey.

1,146 of the respondents also provided free text comments and suggestions as part of their survey responses (survey question 5). These have been analysed together with the 12 email responses to the consultation (1,158 free text survey and email responses, in total).

2 Methodology

2.1 Survey

2.1.1 Online survey

The Budget 2024/25 consultation survey was available on the council's Consultation and Engagement Hub (www.ask.bristol.gov.uk) between 9 November and 21 December 2023. An Easy Read version and a British Sign Language version were also available on the Consultation and Engagement Hub.

Survey information

The survey contained the following information as context for the survey questions.

- Details of the council's revenue budget (the money available to spend on delivering day-to-day services). This included an overview of where the money comes from, a breakdown of how Council Tax revenue is spent (based on 2023/24 expenditure) and details of three other budgets (the Dedicated Schools Grant, the Public Health Budget, and the Housing Revenue Account), which the council must keep separate from its main day-to-day spending
- Details of the forecast budget shortfall as estimated at the time of publication (in November 2023) of between £4.7 million and £81.2 million[15] over the next five years to March 2029, due to increasing costs, continuing constraints on UK Government funding, and increasing demand for services the council provides
- Details of the assistance the council is providing to low-income households in meeting their Council Tax bills
- An outline of the council's capital investment programme in 2023/24
- An explanation of council reserves
- Forecasts of how much additional revenue would be raised in 2024/25 by each of the proposed core Council Tax options (increases of 0%, 1%, 2% or 3%) and each of the options for the level of Social Care Precept (0%, 1% or 2%)
- The weekly and annual cost increases that would be payable by households in each Council Tax band for each Council Tax option and Social Care Precept option
- A description of 25 other proposals for how we can reduce costs and increase our income to help balance the budget.
- Information about 11 early ideas for how we might use capital investment to reduce costs for the council in the long term, which would help to bridge the budget gap.

[15] The latest estimate of the forecast budget gap on 15 January 2024 remains between £4.7 million and £81.2 million.

Survey questions

The survey questions sought respondents' views on the following:

- The level of core Council Tax they would prefer in 2024/25. Options were no increase, a 1% increase, a 2% increase or a 3% increase, each of which would have different implications for how much money the council could spend on general services
- The level of Social Care Precept they would prefer in 2024/25 in addition to the increase in core Council Tax. Options were no Social Care Precept, a 1% Social Care Precept, or a 2% Social Care Precept
- Whether respondents would be prepared to pay an increase of more than 3% in core Council Tax or more than 2% Social Care Precept, if the government announced this is permitted in 2024/25 [16]. Options for Council Tax were no increase greater than 3%, a 4% increase, a 5% increase, or an increase of 6% or more. Options for Social Care Precept were no more than 2%, a 3% precept, a 4% precept, or a precept of 5% or more. The Provisional local government finance settlement: England, 2024 to 2025 published on 18 December 2023 set out that these larger increases would not be permitted in 2024/25
- Respondents' reasons for the level of Council Tax and Social Care Precept they would prefer, and any other suggestions they have for how the council could save money or generate income. Respondents could also comment on the 25 other budget proposals and 11 ideas to invest capital to save in the long term.

The 'About you' section requested information which helps the council to check if the responses are representative of people across the city who may have different needs.

- Respondents' postcode – this identifies if any parts of the city are under-represented in responding to the consultation and it can show if people from more deprived areas of the city have different views compared to people living in less deprived areas
- Equalities monitoring information – this enables the council to check if people with specific protected characteristics under the Equality Act 2010 are under-represented in the responses
- Other information about respondents; for example, whether they are a councillor, a council employee, or represent a local business
- How respondents found out about the consultation – to help the council publicise future consultations effectively.

Respondents could choose to answer some or all questions in any order and save and return to the survey later.

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[16] In the Local government finance policy statement 2024 to 2025 published on 5 December 2023, the government announced that core Council Tax can be increased by up to 3% in 2024/25 and the maximum level of Social Care Precept would be 2%. This was after the start of the council's budget consultation. The consultation options of more than 3% for core Council Tax and more than 2% for Social Care Precept would not be permitted.

Produced by Consultation and Engagement
Email consultation@bristol.gov.uk

2.1.2 Alternative formats

An Easy Read version of the consultation was available on the Consultation and Engagement Hub and could be completed online or printed and returned by post.

A British Sign Language version was also available on the Consultation and Engagement Hub.

Paper copies (a consultation information guide and a separate survey booklet) were distributed with Freepost return envelopes to all libraries in Bristol and were available on request.

Other formats (braille, large print, other alternative formats, and translation to other languages) were available on request.

2.1.3 Other correspondence

12 emails were received in response to the consultation. All 12 emails were received from citizens. The emails provided comments on the level of Council Tax, ideas for other ways to raise income and reduce costs, views on which services are important to continue funding, and feedback about the consultation process.

The email text has been analysed with the free text responses to question 5 of the survey and is reported with the survey free text feedback in chapter 5.

2.2 Publicity and briefings

2.2.1 Objective

The following programme of activity was carried out to publicise and explain the Budget 2024/25 consultation. The primary objective was to engage residents, communities, stakeholders, businesses and representatives of non-domestic ratepayers across the city in decisions on the level of Council Tax and Social Care Precept, and other ways the council might bridge the forecast budget gap.

To achieve this, information was shared across a wide range of channels, reaching as broad a range of audiences as possible, to maximise response rates. Areas of the city that were found to have responded in lower numbers were targeted part way through the consultation.

2.2.2 Bristol City Council channels

Online and paper versions of the consultation document were shared via the following council and partner channels and networks:

- BCC weekly business e-newsletter 5 December 2023- 2,700 recipients
- We Are Bristol weekly newsletter 6 December 2023 – 2,000 recipients
- Ask Bristol e-bulletin – delivered to 7,292 recipients on 23 November 2023, and delivered to 7,285 recipients on 13 December 2023
- Public Health citizen e-newsletter ICS December issue

- Emails to 134,997 users of the online Council Tax account system were sent on 17 November 2023 inviting citizens to take part in the survey. Follow-up emails were sent on 7 December and 19 December 2023
- Headteachers' newsletter bulletin 4 December 2023
- Direct email to over 300 community-based organisations and organisers
- Paper copies in libraries

2.2.3 Internal communications

Messages announcing the launch of the public consultation were sent to the following internal stakeholders:

- Cabinet
- Directors, managers, managers of offline staff
- Party group leaders
- Elected councillors who were provided with a digital engagement pack, which included assets for social media and newsletter content, to share with their contacts.
- Chairs of scrutiny committees
- Chair of HR committee
- Trade unions
- Staff-led groups, and all staff
- Youth Council and Youth Mayors
- Mayoral Commissions (Women's, Race, Disability, History)
- Wholly owned companies (Bristol Holding Company, Bristol Waste, Goram Homes).
- Staff and elected members were asked to promote the public consultation.

There were reminders throughout November and December through our blogs and bulletins.

2.2.4 Bristol City Council partners, businesses and voluntary sector organisations

The council has a statutory duty to consult each year with representatives of non-domestic rate payers about the authority's proposals for expenditure in the coming year.

Details of the consultation were shared at the launch, and with one week to go, with representatives of business organisations (including Business West, local Business Improvement Districts, and the Federation of Small Businesses), the LGA, voluntary sector organisations, public sector/city stakeholders, local health partners, equalities groups and community groups, with a request for information to be circulated through their networks.

77 survey responses were received from people who represent or own a local business, and, in addition, there were 11 survey responses from health and social care providers, school or education providers, and public transport providers. 14 survey responses were received from voluntary/community/social enterprise organisations / interest groups. Details are reported in section 3.4.

2.2.5 Media engagement

A news article was published to the BCC Newsroom on 9 November 2023. The External Communications team supported reporting of the budget leading to six items of news coverage and other references to the consultation across broadcast media during the six-week period.

2.2.6 Social Media – posts, outreach and advertising

Regular posts on Bristol City Council's social media channels (Twitter, Facebook, Next Door, LinkedIn and Instagram) were made for the duration of the consultation. These organic posts had a potential reach of 22,000 people resulting in 186 survey link clicks.

Paid for Facebook advertising (approximately £200) was also employed one week before the consultation closed to engage targeted areas of the city where response was low. This had a reach of 24,000 with 746 link clicks.

3 Survey response rate and respondent characteristics

3.1 Response rate to the survey

The Budget 2024/25 consultation survey received 2,547 responses, of which 2,364 (92%) were responses to the main online survey, 168 (7%) were responses via the Easy Read survey, and 15 (1%) were paper surveys. In addition, 12 email responses were received.

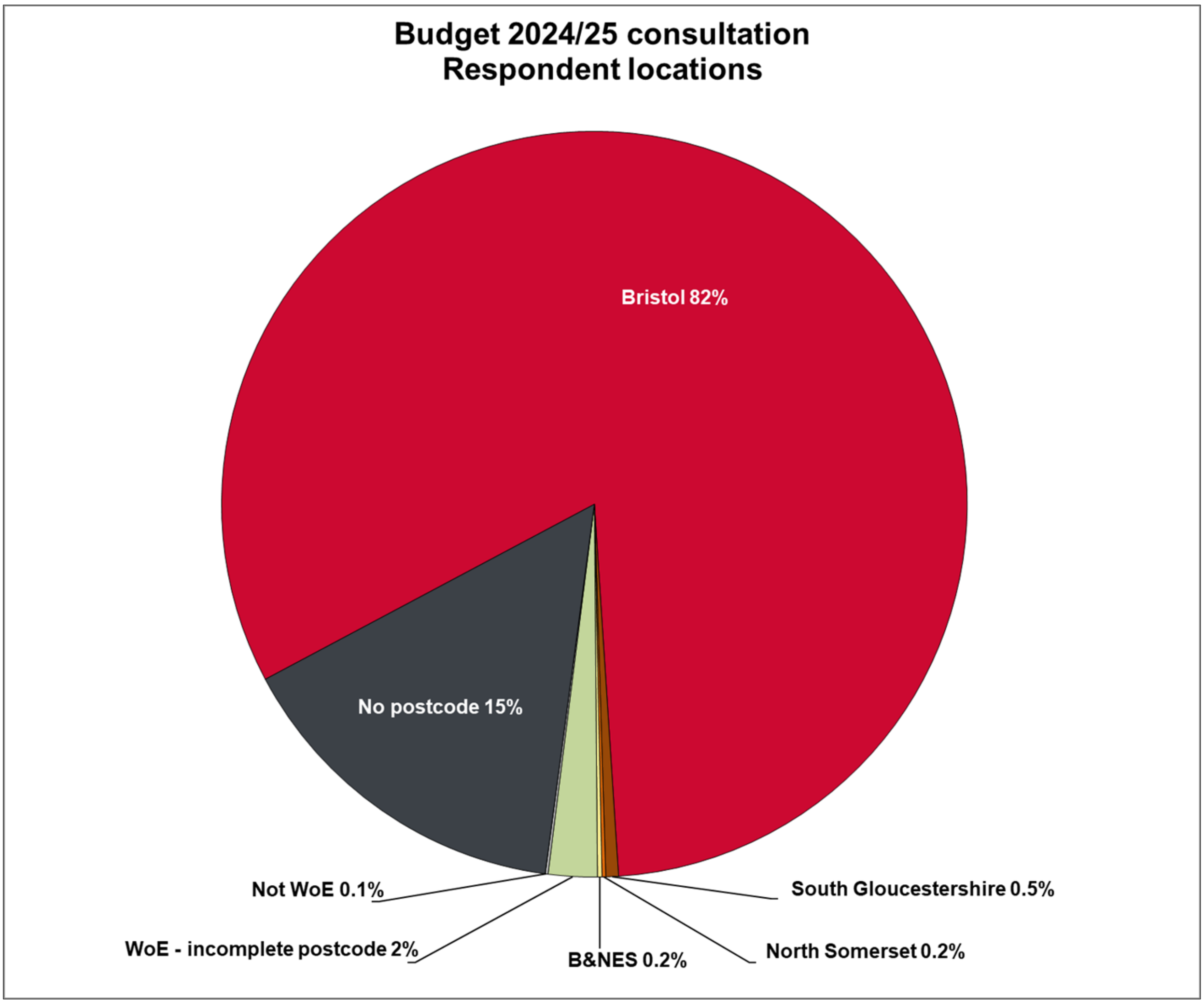
The response rate and respondent details in sections 3.2 to 3.4 below are for respondents to the survey. Details of the email respondents are summarised in section 3.5.

3.2 Geographic distribution of survey responses

2,082 responses (82%) were received from postcodes within the Bristol City Council area, 14 (0.5%) responses were from South Gloucestershire, five (0.2%) were from Bath & North East Somerset (B&NES), and four (0.2%) were from North Somerset. A further 54 (2%) were from unspecified locations within the four West of England authorities[17] (Figure 1).

385 (15%) did not provide a postcode.

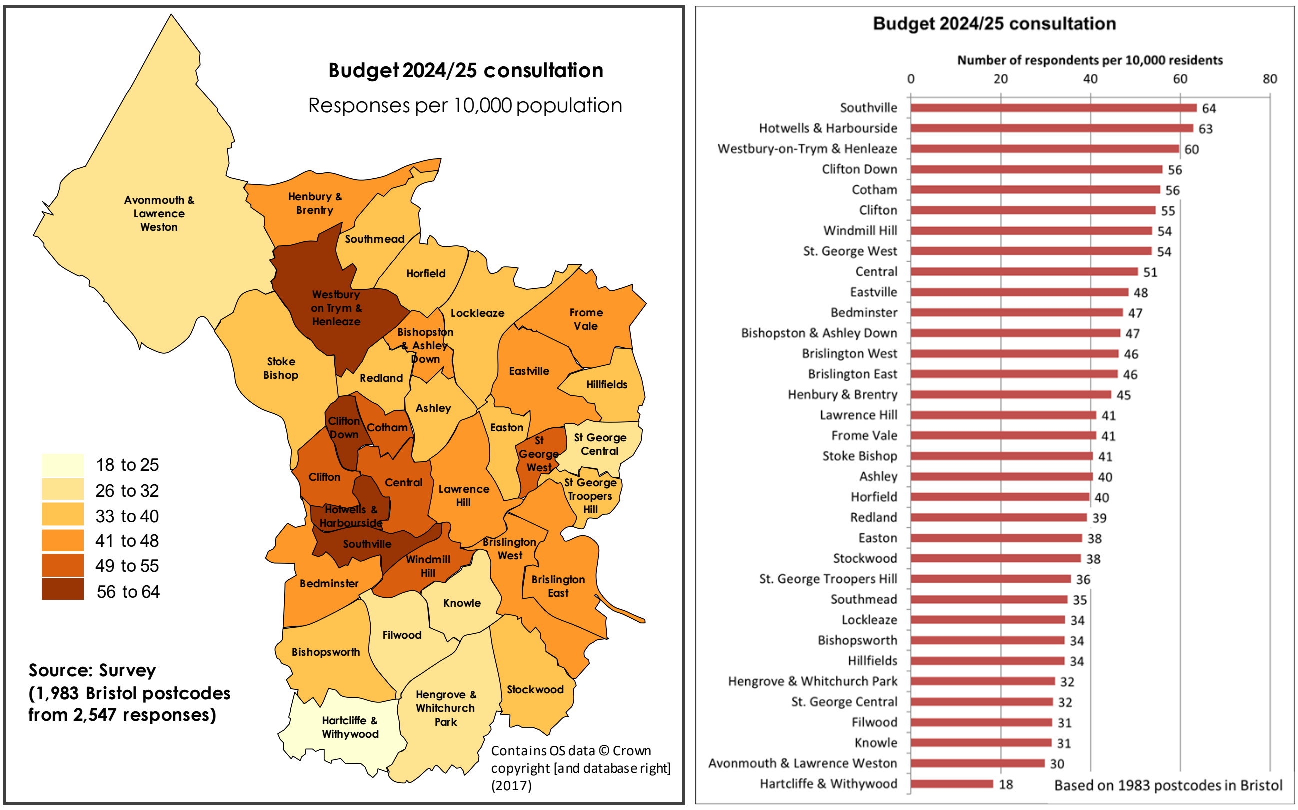
Figure 1: Geographic distribution of responses



[17] Incomplete postcodes identified the home location as within the WOE authorities area (Bristol, B&NES, North Somerset and South Gloucestershire), but not which authority.

Of the 2,082 responses from within the Bristol City Council area, 1,983 provided full or partial postcodes from which the ward of origin could be identified[18] (Figure 2).

Figure 2: Geographic distribution of responses in Bristol



3.3 Response rate from areas of high and low deprivation

The home location of respondents in Bristol was compared with nationally published information on levels of deprivation across the city[19] to review if the responses received include a cross-section of people living in more deprived and less deprived areas. This helps the council to know if the views of citizens in more deprived areas differ from people living in less deprived areas.

The comparison looked at levels of deprivation in 10 bands (known as 'deciles') from decile 1 (most deprived) to decile 10 (least deprived). Figure 3 compares the percentage of Bristol respondents[20] living in each of the deprivation deciles (red bars) to the percentage of all Bristol citizens who live in each decile (grey bars).

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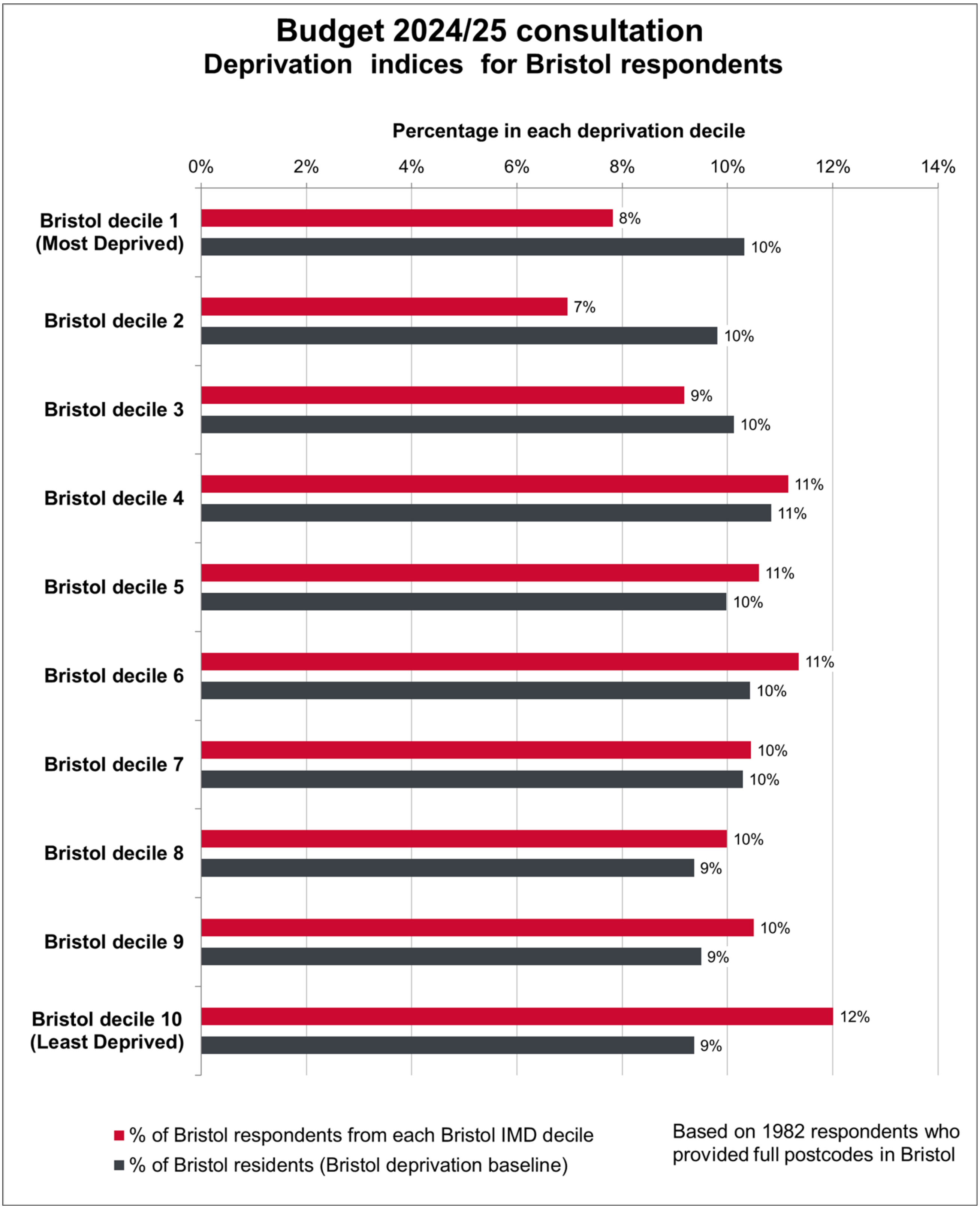
[18] The other 99 responses included incomplete postcodes which are within Bristol but do not include enough information to identify a specific ward.

[19] The Office for National Statistics (ONS) publishes information about deprivation for small areas throughout England - known as 'Lower Super Output Areas' (LSOAs). For each LSOA, a measure of deprivation is published called 'Indices of Multiple Deprivation' (IMD), which takes account of 37 indicators that cover income, employment, education, health, crime, barriers to housing and services, and living environment. The latest IMD data are from 2019 and define IMD for each of the 32,844 LSOAs in England used in the 2011 Census, of which 263 LSOAs are in the Bristol City Council area. Postcodes provided by respondents can each be matched to one of the 263 LSOAs in Bristol and thus to one of the deprivation deciles. Note: postcodes provide approximate locations; they are not used to identify individuals or specific addresses.

[20] Based on 1,982 respondents who provided full postcodes in the Bristol administrative area from which deprivation decile can be identified.

Figure 3 shows there was under-representation of responses from the most deprived 30% of the city (deciles 1, 2 and 3). Response rates from the least deprived 20% of the city (deciles 9 and 10) and also from decile 6 were over-represented. Responses from deciles 4, 5, 7 and 8 broadly match the proportion of Bristol citizens living in these deciles.

Figure 3: Comparison of response rate from areas of high and low deprivation



Percentages in Figure 3 are shown to the nearest whole number. The length of each bar reflects unrounded percentages; hence bars shown with the same percentage (e.g. decile 4) may be slightly different in length.

3.4 Characteristics of survey respondents

3.4.1 Overview

2,462 (97%) people answered one or more of the equalities monitoring questions. Respondent characteristics are summarised below. The charts compare:

- characteristics for all respondents who answered the equalities questions (shown by bars with a red outline)
- characteristics of 'Bristol respondents' who answered equalities questions and provided a Bristol postcode (shown by solid red bars)
- characteristics of all Bristol's citizens based on the 2021 Census (shown by solid grey bars). Census 2021 data are available for seven protected characteristics (age, disability, ethnicity, religion/faith, sex, gender identity, and sexual orientation)

Note that many of the respondents who did not provide postcodes may also live in the Bristol City Council administrative area but are not included in figures for 'Bristol respondents'.

In summary, groups that were under-represented in the responses were:

- Children and young people aged 24 years and younger, and people aged 85 and older
- People of Asian or Asian British backgrounds; Black, Black British, Caribbean or African backgrounds; Mixed or multiple ethnic groups; and people of other ethnic background
- Christians, Muslims, Hindus and Sikhs
- Females
- Heterosexual citizens

The following groups responded in higher numbers than their proportion in the population:

- People aged 25 to 74 years
- Disabled people
- People of Other White Background
- People with no religion, Buddhists, Jews, and people with 'Other religion'
- Males
- Bi, gay/lesbian, and people who use another term to describe their sexual orientation

Chapter 6 describes the effects that respondents said the proposals would have on them because of their protected characteristics.

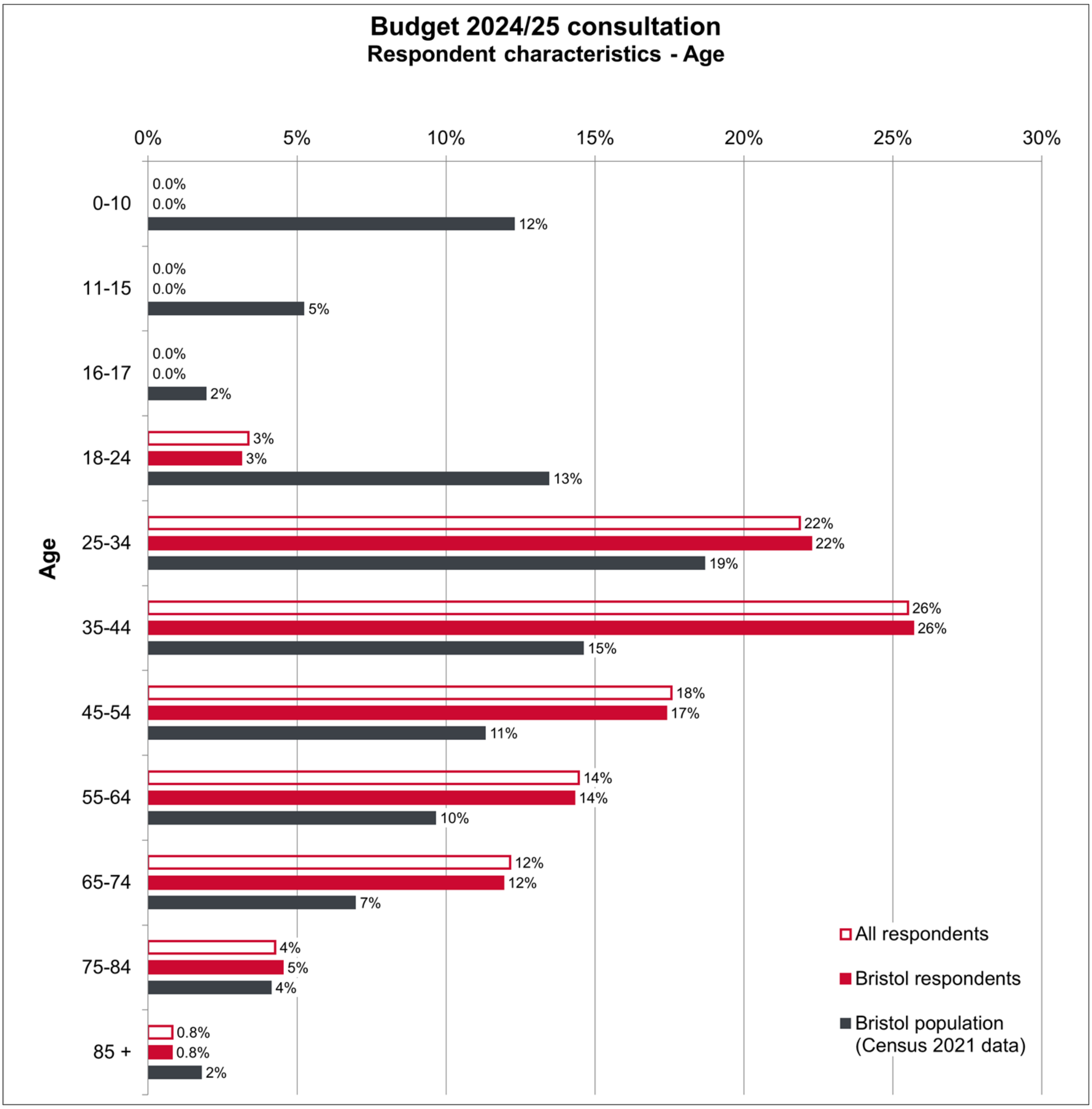
3.4.2 Age

The highest number of responses were from respondents aged 35-44 years (26%), followed by 25-34 (22%).

All age groups between 25 and 74 responded in higher proportions than these ages in the population. Response rates from people aged 75-84 years closely match the proportion of these age groups in Bristol's population. Survey responses from children (under 18), young people aged 18-24 and people aged 85 and older were under-represented. These percentages exclude the 4% of respondents (3% of Bristol respondents) who answered 'prefer not to say'.

In each age category, the proportions of 'all respondents' and 'Bristol respondents' were very similar.

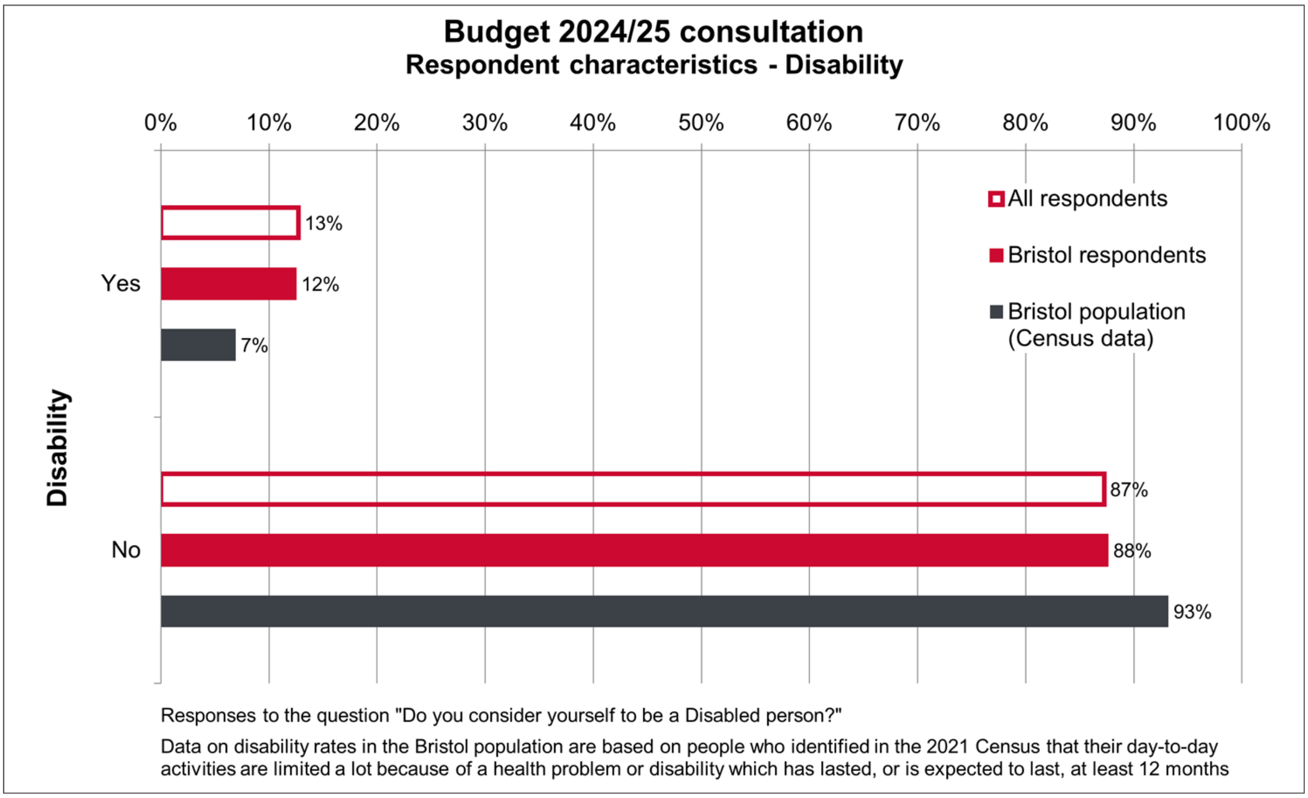
Figure 4: Age of respondents



3.4.3 Disability

The proportion of disabled respondents (13% of all respondents; 12% of Bristol respondents) is greater than the proportion of disabled people living in Bristol. These percentages exclude the 9% of respondents (7% of Bristol respondents) who answered ‘prefer not to say’)

Figure 5: Disability



3.4.4 Ethnicity

The response rate from Other White Background respondents (15%) is higher than the proportion of these citizens in the Bristol population.

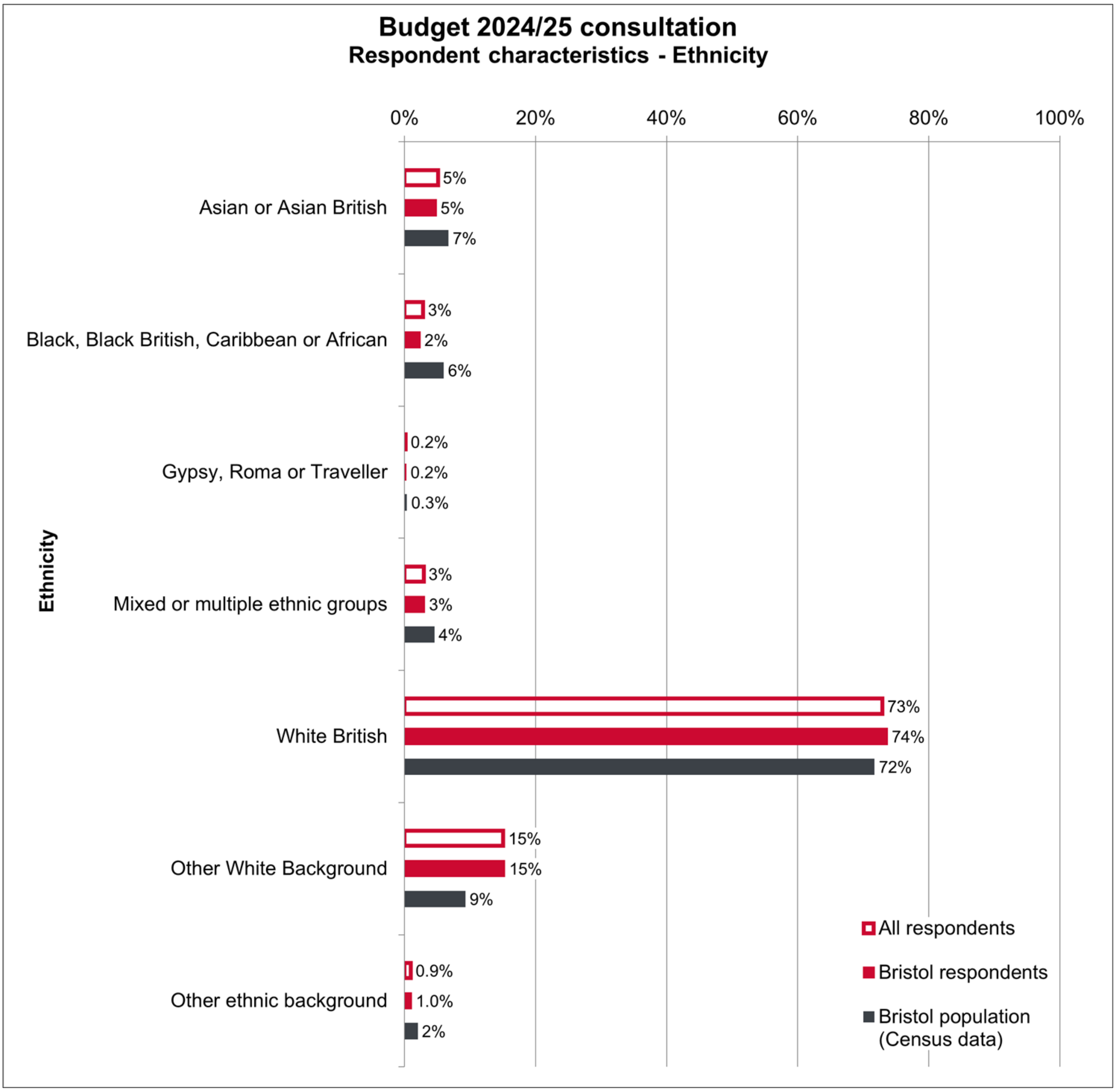
The proportion of White British (73% of all respondents; 74% of Bristol respondents) and Gypsy, Roma or Traveller (0.2%) is similar to the proportion of these citizens in the Bristol population.

The following ethnic groups were under-represented in the response rates compared to the proportion of people in each of these ethnic groups living in Bristol:

- Asian or Asian British (5% of all respondents; 5% of Bristol respondents)
- Black, Black British, Caribbean or African (3% of all respondents; 2% of Bristol respondents)
- Mixed or multiple ethnic groups (3%% of all respondents; 3% of Bristol respondents)
- Other ethnic background (0.9% of all respondents; 1% of Bristol respondents)

These percentages exclude the 12% of respondents (10% of Bristol respondents) who answered ‘prefer not to say’. Proportions of each ethnicity for all respondents are similar to respondents who provided a Bristol postcode, with the exception of Black, Black British, Caribbean or African respondents.

Figure 6: Ethnicity of respondents



3.4.5 Religion/Faith

People with no religion (63% of all respondents; 64% of Bristol respondents) responded in higher proportion than people of no religion in Bristol's population (55%).

Buddhists (0.7% of all respondents; 0.8% of Bristol respondents), Jews (0.4%) and people with 'Other religion' (1%) also responded in slightly greater numbers than the proportions of these faiths in Bristol.

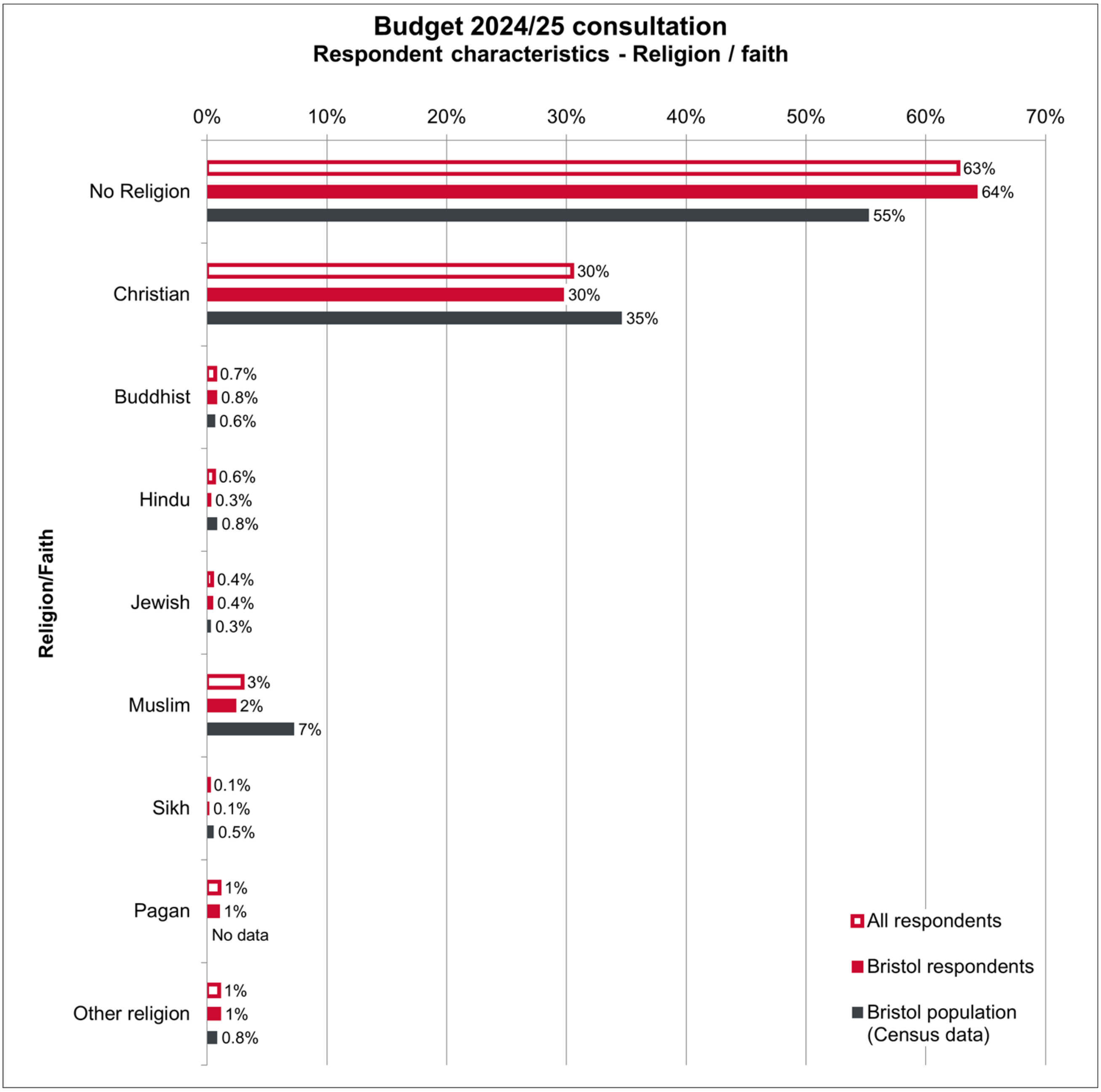
Christians (30%), Muslims (3% of all respondents; 2% of Bristol respondents), Hindus (0.6% of all respondents; 0.3% of Bristol respondents) and Sikhs (0.1%) were under-represented compared to the proportions of these faiths living in Bristol.

1% of respondents are Pagan. There are no data from the Census 2021 for the proportion of Pagans living in Bristol.

These percentages exclude the 14% of respondents (12% of Bristol respondents) who answered 'prefer not to say'.

The proportion of each religion/faith for all respondents closely matches Bristol respondents, with the exception of Hindu and Muslim respondents.

Figure 7: Religion/faith of respondents



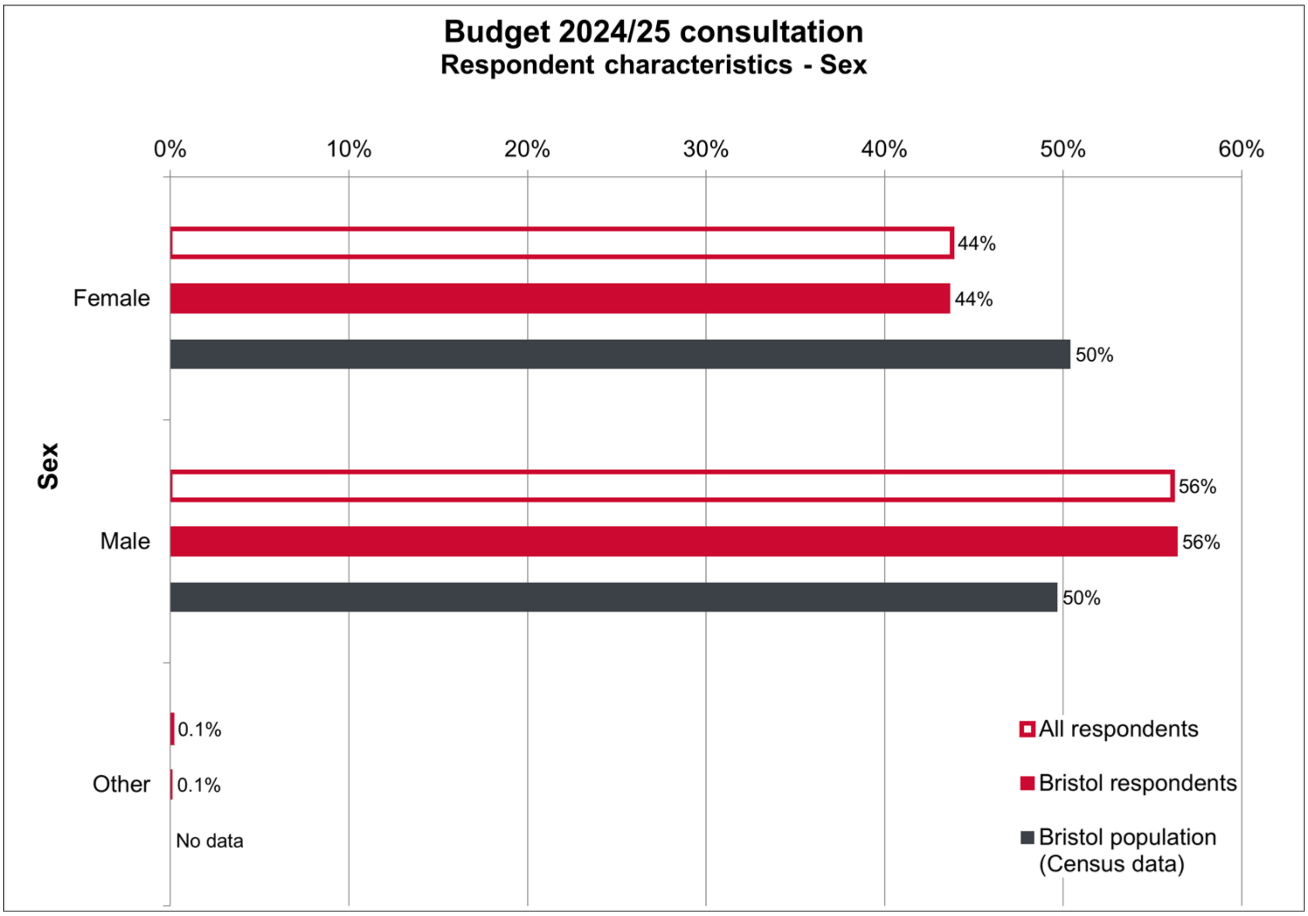
3.4.6 Sex

44% of all survey responses were from women and 56% were from men. This compares to 50% of each sex in the Bristol population. 0.1% of responses were from people who identified as ‘other sex’.

The proportion of male and female for all respondents closely matches Bristol respondents.

These percentages exclude the 12% of respondents (10% of Bristol respondents) who answered ‘prefer not to say’.

Figure 8: Sex of respondents

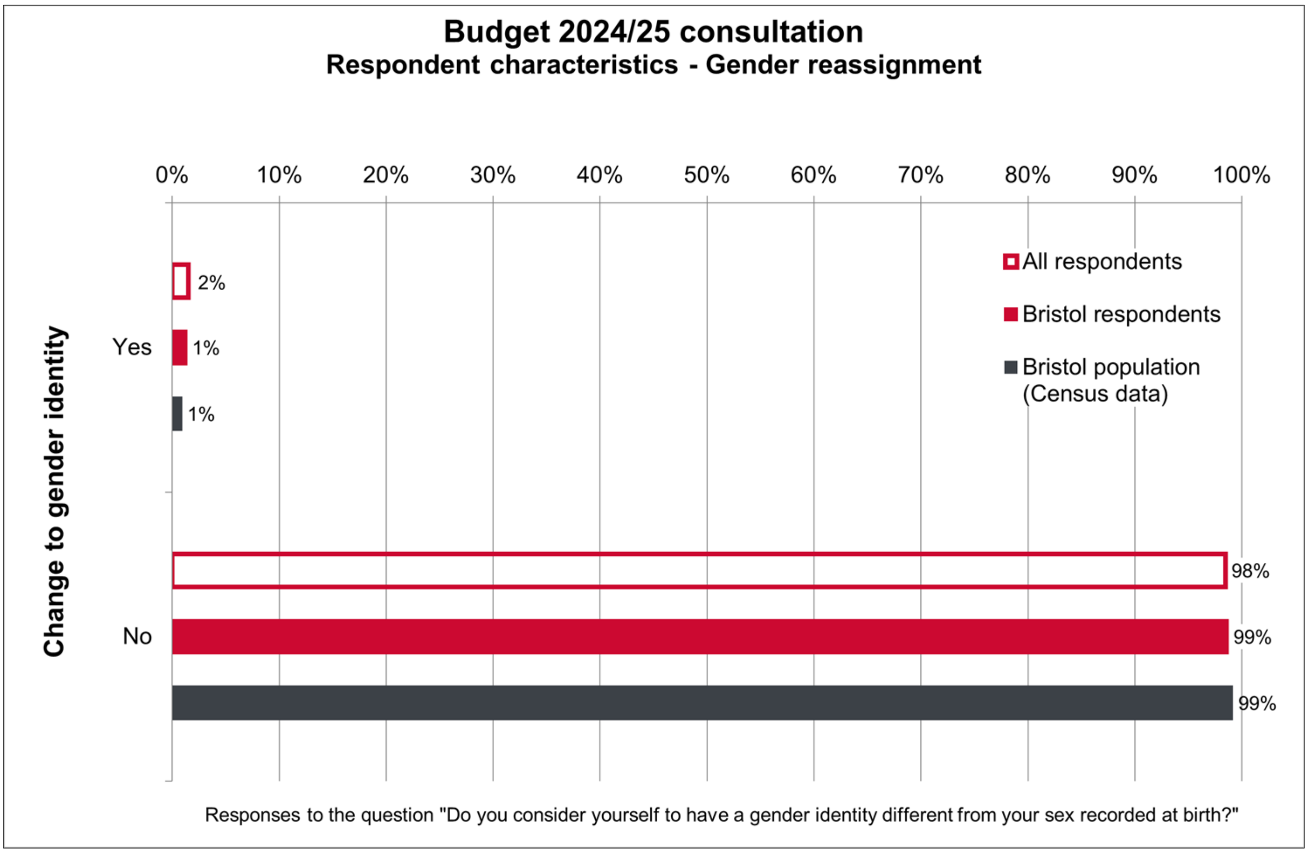


3.4.7 Gender reassignment

2% of respondents (1% of Bristol respondents) stated they have a gender identity different to their sex recorded at birth. This is similar to the 1% of the Bristol population who stated in the 2021 Census that their gender identity is different to their sex recorded at birth.

These percentages exclude the 10% of respondents (9% of Bristol respondents) who answered ‘prefer not to say’.

Figure 9: Gender reassignment



3.4.8 Sexual orientation

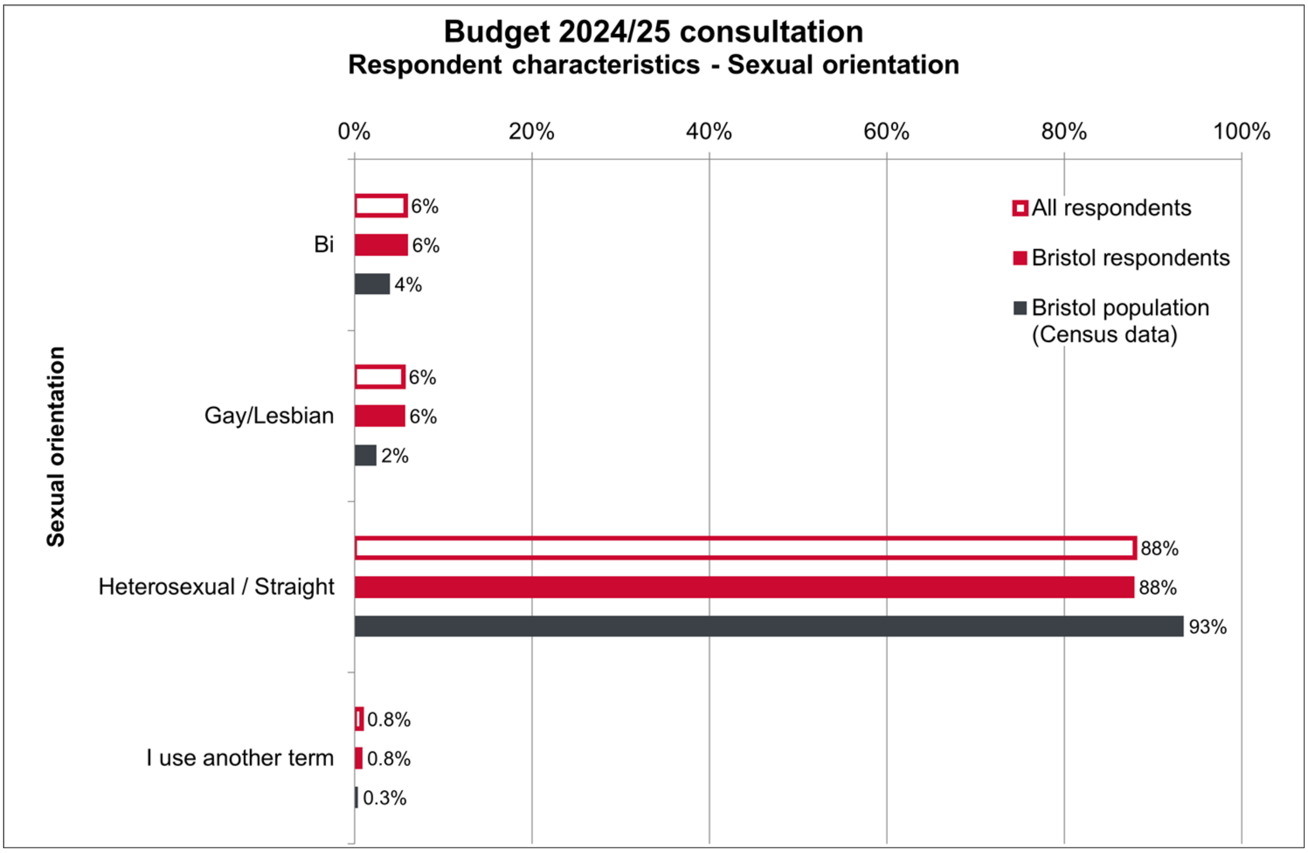
People who are bi (6%), gay/lesbian (6%), or who use another term for their sexual orientation (0.8%) responded in higher numbers than the proportions of these groups in Bristol's population. In the 2021 Census, the proportions of each group in Bristol was 4% bi, 2% gay/lesbian, and 0.3% use another term.

Heterosexual respondents (88%), were under-represented compared to the proportions of heterosexual people living in Bristol (93%).

The proportions of each group for all respondents match the proportions for Bristol respondents.

These percentages exclude the 21% of respondents (19% of Bristol respondents) who answered 'prefer not to say'.

Figure 10: Sexual orientation



3.4.9 Pregnancy and maternity, carer status and and refugee/asylum status

The survey also asked respondents about their pregnancy and recent maternity status, if they are a carer, and if they are a refugee or asylum seeker.

Census data are not available for the proportion of people with these characteristics living in Bristol. Figures 11, 12, and 13 show the proportions of all respondents and Bristol respondents for each of these characteristics. The proportion of each characteristic for all respondents closely matches the proportion for Bristol respondents.

Figure 11: Pregnancy and recent maternity

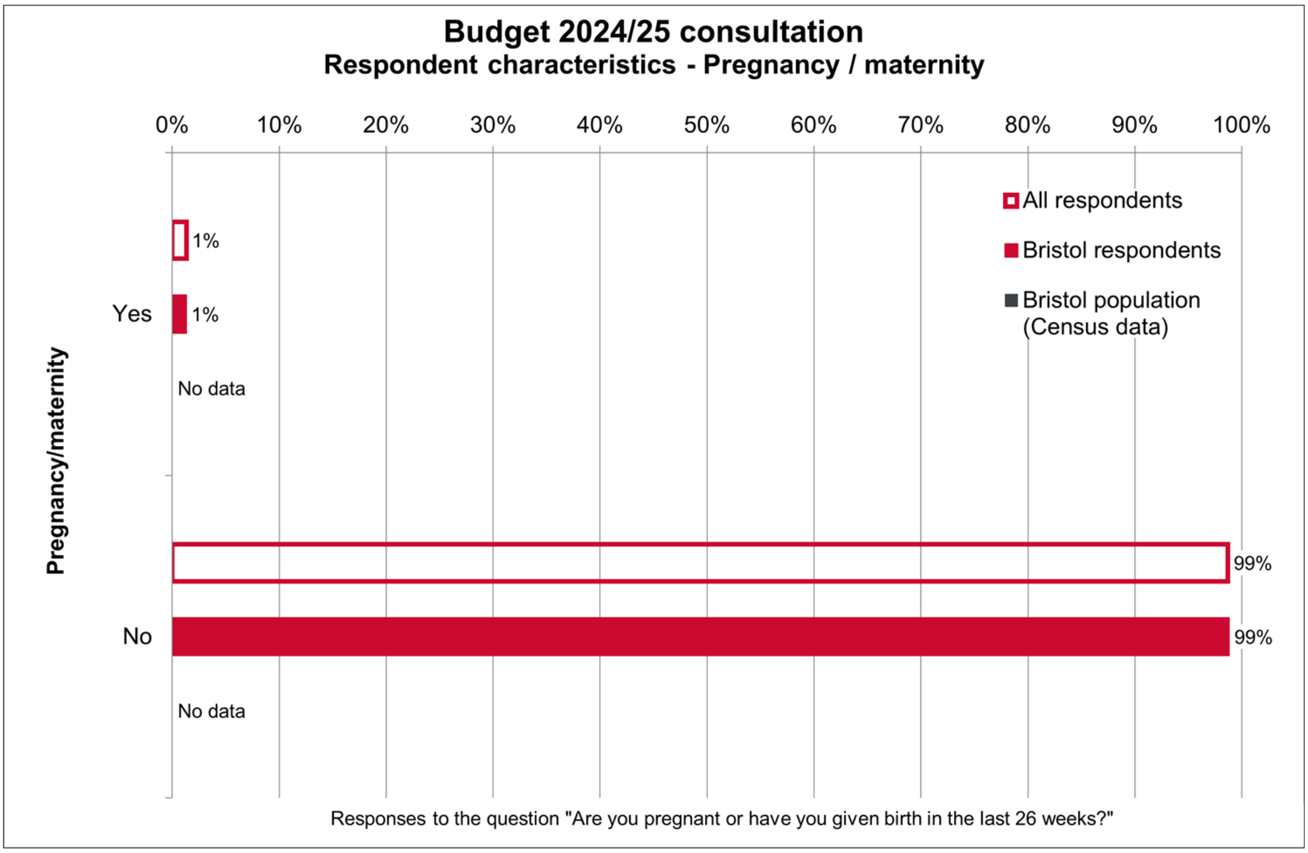


Figure 12: Carer status

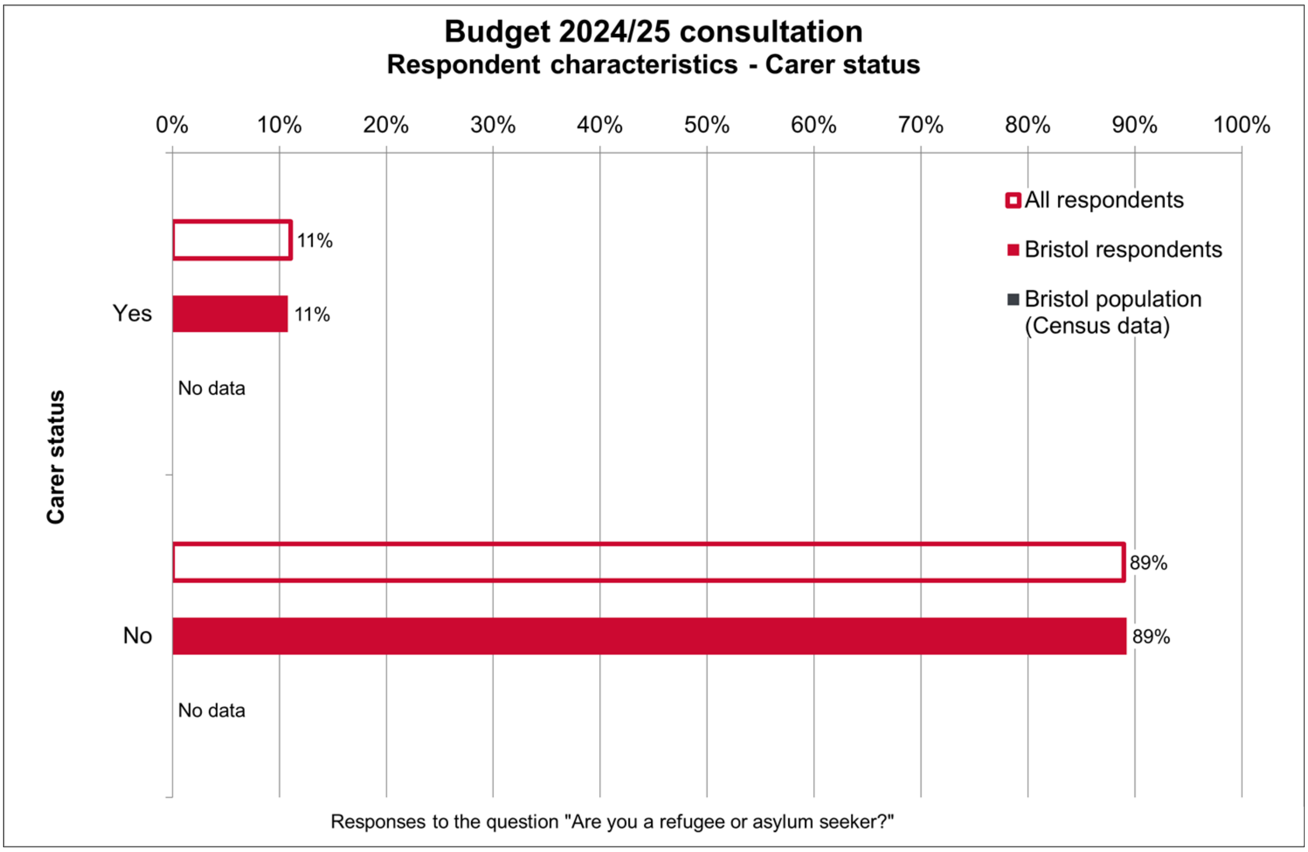
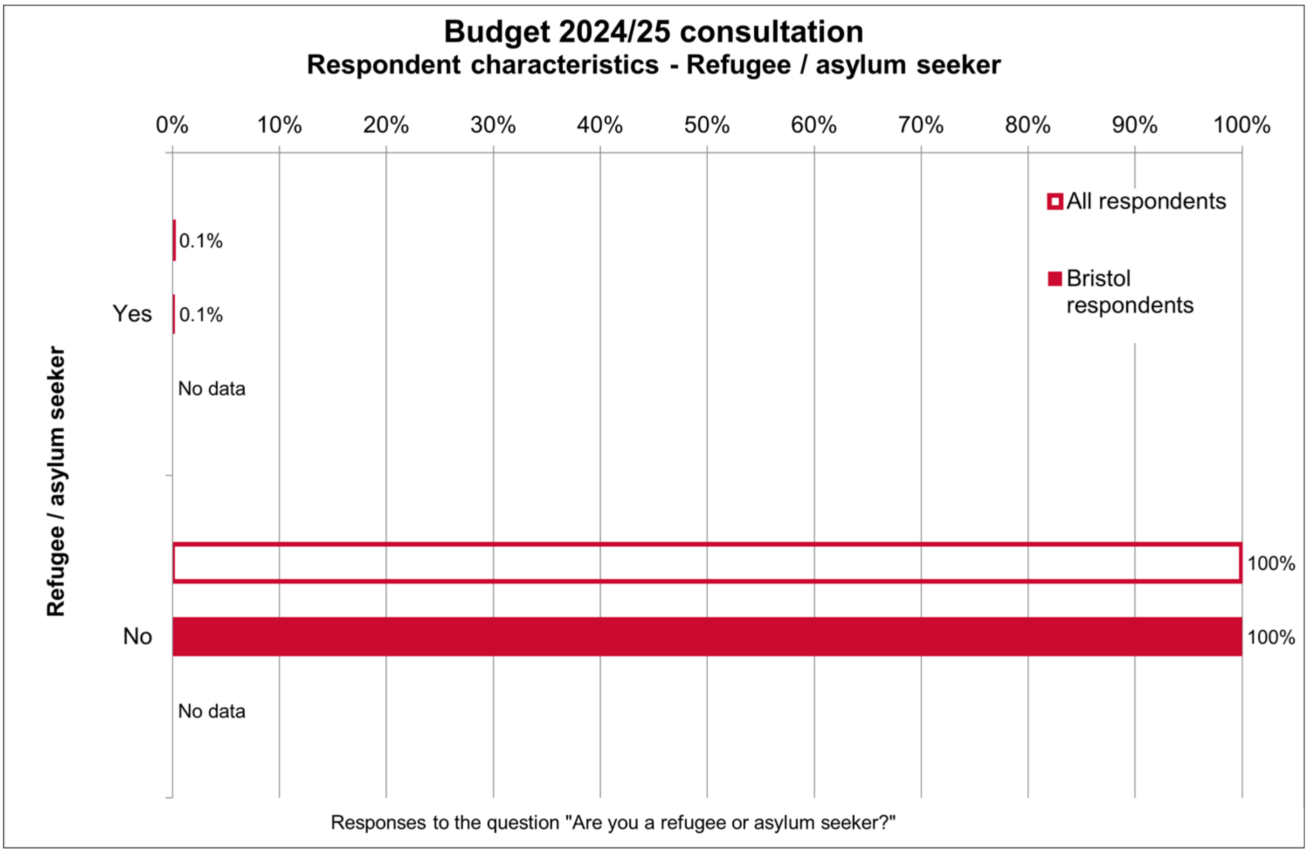


Figure 13: Refugee or asylum seeker status



3.4.10 Other respondent characteristics

2,479 (97%) respondents provided other details of their personal situation, selecting from a list of 12 options. Because respondents could select more than one option, the percentages below exceed 100%.

- 2,430 (98% of the 2,479 respondents who answered the question) are Bristol residents
- 77 (3%) are Bristol City Council employees
- 77 (3%) represent and/or own a local business
- 33 (1%) work in Bristol but live elsewhere
- 14 (1%) responded on behalf of a Voluntary/Community/Social Enterprise/interest group
- 6 (0.2%) responded on behalf of a health or social care provider
- 4 (0.2%) responded on behalf of a school or education provider
- 3 (0.1%) are ward councillors
- 1 (less than 0.1%) responded on behalf of a public transport provider
- 50 (2%) selected 'other'.

Of the 50 respondents who selected ‘other’:

- 15 are retired
- 5 gave details of their profession
- 4 described their employment status
- 4 reiterated that they are Bristol residents and shared their views on aspects of the council’s work
- 3 are carers
- 2 gave details of their voluntary roles.
- 2 are landlords
- 2 stated they are tax-payers
- 2 others pay Council Tax in Bristol but live elsewhere
- 1 is a South Gloucestershire resident and Council Tax-payer
- 1 is a student in Bristol
- 1 is a foster carer
- 1 stated they are a Disabled citizen
- 1 stated they had needed support from the council in the past and were now self-reliant.
- 6 selected ‘other’ but gave no details.

3.5 Respondents who provided email feedback

12 responses to the consultation were received via email. All 12 emails were received from citizens. These are in addition to the 2,547 survey responses.

The email text has been analysed with the free text responses to question 5 of the survey and is reported with the survey free text feedback in chapter 5.

4 Survey results: level of Council Tax and Social Care Precept

4.1 Level of core Council Tax and Social Care Precept – all respondents

4.1.1 Core Council Tax

Respondents were asked to state which level of Council Tax they would prefer in 2024/25, choosing from the following four options.

- **Option CT0: No increase to Council Tax**. This option would increase our funding gap by £8.2 million and require other savings each year to close the forecast budget gap[21].
- **Option CT1: An increase of 1% to Council Tax**. This option would raise £5.5 million less than our forecast for 2024/25, so we would have to find £5.5 million more in other savings each year to close the forecast budget gap. This option would contribute £2.7 million to support the delivery of services, and would add around 30 pence per week to the Council Tax bill for Band B properties.
- **Option CT2: An increase of 2% to Council Tax**. This option would raise £2.7 million less than our forecast for 2024/25, so we would have to find £2.7 million more in other savings each year to close the forecast budget gap. This option would contribute £5.5 million to support the delivery of services, and would add around 60 pence per week to the Council Tax bill for Band B properties.
- **Option CT3: An increase of 3% to Council Tax**[22]. This option would raise £8.2 million to support the delivery of services. This is the amount we have assumed in our forecast for 2024/25. This option would add around 90 pence per week to the Council Tax bill for Band B properties.

2,485 respondents (98% of the 2,547 people who responded to the consultation survey), stated their preference for the level of core Council Tax. A majority (1,641 respondents; 66%) favour an increase in core Council Tax to support general services in 2024/25 (Figure 14).

- 1,046 (42%) would prefer a 3% increase in core Council Tax. This is the option with the highest support
- 316 (13%) favour a 2% increase
- 279 (11%) favour a 1% increase
- 844 (34%) respondents would prefer ‘no increase to Council Tax’ in 2024/25. This is the option with the second highest support
- 62 respondents did not give a view on Council Tax.

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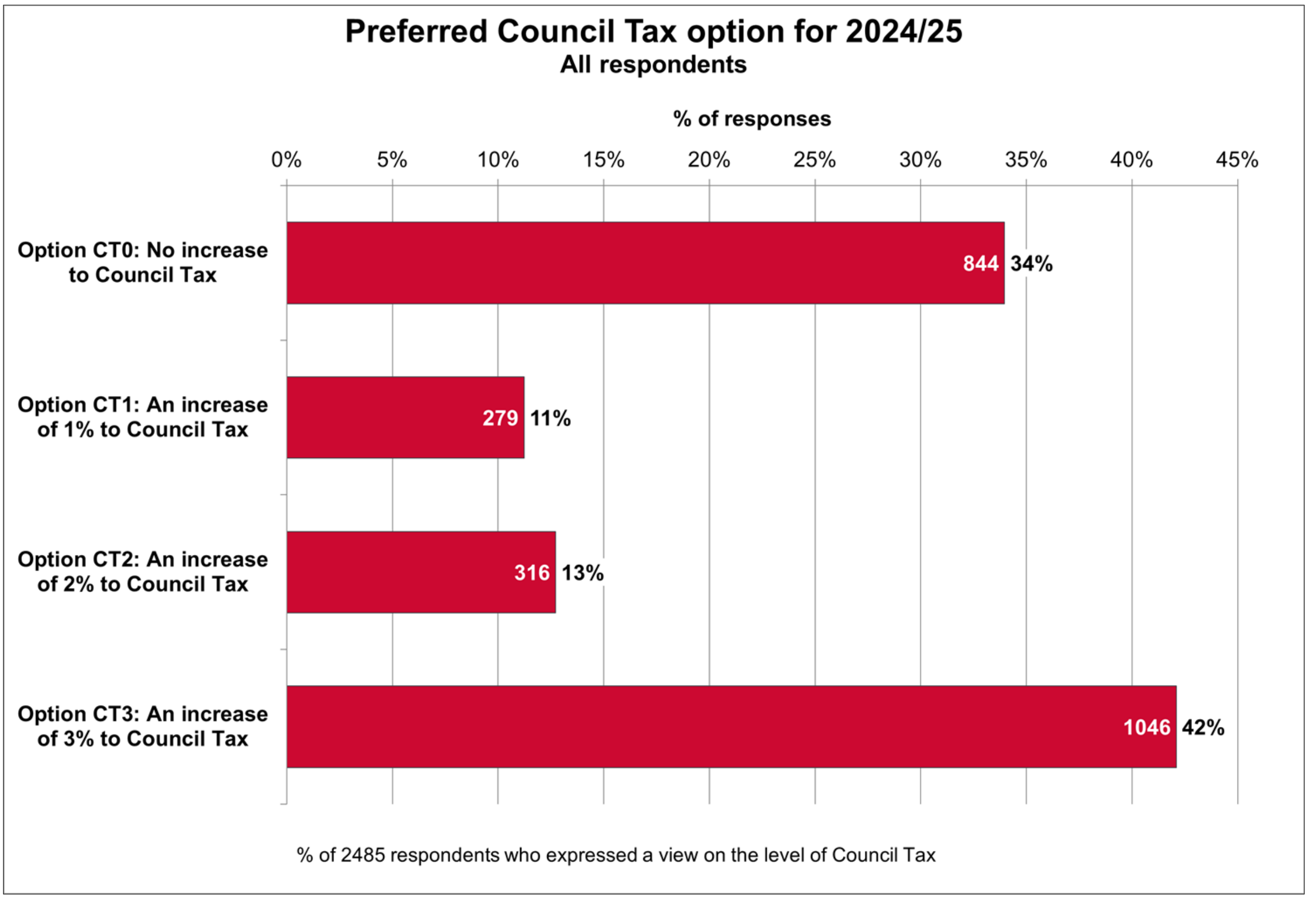
[21] In forecasting the budget gap, our planning assumed an increase in Council Tax of 3% and a Social Care Precept of 2% in 2024/25. No decision has been taken on the level of Council Tax increase or Social Care Precept; this will be decided by Full Council in February 2024. Every 1% increase in the level of Council Tax would also raise around £2.7 million towards meeting the council’s rising costs.

[22] An increase up to 3% in core Council Tax is the maximum permitted without requiring a local referendum.

Figure 14: Preferred level of core Council Tax increase in 2024/25



4.1.2 Social Care Precept

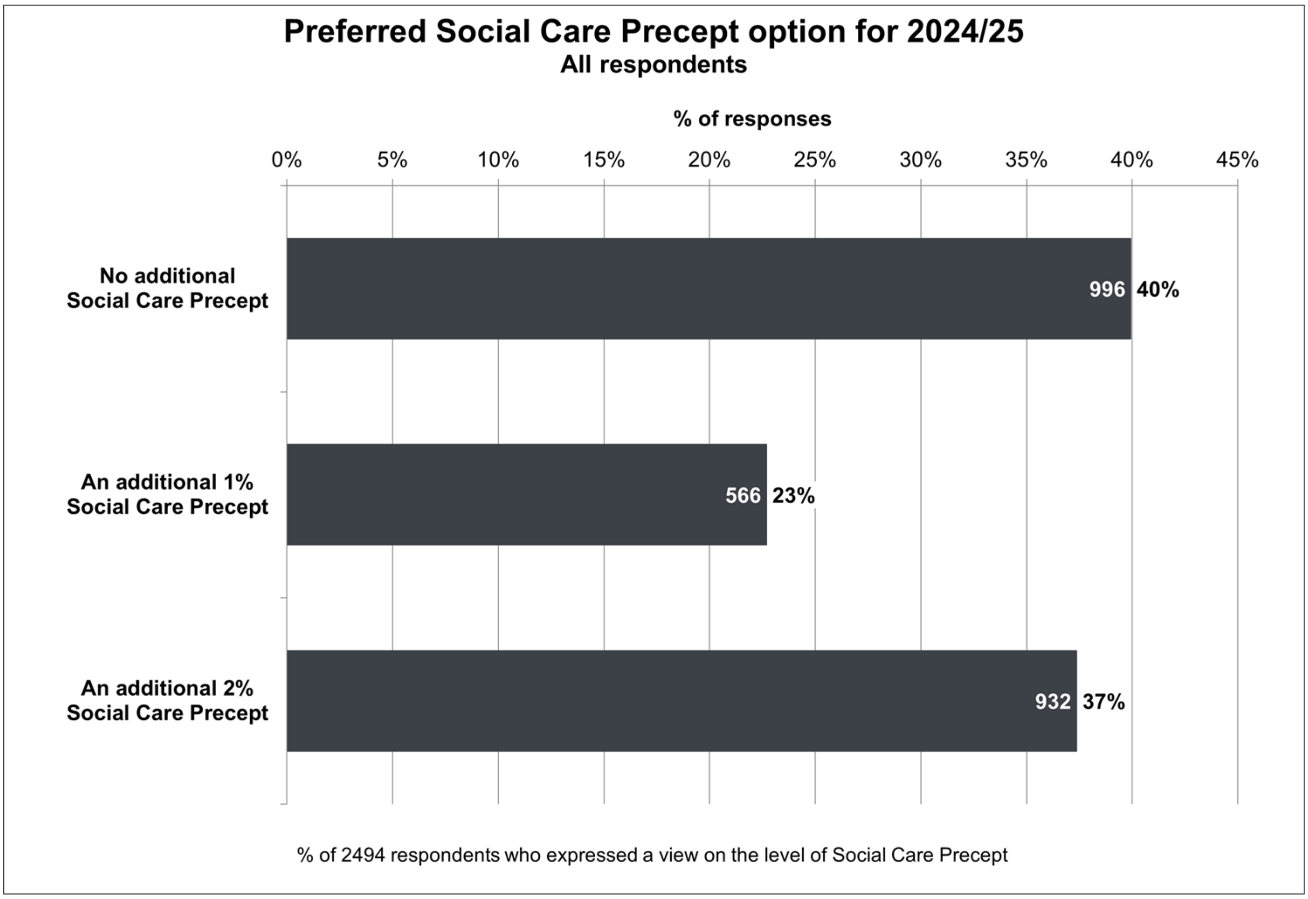
Respondents were also asked to state which level of Social Care Precept they would prefer in 2024/25, choosing from three options:

- **No additional Social Care Precept**. This option would raise no extra income to support the delivery of adult social care in 2024/25. This is £5.5 million less than our forecast for 2024/25, so we would need to find £5.5 million from other sources to fund adult social care.
- **An additional 1% Social Care Precept**. This would be an extra 1% increase to Council Tax in addition to the increase in core Council Tax. This option would raise £2.7 million less than our forecast for 2024/25, so we would need to find £2.7 million from other sources to fund adult social care. This option would contribute £2.7 million to support the delivery of adult social care and would add around 30 pence per week to the Council Tax bill for Band B properties.
- **An additional 2% Social Care Precept**. This would be an extra 2% increase to Council Tax in addition to the increase in core Council Tax. This option would raise £5.5 million to support the delivery of adult social care. This is the amount we have assumed in our forecast for 2024/25. This option would add around 60 pence per week to the Council Tax bill for Band B property.

2,494 respondents (98% of the 2,547 people who responded to the consultation survey), stated their preference for the level of Social Care Precept. A majority (1,498 respondents; 60%), favour some Social Care Precept (on top of core Council Tax) to support the delivery of social care in 2024/25 (Figure 15).

- 932 (37%) would prefer a 2% Social Care Precept. This is the option with the second highest support
- 566 (23%) favour a 1% Social Care Precept
- 966 (40%) respondents would prefer no Social Care Precept in 2024/25. This is the option with the highest support
- 53 respondents did not give a view on Social Care Precept.

Figure 15: Preferred level of Social Care Precept in 2024/25



4.1.3 Combinations of core Council Tax and Social Care Precept

Figure 16 shows the percentage of the 2,547 respondents who prefer each combination of Council Tax increase (0%, 1%, 2% or 3%) and Social Care Precept (0%, 1% or 2%) proposed in the consultation.

In Figure 16, each of the coloured rectangles represents a combination of one Council Tax option (0%, 1%, 2% or 3%) and one Social Care Precept option (0%, 1% or 2%). For example, the top left green rectangle is the combination of no increase to Council Tax and no Social Care Precept. 28% of respondents favour this option. The bottom right green rectangle is a 3% increase to Council Tax and a 2% Social Care precept.

Options with lower support appear red; those with higher support are green.

The rightmost (white) column shows the percentages of respondents who gave their views on each Council Tax option but did not provide a view on Social Care Precept. The bottom row shows the percentages of respondents who gave their views on each Social Care Precept option but did not provide a view on Council Tax.

The numbers in the coloured circles show the total percentage increase in Council Tax plus Social Care Precept for each combination. For example, 2 indicates a 2% total increase, which could comprise:

- No Council Tax increase plus 2% Social Care Precept; or
- 1% Council Tax increase plus 1% Social Care Precept; or
- 2% Council Tax increase with no Social Care Precept.

Figure 16: Preferred combinations for Council Tax and Social Care Precept

Percentage of respondents who prefer each combination of Council Tax and Social Care Precept

	No additional Social Care Precept	An additional 1% Social Care Precept	An additional 2% Social Care Precept	No view on Social Care Precept
No increase to Council Tax	28% (0)	3% (1)	2% (2)	0.3%
1% increase to Council Tax	3% (1)	7% (2)	1% (3)	0.1%
2% increase to Council Tax	3% (2)	6% (3)	3% (4)	0.1%
3% increase to Council Tax	5% (3)	6% (4)	30% (5)	0.2%
No view on Council Tax	0.4%	0.2%	0.3%	1%

Key

0 No change to Council Tax or Social Care Precept

1 1% increase from Council Tax plus Social Care Precept

2 2% increase from Council Tax plus Social Care Precept

3 3% increase from Council Tax plus Social Care Precept

4 4% increase from Council Tax plus Social Care Precept

5 5% increase from Council Tax plus Social Care Precept

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Figure 16 shows that:

- The option with the highest support (30% of 2,547 respondents) is a 3% increase in core Council Tax and a 2% Social Care Precept. This is the maximum increase permitted under government limits announced on 18 December 2023 in the [Provisional local government finance settlement: England, 2024 to 2025]
- The second most popular option (28% of 2,547 respondents) is no increase in core Council Tax and no Social Care Precept.
- The third most popular option is 1% increase in core Council Tax and 1% Social Care Precept. This has substantially lower support (7% of 2,547 respondents).
- For options where Council Tax and Social Care Precept are not the same, more respondents favour a higher increase in Council Tax than Social Care Precept. For example:
    - 6% favour 2% increase in core Council Tax with 1% Social Care Precept, compared to 1% who prefer a 1% increase in core Council Tax with 2% Social Care Precept
    - 3% favour 2% increase in core Council Tax with no Social Care Precept, compared to 2% who prefer no increase in core Council Tax with 2% Social Care Precept

4.2 Views on core Council Tax in areas with different levels of deprivation

Views on the preferred level of core Council Tax were compared for respondents in areas with different levels of deprivation, to check for any significant differences. The comparison used the postcodes provided by respondents in Bristol to match each response to one of 10 deprivation bands (deciles) as described in section 3.3.

Figure 17 shows the percentage of respondents from each deprivation decile who want a 0%, 1%, 2% or 3% increase in core Council Tax in 2024/25. This is based on the 1,944 Bristol respondents who stated a preferred option for core Council Tax and provided a full postcode[23]. Figure 17 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure 17 shows that preference for higher core Council Tax tends to increase as deprivation reduces.

Support for the maximum **3% increase** in Council Tax is highest in the least deprived 30% of Bristol, with 60% of respondents preferring a 3% increase in decile 9, 53% in decile 8 and 52% in decile 10. Support for a 3% increase is lowest in the most deprived 20% of Bristol; 30% in decile 1 and 28% in decile 2 support a 3% increase.

Support for **no increase** in core Council Tax is highest among respondents in the most deprived 20% of Bristol, with 42% of respondents in decile 1 and 43% in decile 2 favouring no increase. Support for no increase in Council Tax reduces to 22% in decile 9, 24% in decile 8 and 25% in decile 10 (the least deprived 30%).

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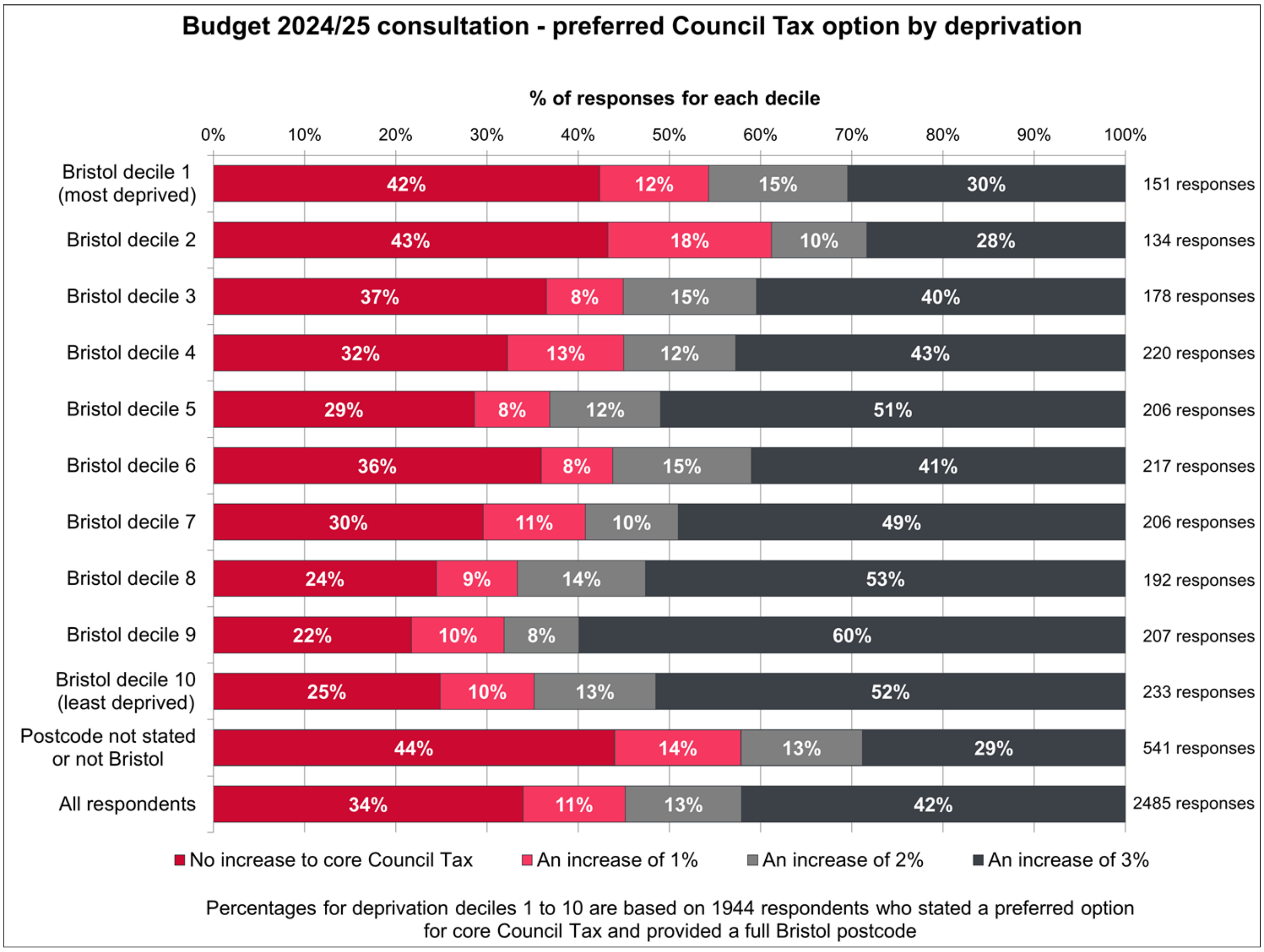
23 Incomplete postcodes cannot be matched to the deprivation data.

A 3% increase in Council Tax is the most popular option in all deciles except the most deprived deciles 1 and 2. For deciles 1 and 2, no increase is the preferred option (42% of respondents in decile 1; 43% in decile 2) and a 3% increase is the second most popular option (30% of respondents in decile 1; 28% in decile 2).

Support for 1% and 2% increases in Council Tax do not show a clear trend between more deprived and less deprived areas. A 1% increase in Council Tax is the least popular option in six deciles (deciles 1, 3, 5, 6, 8 and 10). A 2% increase in Council Tax is the least popular option in the other four deciles (deciles 2, 4, 7 and 9).

The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to an average of the most deprived deciles 1 and 2. 44% in this group favour no increase and 29% support a 3% increase.

Figure 17: Preference in each deprivation decile for the core Council Tax options

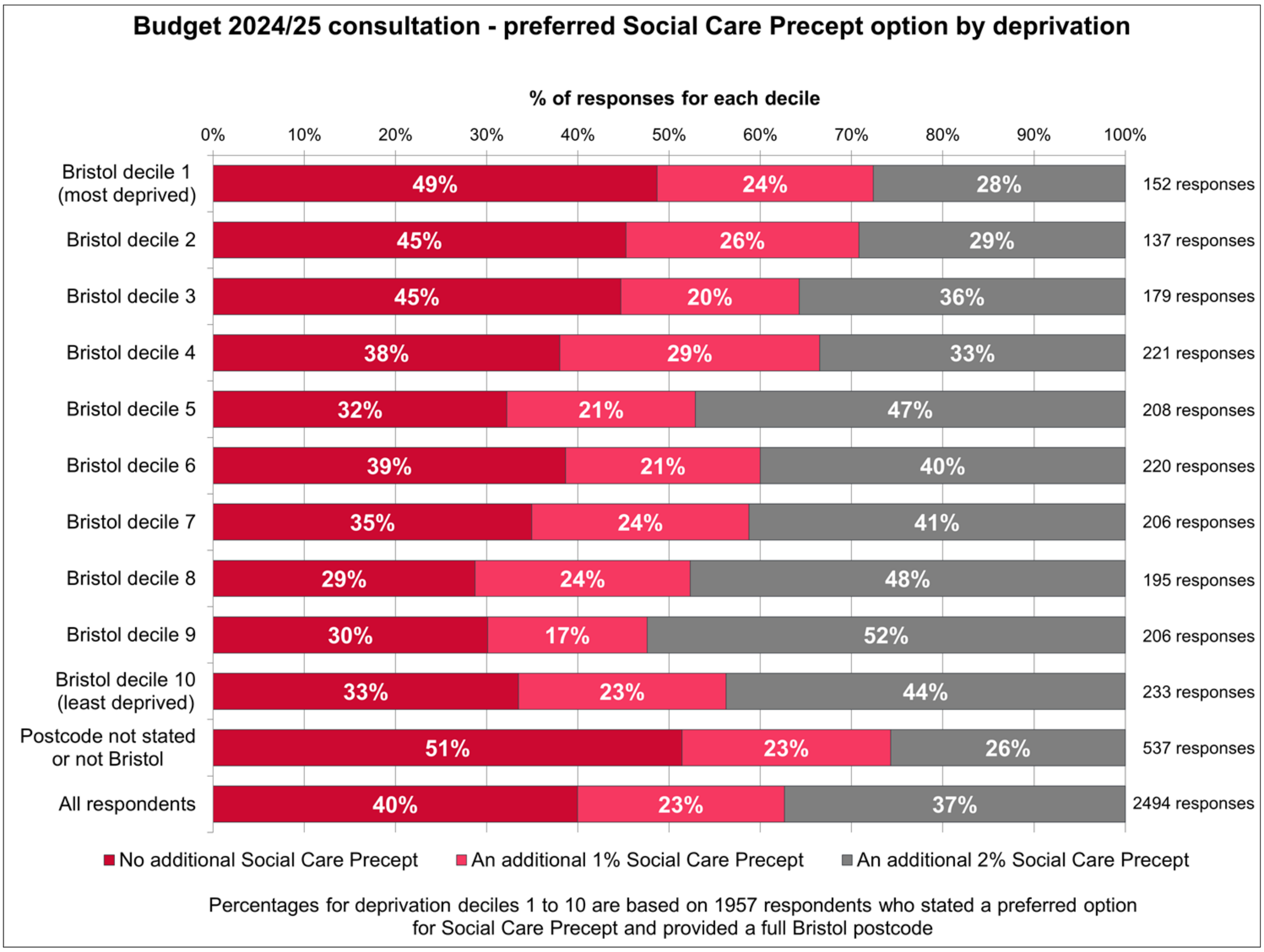


4.3 Views on Social Care Precept in areas with different levels of deprivation

Views on the preferred level of Social Care Precept were also compared for respondents in areas with different levels of deprivation, to check for any significant differences in views.

Figure 18 shows the percentage of respondents from each deprivation decile who want a 0%, 1% or 2% Social Care Precept in 2024/25. This is based on the 1,957 Bristol respondents who stated a preferred option for Social Care Precept and provided a full postcode. Figure 18 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure 18: Preference in each deprivation decile for the Social Care Precept options



As with core Council Tax, support for a Social Care Precept follows an inverse trend with deprivation (Figure 18).

Support for no Social Care Precept decreases from 49% in decile 1 (most deprived) to 29% in decile 8 (with slightly higher figures of 30% in decile 9 and 33% in decile 10). Conversely, support for 2% Social Care Precept increases from 28% in decile 1 to 52% in decile 9 (44% in decile 10).

A 2% Social Care Precept is the most popular option in deciles 5 to 10. In the most deprived deciles 1 to 4, preference for no Social Care Precept exceeds support for a 2% precept.

A 1% Social Care Precept is the least popular option in all deciles.

The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to the most deprived decile 1. In this group, 51% favour no increase and 26% support a 2% increase.

Comparison of Figures 17 and 18 shows a greater willingness to pay more Council Tax than Social Care Precept. More people support the maximum 3% increase in Council Tax than support the maximum 2% Social Care Precept, for all deprivation deciles except decile 2. This is also the case for respondents who provided no postcode or a non-Bristol postcode.

4.4 Views on increasing Council Tax more than 3% and Social Care Precept above 2%

4.4.1 Overview

The Budget 2024/25 consultation was launched before the government announced the limits for the level of Council Tax increase or Social Care Precept for 2024/25. To ensure we could take into account the public's views on any possible scenario the government might announce, respondents were asked if they would be prepared to pay an increase of more than 3% in core Council Tax and/or more than 2% Social Care Precept, if the government announced this is permitted in 2024/25.

The Provisional local government finance settlement: England, 2024 to 2025 published on 18 December 2023 set out that these larger increases would not be permitted in 2024/25.

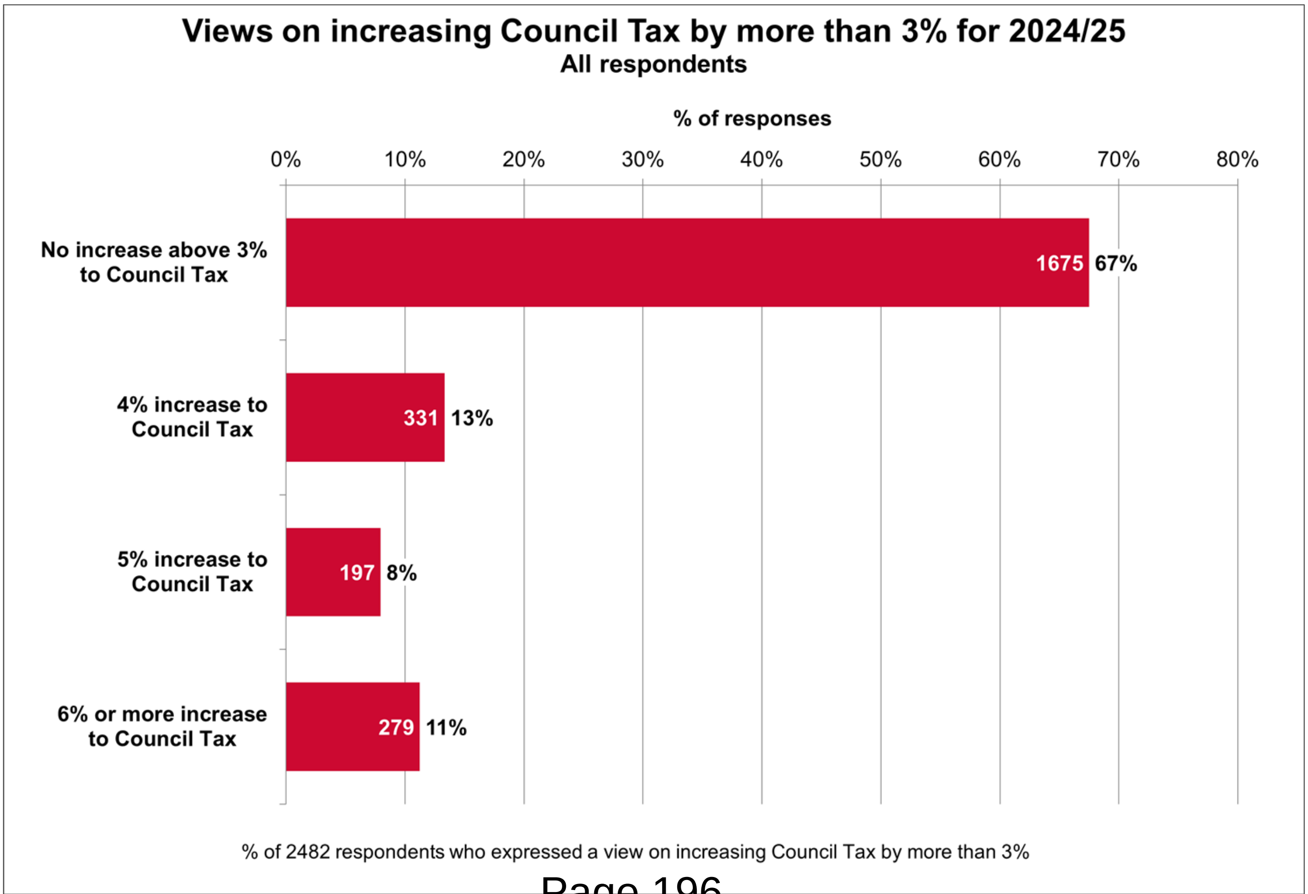
4.4.2 An increase in core Council Tax of more than 3%

Respondents were asked if they would prefer to pay no increase in Council Tax above 3%, or an increase of 4%, 5%, or 6% or more in 2024/25, in case the government allowed this.

2,482 respondents (97% of 2,547 surveys) stated their preference (Figure 19). Of these:

- 1,675 (67%) opted for no increase above 3% to core Council Tax
- 331 (13%) favour a 4% increase
- 197 (8%) favour a 5% increase
- 279 (11%) respondents would support an increase of 6% or more to Council Tax
- 65 respondents did not give a view on increasing Council Tax above 3%.

Figure 19: Views on increasing Council Tax by more than 3%



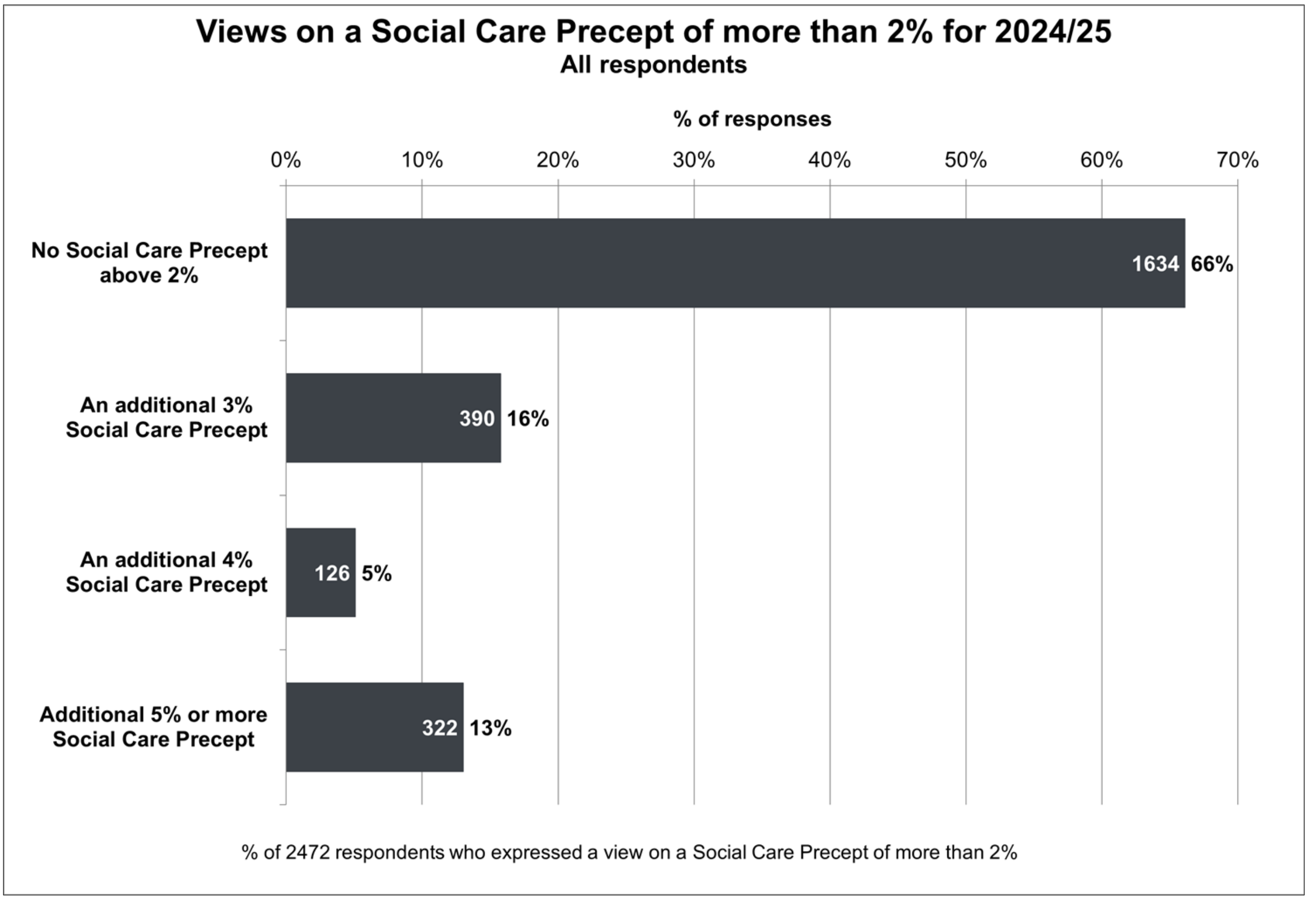
4.4.3 A Social Care Precept of more than 2%

Respondents were asked if they would prefer to pay no Social Care Precept above 2%, or a Social Care Precept of 3%, 4%, or 5% or more in 2024/25, in case government allowed this.

2,472 respondents (97% of 2,547 surveys) stated their preference (Figure 20). Of these:

- 1,634 (66%) opted for no Social Care Precept above 2%
- 390 (16%) would prefer a 3% Social Care Precept
- 126 (5%) favour a 5% Social Care Precept
- 322 (13%) respondents would support a Social Care Precept 6% or more
- 75 respondents did not give a view on a Social Care Precept of more than 2%.

Figure 20: Views on a Social Care Precept of more than 2%



4.4.4 Combinations of Council Tax increase above 3% and Social Care Precept above 2%

Figure 21 shows the percentage of the 2,547 respondents who prefer each combination of the options for Council Tax increase above 3% and Social Care Precept of more than 2%.

In Figure 21, each of the coloured rectangles represents a combination of one Council Tax option (no increase above 3%, or increases of 4%, 5%, or 6% or more) and one Social Care Precept option (no precept above 2%, or a precept of 3%, 4%, or 5% or more). For example, the top left green rectangle is the combination of no increase above 3% to Council Tax and no Social Care Precept above 2%. 57% of respondents favour this option. The bottom right green rectangle is an increase of 6% or more to Council Tax and a Social Care precept of 5% or more. Options with lower support appear red; those with higher support are green.

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The rightmost (white) column shows the percentages of respondents who gave their views on each Council Tax option but did not provide a view on Social Care Precept. The bottom row shows the percentages of respondents who gave their views on each Social Care Precept option but did not provide a view on Council Tax.

The numbers in the coloured circles show the total percentage increase in Council Tax plus Social Care Precept for each combination. For example, 8 indicates an 8% total increase, which could comprise:

- 5% Council Tax increase plus 3% Social Care Precept; or
- 4% Council Tax increase plus 4% Social Care Precept.

Figure 21: Views on combinations of higher Council Tax and Social Care Precept

Percentage of respondents who prefer each combination of Council Tax increase above 3% and Social Care Precept above 2%

	No Social Care Precept above 2%	An additional 3% Social Care Precept	An additional 4% Social Care Precept	An additional 5% or more Social Care Precept	No view on Social Care Precept above 2%
No increase above 3% to Council Tax	57% ≤5	6% ≤6	1% ≤7	1% ±8	1%
4% increase to Council Tax	4% ≤6	7% 7	1% 8	1% ≥9	0.4%
5% increase to Council Tax	1% ≤7	2% 8	3% 9	2% ≥10	0%
6% or more increase to Council Tax	1% ±8	0% ≥9	0% ≥10	9% ≥11	0%
No view on an increase above 3% to Council Tax	1%	0.1%	0.1%	0.1%	1%

Key

- ≤5 No more than 5% increase from Council Tax plus Social Care Precept
- ≤6 No more than 6% increase from Council Tax plus Social Care Precept
- ≤7 No more than 7% increase from Council Tax plus Social Care Precept
- ±8 No more than 3% increase from Council Tax plus 5% or more Social Care Precept OR no more than 2% Social Care Precept plus 6% or more increase in Council Tax
- 7 7% increase from Council Tax plus Social Care Precept
- 8 8% increase from Council Tax plus Social Care Precept
- 9 9% increase from Council Tax plus Social Care Precept
- ≥9 9% or more increase from Council Tax plus Social Care Precept
- ≥10 10% or more increase from Council Tax plus Social Care Precept
- ≥11 11% or more increase from Council Tax plus Social Care Precept

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Figure 21 shows that:

- The option with the highest support (57% of 2,547 respondents) is no increase above 3% to core Council Tax and no Social Care Precept above 2%.
- The second most popular option is an increase of 6% or more to Council Tax and a Social Care precept of 5% or more. This is the maximum option included in the budget consultation. This option has substantially lower support (9% of 2,547 respondents) than the no further increases option.
- The third most popular option is a 4% increase in core Council Tax and 3% Social Care Precept. This favoured by 7% of 2,547 respondents.
- Options with much higher Council Tax and low Social Care Precept (bottom left area of Figure 21), or low Council Tax and much higher Social Care Precept (top right area of Figure 21) are the least popular
- 38% of respondents[24] would select combination of core Council Tax increase above 3% and/or Social Care Precept above 2% if levels of core Council Tax above 3% and Social Care Precept above 2% were permitted by national government. Note that this is more than the 30% who opted for the maximum permitted 3% core Council Tax and 2% Social Care Precept in questions 1 and 2 (section 4.1.3)

4.5 Views on increasing Council Tax above 3% for areas of different deprivation

Views on an increase in core Council Tax above 3% were compared for respondents in areas with different levels of deprivation, to check for any significant differences. The comparison used the postcodes provided by respondents in Bristol to match each response to one of 10 deprivation bands (deciles) as described in section 3.3.

Figure 22 shows the percentage of respondents from each deprivation decile who would prefer to pay no increase in Council Tax above 3%, or an increase of 4%, 5%, or 6% or more in 2024/25, if the government allowed it. This is based on the 1,946 Bristol respondents who stated a preferred option for increases in core Council Tax above 3% and provided a full postcode[25]. Figure 22 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure 22 shows that no increase above 3% for core Council Tax is the most popular option in all deciles, supported by between 55% and 80% of respondents.

Preference for higher core Council Tax tends to increase as deprivation reduces. This trend broadly mirrors the results in Figure 17 for Council Tax options up to 3%.

[24] 38.4% of respondents would select a core Council Tax increase of 4% or more and/or a Social Care Precept of 3% or more. The 38.4% excludes the 4.1% of respondents who did not give a view on Council Tax and or Social Care Precept (the white row and column in Figure 21) and the 57.4% who opted for no increase above 3% to core Council Tax and no Social Care Precept above 2%.

[25] Incomplete postcodes cannot be matched to the deprivation data.

Support for the maximum increase of **6% or more** in Council Tax is highest in decile 9 at 16%. Support for an increase of 6% or more is lowest in the most deprived 20% of Bristol; 5% in decile 1 and 8% in decile 2.

Support for a **5% increase** in core Council Tax similarly rises as deprivation decreases, from 5% in the most deprived 20% of areas (deciles 1 and 2) to 15% in decile 9.

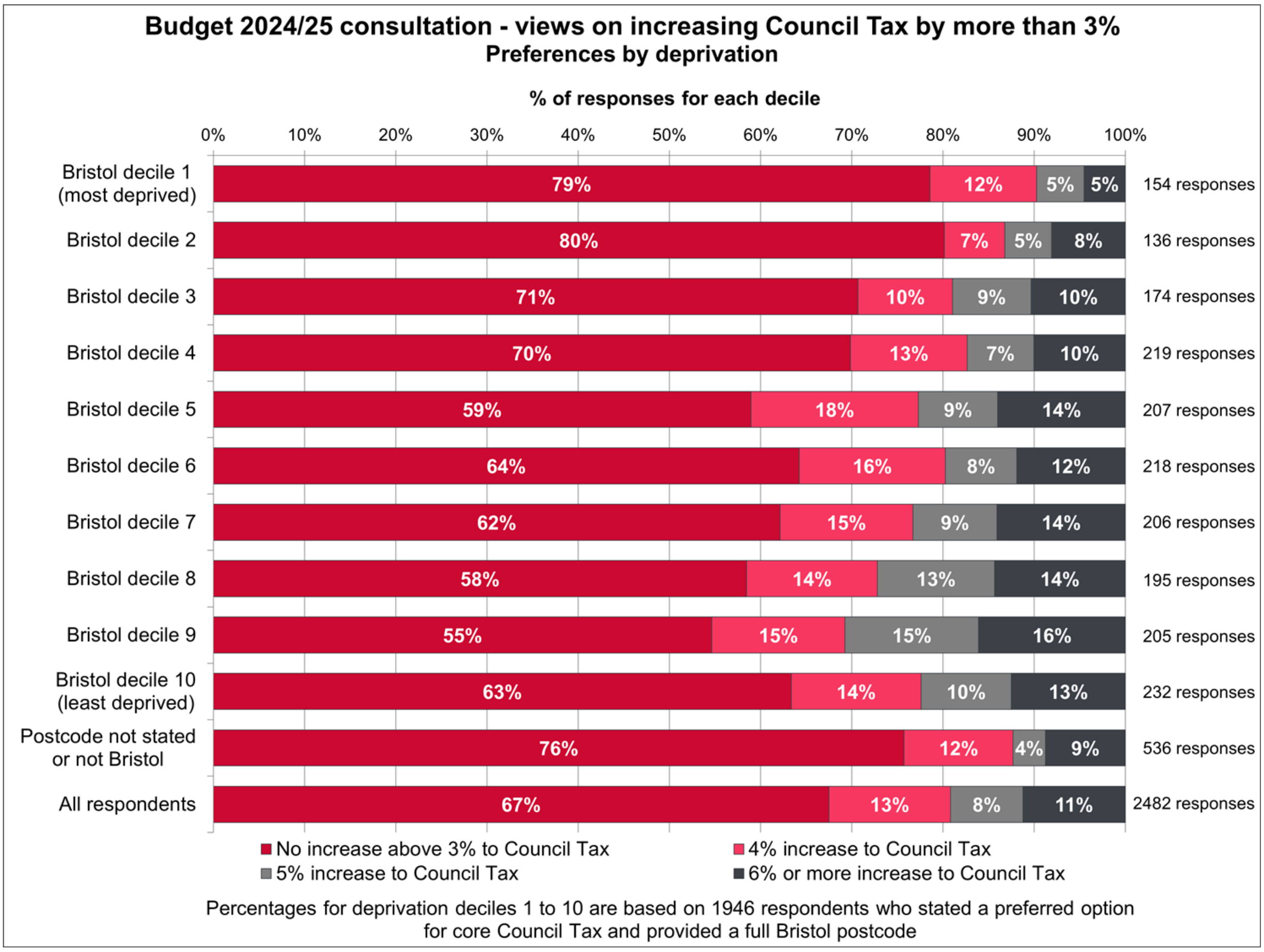
Support for a **4% increase** shows a weaker trend, but support for this option is still higher in the least deprived 30% of areas, than the most deprived 30%.

Support for **no increase above 3%** in core Council Tax is highest among respondents in the most deprived 20% of Bristol, with 79% of respondents in decile 1 and 80% in decile 2 preferring no increase above 3%. Support for no increase above 3% for core Council Tax reduces to 58% in decile 8 and 55% in decile 9.

Respondents in the least deprived decile 10 deviate from this trend, by showing lower willingness than decile 9 to pay more. 13% of respondents in decile 10 opted for a core Council Tax increase of 6% or more, 10% prefer a 5% increase, and 63% favour no increase above 3%.

The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to an average of the most deprived deciles 1 and 2. 76% in this group favour no increase above 3%, and 9% support an increase in corer Council Tax of 6% or more.

Figure 22: Preference in each deprivation decile for core Council Tax above 3%

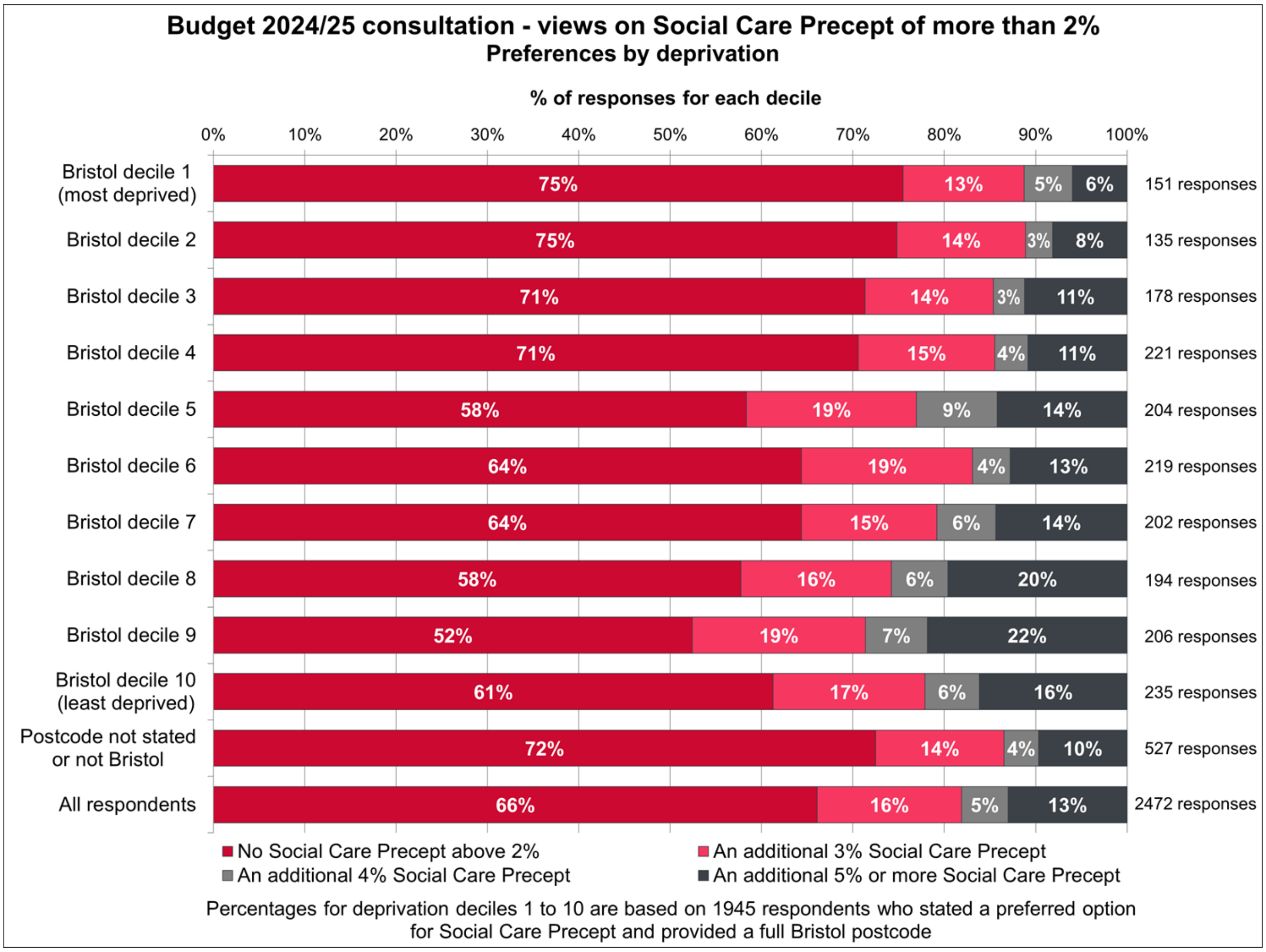


4.6 Views on increasing Social Care Precept above 2% for areas of different deprivation

Views on a Social Care Precept above 2% were compared for respondents in areas with different levels of deprivation, to check for any significant differences. The comparison used the postcodes provided by respondents in Bristol to match each response to one of 10 deprivation bands (deciles) as described in section 3.3.

Figure 23 shows the percentage of respondents from each deprivation decile who would prefer to pay no Social Care Precept above 2%, or a Social Care Precept of 3%, 4%, or 5% or more in 2024/25, if the government allowed it. This is based on the 1,945 Bristol respondents who stated a preferred option for increases in Social Care Precept above 2% and provided a full postcode[26]. Figure 23 also shows the views of people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure 23: Preference in each deprivation decile for Social Care Precept above 2%



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26 Incomplete postcodes cannot be matched to the deprivation data.

Figure 23 shows that no Social Care Precept above 2% is the most popular option in all deciles, supported by between 52% and 75% of respondents.

Preference for higher Social Care Precept tends to increase as deprivation reduces. This trend broadly mirrors the results in Figure 18 for Social Care Precept options up to 2%.

Support for the maximum Social Care Precept option of **5% or more** is highest in decile 9 at 22%. Support for a precept of 5% or more is lowest in the most deprived 20% of Bristol; 6% in decile 1 and 8% in decile 2.

Support for a **4% Social Care Precept** rises as deprivation decreases, from between 3% and 5% in the most deprived 30% of areas (deciles 1, 2 and 2) to 7% in decile 9.

Support for a **3% Social Care Precept** increases from 13% to 14% in the most deprived deciles 1, 2 and 3 to 19% in decile 9.

Support for **no Social Care Precept above 2%** is highest among respondents in the most deprived 20% of Bristol, with 75% of respondents in deciles 1 and 2. Support for no Social Care Precept above 2% reduces to 52% in decile 9.

Respondents in the least deprived decile 10 deviate from this trend, by showing lower willingness than decile 9 to pay more. 16% of respondents in decile 10 opted for a Social Care Precept of 5% or more, 6% prefer a 4% precept, 17% prefer a 3% precept, and 61% favour no precept above 2%.

The views of respondents who did not provide a postcode or gave a non-Bristol postcode are similar to an average of the most deprived deciles 1, 2 and 3. 72% in this group favour no Social Care Precept above 2%, and 10% support a Social Care Precept of 5% or more.

4.7 Reasons for Council Tax and Social Care Precept levels chosen

4.7.1 Overview

Of the 1,158 free text survey and email responses, 738 (64%) explained their preference for the level of Council Tax or made other comments about Council Tax. 295 (25%) provided comments about Social Care Precept.

4.7.2 Comments about Council Tax

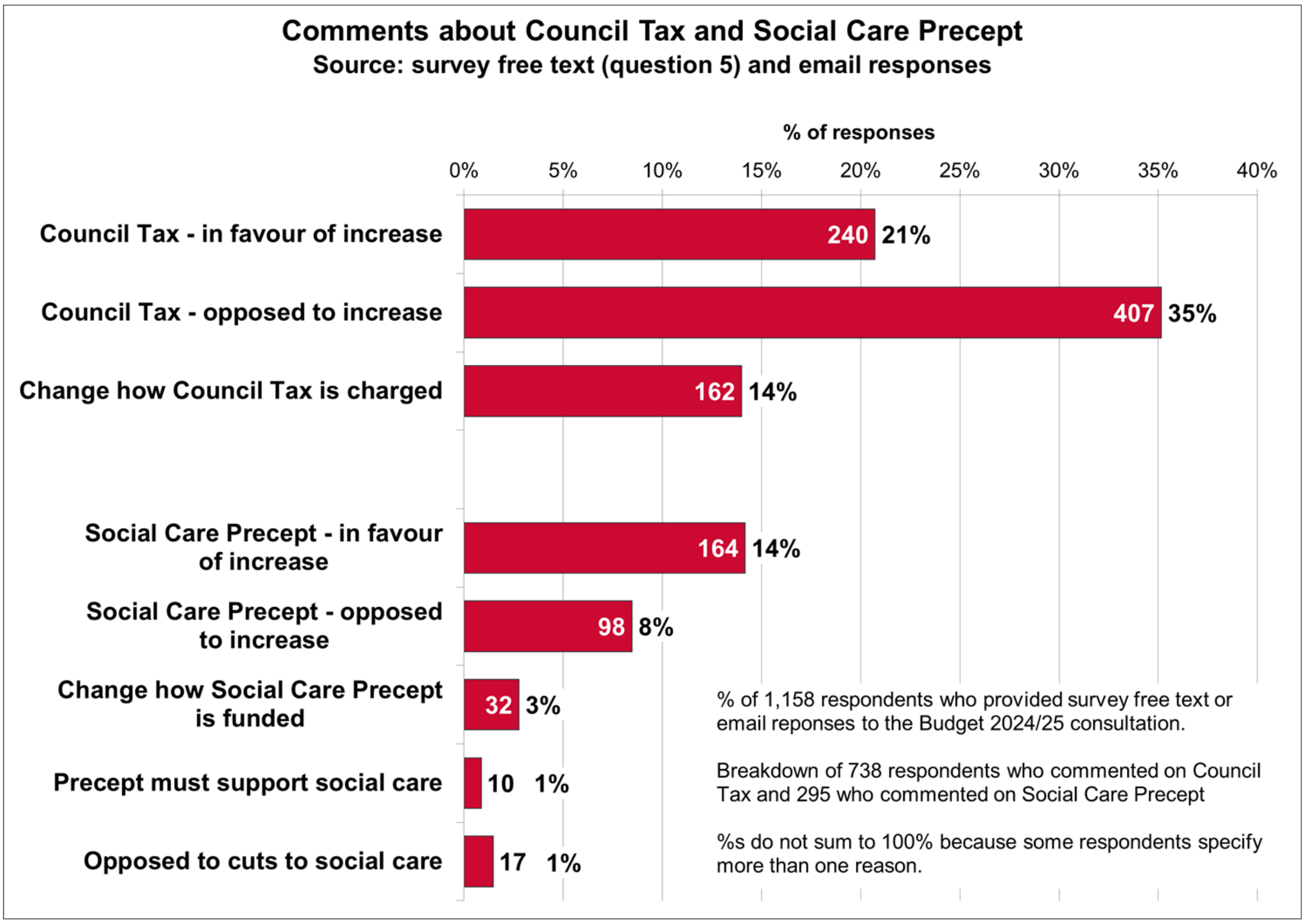
4.7.2.1 Summary

Of the 738 respondents (64%) who made comments or suggestions about Council Tax (Figure 24):

- 240 (21% of 1,158 respondents) made comments in favour of increasing Council Tax
- 407 (35%) gave reasons why they oppose an increase to Council Tax
- 162 (14%) said that they thought that Council Tax should be charged in a different way.

A further breakdown of these comments is provided below. All percentages are percentages of the 1,158 free text survey and email responses. Because a single respondent might comment on several issues, the total percentages will exceed 100%.

Figure 24: Comments about Council Tax and Social Care Precept



4.7.2.2 Comments in favour of increasing Council Tax

240 (21%) respondents made comments in support of increasing Council Tax. Comments addressed the following issues.

- **Support for a Council Tax increase**
    - Recognition that Council Tax increases and increased funding are necessary due to government cuts and financial challenges
    - In stating support for an increase, respondents drew attention to economic challenges, including inflation, the rising cost of living, and the need for a fair and just distribution of financial burdens
    - Calls for a balanced approach to the increase considering both the need for increased funding and the financial constraints of many residents
    - Importance of affordability in determining the extent of the tax increase
- **Acknowledgment of personal affordability**
    - Higher earning individuals stated their willingness to contribute more to support essential services
- **Importance of essential services**
    - Importance of maintaining or improving local services despite inflationary pressures on incomes
    - Recognition that increased public spending is necessary to improve efficiency and capacity
    - Recognition of the community's responsibility to support essential services
    - Expressions of social awareness and a sense of duty to contribute to the well-being of the city's residents
    - Willingness to pay higher Council Tax to prevent cuts to essential services for vulnerable populations, emphasising the importance of services for both adults and children
- **Transparency and accountability**
    - Requests for assurance that increased taxes will result in tangible improvements for citizens
    - Desire for transparency in how additional funds will be utilised
    - Calls for robust accountability mechanisms to ensure the effective use of increased tax revenue
- **Suggestions for the appropriate percentage increase for Council Tax:**
    - This was often linked to personal circumstances (highly dependent on individual income), inflation rate or the perceived needs of the service. Respondents advocated for balance between the tax burden on citizens and the budget needs of the council.

4.7.2.3 Comments from respondents opposed to increasing Council Tax

407 (35%) respondents provided free text comments opposed to an increase to Council Tax. Among these respondents, there was widespread acknowledgement that services are important and need to be funded, but an unwillingness to pay more Council Tax. Respondents gave the following reasons.

- **Financial difficulties and cost of living**
    - Challenges in heating homes and maintaining a minimal food budget, with fears that increased Council Tax would put a further strain on their situation, particularly for single parents
    - High cost of living/inability to make ends meet, contributing to homelessness and potential eviction due to missed mortgage payments
    - Concerns about increased criminal activity due to financial struggles of other citizens
- **Doubts about the council's effective allocation of Council Tax funds**
    - Respondents were concerned that funds would not be used to address specific issues faced by, and of importance to, respondents. One respondent voiced reticence to pay more without more information about the council's accounts
- **Suggestions for alternative solutions to an increase**
    - Recommendations for alternatives to increasing Council Tax were cuts to services and service budgets, better investment strategies, and streamlining Bristol City Council.

4.7.2.4 Suggestions for how Council Tax should be charged differently.

162 (14%) respondents suggested changes to the way that Council Tax is charged overall. Comments and suggestions included the following.

- **Comprehensive reassessment of Council Tax bands:** This included criticism of the existing "antiquated" banding system. Recommendations were for reassessments to be based on:
    - Property size
    - Street space, and local facilities
    - Raising taxes proportionately to income in certain areas
- **Graduated increases to Council Tax:** Graduated increases would involve higher bands paying a larger percentage uplift. Suggested charging structures included:
    - A graduated increase where band C would pay 1% more, bands D and E would pay 3% more, and bands F, G, and H would pay 5% more
    - No increase for bands A to C, a 3% increase for bands D to F, and 5% or more for bands G and H

- **A means-tested approach**
  - Recommendations for means-testing Council Tax rates based on factors such as income, wealth, household size, and age of residents
  - Time-limited increases: households earning above a certain threshold with a high disposable income would pay a higher Council Tax for a specific duration. This would be set at five years for new residents in Bristol and two years for people who currently live in Bristol
  - Explore the option of doubling Council Tax on second homes, to be aimed at individuals less engaged in the community
- **Exemptions, reductions, and incentives**
  - Calls for Council Tax exemptions for individuals over 65 and reduced rates for individuals living alone
  - Perceived inequity in Council Tax for multiple residents in flats compared to single occupants in larger properties
  - Consider a discount for people who pay Council Tax bills on time. This could encourage prompt payment and reduce the costs of chasing council tax debt
- **A flat fee for adults**
  - Charge Council Tax as a flat fee for every adult over 18, eliminating the connection to property size
- **Flexibility in allocation**
  - More choice for citizens in decisions about how Council Tax is spent
- **Student contributions**
  - Proposal to require financial contributions from students as part of the Council Tax system
  - Proposal to require financial contributions from universities
- **Landlords and housing**
  - Recommendations included increasing taxes on landlords, particularly those renting to students, and introducing Short Term Let licenses to regulate Airbnb operations. This aimed both to generate additional revenue for the council and alleviate the impact of Airbnb on permanent residents
- **Specific tax initiatives**
  - More local tax-raising powers through devolution
  - Adopting initiatives akin to B&NES Council's approach, focusing on levying additional funds through similar mechanisms
  - A proposal to deduct funds from people with ‘non’dom’ status and the salaries of Members of Parliament (MPs) to contribute to council finances.

4.7.3 Comments about Social Care Precept

4.7.3.1 Summary

Of the 295 respondents (25%) who made comments or suggestions about Social Care Precept (Figure 24), there was a diverse range of opinions:

- 164 (14% of 1,158 respondents) commented in favour of increasing Social Care Precept.
- 98 (8%) gave reasons why they oppose an increase to Social Care Precept
- 32 (3%) said there should be a change to how Social Care Precept is charged
- 10 (1%) said that any Social Care Precept must be used to support social care
- 17 (1%) voiced their opposition to cuts to social care.

4.7.3.2 Comments in favour of increasing Social Care Precept

Of the 164 (14%) respondents who said they favour increasing Social Care Precept, comments included:

- **Recognition of the increasing demand**, and essential need, for social care to address the challenges for vulnerable individuals
- **Prevailing sentiment against cuts**, emphasising the importance of maintaining high-quality social care services, and the long-term community benefits of funding social care
- **Groups that were identified as a priority** to receive social care support were elderly people, especially people with dementia, and other vulnerable individuals
- **Emphasis on the moral duty to contribute** through taxes, expressing trust in local government efficiency
- **Ability to pay**. Some higher-income respondents stated their willingness to pay more for social care support because they could afford to
- **Support for funding social care, but with qualifications**, including:
  - Preference for a precept of less than the maximum 2% permitted, considering the cost-of-living crisis. Some respondents mentioned their personal financial struggles and a proposed proportionate tax increase
  - Willingness to pay more but with insistence on accountability. Whilst in favour of the overall Social Care Precept, some respondents voiced concerns about the council’s level of accountability, and ability to balance affordability with effective services
  - Conditional support for the Social Care Precept, with support only if the money is focussed on helping specific groups, including the elderly, young children, and British nationals.

4.7.3.3 Comments opposed to increasing Social Care Precept

Of the 98 (8%) respondents who said why they oppose an increase in Social Care Precept, comments included:

- **Efficiency improvements are needed in social care before seeking more funding.**
  - Respondents advocated addressing existing challenges within the social care system before approving additional funding, emphasising the need for systemic improvement to enhance efficiency and effectiveness
  - Respondents criticised the amount of spending on senior managers, citing a disparity in pay between ordinary care staff and management. They stated this has a negative impact on expertise and customer service levels
- **Scepticism about the cost-effectiveness of adult and social care services**
  - Respondents questioned the value for money in relation to the weekly cost of care. And voiced scepticism about the necessity of additional funds
  - Comments stressed the need for transparent and accountable spending practices
- **Scepticism that the Social Care Precept will be spent on social care** and the vulnerable people who need support
- **Dissatisfaction with high amounts spent on social care** to the detriment of other priorities. This extends to concerns about high spending levels (which respondents consider excessive) on adult social care, children's social care, and housing benefits. Comments included:
  - Respondents saying that they don't need or benefit from social care, resent paying for it, and have other priorities for spending that are more important to them
  - Discontent about the substantial portion of council funds directed towards adult/older people's social care, with a view that there needs to be fairer distribution and responsiveness to the needs of the younger working generation
  - Concerns about the impact of social care budgets reducing funding available for other public services, including healthcare, law enforcement, infrastructure, and housing. Respondents emphasised the need for balanced resource allocation
- **Social care should be funded by older people's personal resources** before taxpayer money[27].
  - Respondents suggested using the accumulated wealth and income of older people who need social care, before tapping into additional funds from the working population
  - Comments emphasised a desire for shared responsibility and resource contribution.

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[27] This point is included under two themes; comments opposing a Social Care Precept, and again under the theme of Changing how social care is charged

4.7.3.4 Change how Social Care Precept is funded.

32 (3%) recommended other ways social care should be funded, instead of by a local Social Care Precept. These were:

- **Central government funding**, via National Insurance and other central government funds, not raised by local authorities
- **Integrated healthcare system**: Advocates for integrating social care with the NHS to create a more cohesive healthcare system
- **Means-testing social care**: Proposals to adjust financial responsibilities, including making the elderly pay more for their benefits and targeting higher Council Tax bands/higher incomes
- **Accountability by older voters**: Suggestions that older people, who have elected governments that have overseen the social care funding problems, should now contribute more to their benefits – owning the consequences of their policy preferences, particularly in terms of paying for their own social care
- **The Social Care Precept should be included in Council Tax**. The respondent thinks that separating the percentage increases in core Council Tax and Social Care Precept is confusing and deceptive
- **Explore radical solutions for social care**: Bristol City Council should start a public debate on what we can all do, as local communities, to solve escalating social care costs.

4.7.3.5 Assurance that Social Care Precept will be used to support social care.

Of the 10 (1%) respondents who said that Social Care Precept must be used to fund social care, comments were:

- Hope, but also scepticism, that a Social Care Precept would be used for its intended purpose. Respondents wanted assurance that increased funding for social care will be directed specifically to social care and not diverted to other projects
- Call for more transparency and better communication regarding fund utilisation
- Call for a review/monitoring system to ensure that resources reach the intended beneficiaries
- A perception that social care is given too easily to people who could work and be more self-sufficient.

4.7.3.6 Comments opposed to cuts in Social Care

Of the 17 (1%) respondents who said they oppose cuts to social care services, comments included:

- **Preference for avoiding cuts to local services**, advocating for a balanced budget without further reductions
- **Impact of under-funded social care on the NHS, with a focus on hospitals**. Respondents highlighted the urgency of addressing issues such as bed blocking in hospitals, stressing the impact of social care shortages on NHS waiting times
- **The need to preserve vital social care services by saving money elsewhere**:
  - Respondents proposed exploring alternative avenues for cost savings without cutting social care services, emphasising the importance of maintaining adult social care services
  - Concerns about stretched services, with a call for better management of council funding to prevent cuts in essential services
  - Respondents specifically called on the council to fulfil its duties for adult social care and SEND, suggesting that cuts should be explored elsewhere
- **Support for displaced refugee families:** Recommendations to allocate more funds to support displaced refugee families, which would enable them to contribute to the local economy and public services.

5 Proposals for saving money and generating income.

5.1 Overview

This chapter describes respondents' free text comments and suggestions about issues other than proposed levels of Council Tax and Social Care Precept (which are described in section 4.7). Of the 1,158 free text survey and email responses:

- 2 respondents (0.2%) provided comments on the savings proposals to reduce the budget gap (section 5.2)
- 380 (33%) suggested other ways the council could save money (section 5.3)
- 142 (12%) suggested other ways the council could increase income (section 5.4)
- 70 (6%) identified services they think are priorities to continue to fund (section 5.5)
- 19 (2%) provided other comments or suggestions (section 5.6)
- 24 (2%) provided comments about the consultation process (section 5.7).

5.2 Comments on savings proposals and 'invest to save' ideas

One respondent questioned how renting properties direct from landlords (proposal GAP048 described in the budget consultation) would reduce costs.

The same respondent voiced opposition to 'proposed cuts to the disabled support service'.

One person recommended the 'invest to save' ideas should include reviewing salaries of social care staff to make them competitive with other local authorities. They said this would avoid the costs of training social care staff, then losing them to higher paying local councils.

5.3 Other suggestions for ways to save money.

Of the 1,158 free text survey and email responses, 380 (33%) provided suggestions for other ways the council might save money (Figure 25). Of these:

- 158 (14% of 1,158 respondents) proposed ways the council should reduce staffing costs
- 147 (13%) recommended activities the council should stop or do less
- 118 (10%) advocated ways the council should improve efficiency
- 46 (4%) wanted changes to benefits to reduce costs
- 12 (1%) identified ways to reduce refuse and recycling costs
- 7 (0.6%) proposed housing-related ways to reduce costs.

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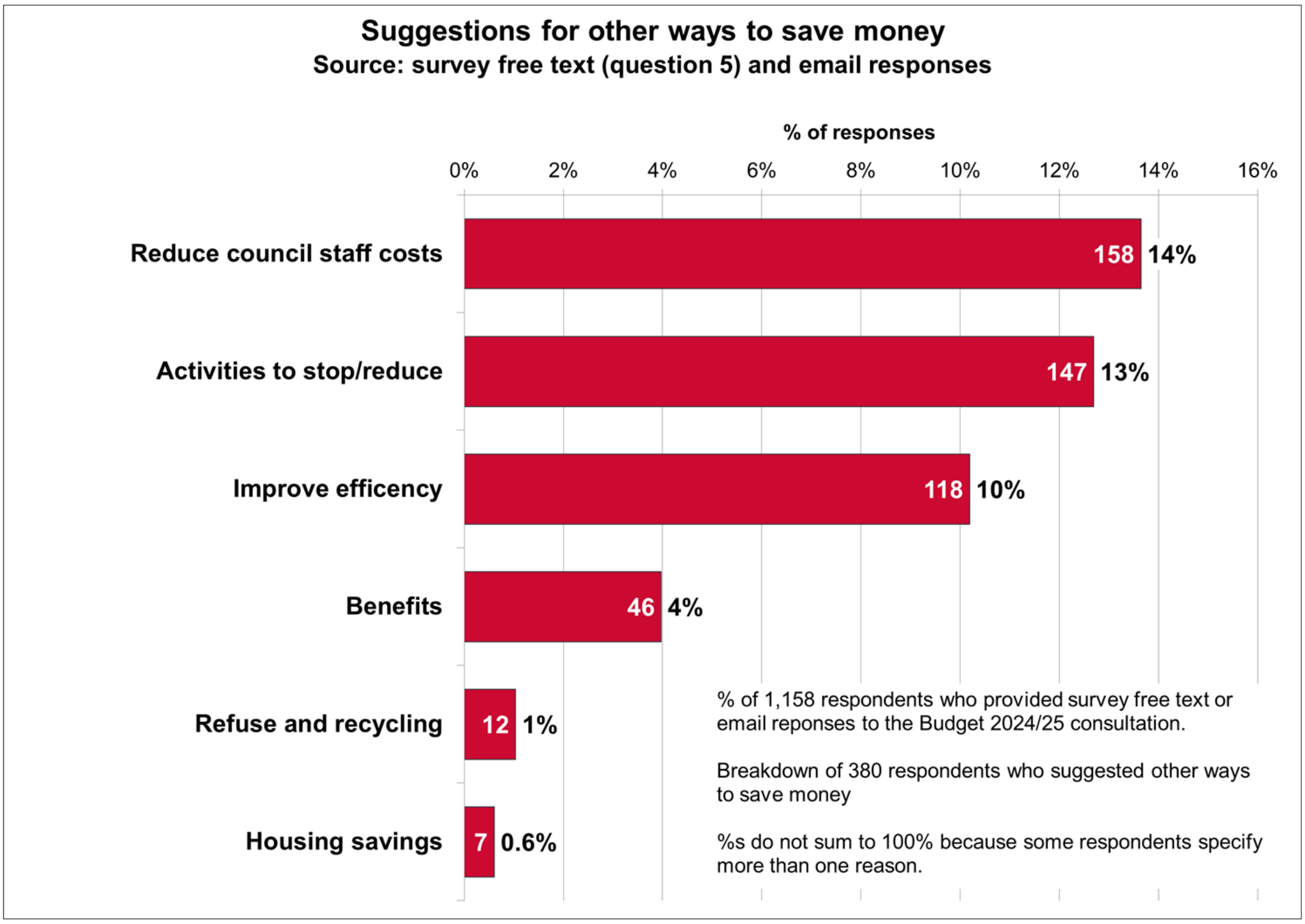
Figure 25: Suggestions for other ways to save money.



5.3.1 Reduce staff costs

158 (14%) respondents suggested ways to reduce staffing costs.

- **Collaboration with other public sector and voluntary organisations** to share staff resources:
  - Collaborate with WECA and other authorities to avoid duplication of efforts and to pool resources and achieve cost savings
  - Explore sharing corporate back-office costs, like payroll, with the NHS
  - Work with the voluntary sector to provide services like children's homes
- **Staffing and restructuring:**
  - Recommendations to restructure BCC staffing to cut down on staffing levels and streamline departments save costs
  - Deliver more with in-house staff and pay less to consultants for better value. Other respondents suggested privatising services and allowing more market competition
  - Recommendation to achieve potential savings resulting from the end of an elected mayor and the City Office

- **Staff and councillor salaries and benefits**
    - Reduce salaries of senior council officers and implement wage freezes
    - Calls for a review of elected officials' salaries, expenses and ‘bonuses’
    - Concerns about perceived unnecessary expenses like overseas travel, conferences, and away days
    - Reduce employer contributions to council staff pensions to be in line with the private sector
    - Eliminate perceived staff perks such as free council employee parking
    - Incentivise council staff to be more efficient, using bonuses proportional to either additional income generated or cost savings implemented.

5.3.2 Activities to stop or reduce

147 (13%) respondents identified activities which respondents thought should be stopped or reduced to save money. Comments included:

- **High profile, high-cost projects**: Projects that respondents mentioned repeatedly as not feasible, or poor value for money, are the Bristol Beacon, mass transit/underground, other major transport projects, Bristol Energy, and Harbourside redevelopment
- **Transport spending**. Respondents suggested:
    - Reduced spending on highways, roads, and “unnecessary” road layout changes. Respondents objected to what they see as constant construction, saying “the city is turning into a building site”
    - Stopping allocation of funds to bike lanes
    - Opposition to e-scooters and e-bikes, by respondents who consider them to be an unsafe menace
    - Re-evaluating the implementation of bus lanes
    - Fewer police mobile speed camera operations, especially in 20mph zones
- **Street lighting**: Switch off streetlights after midnight in residential areas
- **Housing:** Stop construction of additional student housing
- **Discontinue discretionary services**, including:
    - Subsidies to businesses
    - Grants to local charities
    - Cultural support, including causes like Pride
    - Stop neighbourhood free projects
    - Spending on aesthetic improvements
- **Climate initiatives**
    - Opposition to funding for carbon net zero plans by respondents who dismiss the concept or urgency of addressing the climate emergency.

5.3.3 Improve efficiency

The 118 (10%) respondents who suggested there is scope to run the council more efficiently identified the following themes.

- **Leadership and council decision-making**
  - Improve overall budgetary responsibility, with long-term budget decisions in preference to short-term fixes
  - Calls for the council to be more prudent in its decision-making and avoid unnecessary expenditures
  - Requests for more inclusive decision-making processes in full council meetings rather than committees
  - Concerns that money is mismanaged on major projects
  - Perception that senior management decisions negatively affect service quality
  - Accusations of lack of accountability and perceived corruption
- **Transparency concerns:**
  - A need for greater transparency about how Council Tax is used
  - Calls for increased public scrutiny, voluntary scrutiny panels, and accountability measures within the council
  - Ensure residents see tangible benefits of increasing Council Tax, to increase acceptance
  - A perceived focus on hiding negative news
- **Cost savings and efficiency suggestions**, including:
  - Generic calls to cut unnecessary spending and improve efficiency, in preference to service cuts or fee increases, which may affect essential services
  - Recommendations for a change in the council's culture to focus on key policies and services, avoid unnecessary consultations, and ensure value for money
  - Focus on delivering higher quality services at a faster pace
  - Review and potentially renegotiate contracts, particularly with a focus on road maintenance
  - Improve use of council spaces, to achieve cost savings
  - Suggestions to adopt technology and administrative process automation for cost savings and increased efficiency
  - Benchmark how other councils balance their budgets and spend their funds, and adopt best practice
- **Workforce efficiency**
  - Calls to increase employee accountability
  - Concerns about perceived declining expertise, made worse by poor staff pay
  - Incentivising staff based on performance for a more performance-driven approach.

5.3.4 Saving money through changes to benefits

46 (4%) advocated saving money through changes to benefits. Suggestions were:

- Reduce or remove the Council Tax Reduction Scheme
- Cost-saving measures:
  - Better/stricter screening of benefits applications
  - “Self-sufficiency” training for benefits recipients through volunteer programmes
  - Ensure that when recipients of food vouchers go on holiday, their food vouchers should go to the local food bank
- Emphasis on the availability of jobs and a call for the council to provide more support for people who are out of work to find employment
- Measures for specific types of recipients:
  - Opposition to providing benefits, social services, or housing to drug users
  - Regular drug testing for welfare recipients
  - Withdrawal of financial support and/or eviction for council tenants engaged in antisocial behaviour, current and/or prior criminal activities, or vandalism, with a proposal for a permanent blacklist
  - Stop benefits and/or support for “illegal” immigrants/refugee population who do not pay taxes
  - Benefits for asylum seekers should be the responsibility of the national government.

5.3.5 Changes to refuse and recycling.

12 (1%) suggested saving money through changes to refuse and recycling:

- **Efficiency**: Reassess the waste and recycling operation to make it more efficient
- **Recycling centres**: Reduce the hours that recycling centres are open
- **Less frequent household waste/recycling collections**. Specific suggestions included:
  - Cut recycling services (the respondent considers recycling to be non-essential saying it has “minimal environmental benefit compared to reducing and re-using”)
  - Reduce the frequency of household waste/recycling collections for suburban areas that have garages and can store their recycling
  - Cut out one week of waste and recycling collections over the Christmas and New Year period to save on Saturday working. The respondent notes that the gap between two recycling collections during this period is already 11 days for Friday collections, making it seemingly feasible for residents
- **Improve how waste collection staff clear up** the street as they move through areas.

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5.3.6 Housing savings

7 (0.6%) suggested measures to increase housing supply and reduce dependence on council housing. Themes covered were:

- **Increase housing supply to reduce the costs of supported housing**
    - Build more social housing to reduce the costs of emergency accommodation
    - Increase building heights in city centre core and near stations and build new larger blocks of flats
    - Increase the height of student flat buildings elsewhere to free up family homes
    - Make it easier for older people to downsize allowing larger houses to be back on the market for young families
    - Increase the rental market in order to hold costs down, to make it easier for people to rent property
    - Better regulation of housing developers to ensure they deliver social housing and amenities as part of approved projects
- **Reduce dependency on the council for housing**
    - Permit and help asylum seekers to work and support themselves, so they do not require costly housing support while being unable to contribute.

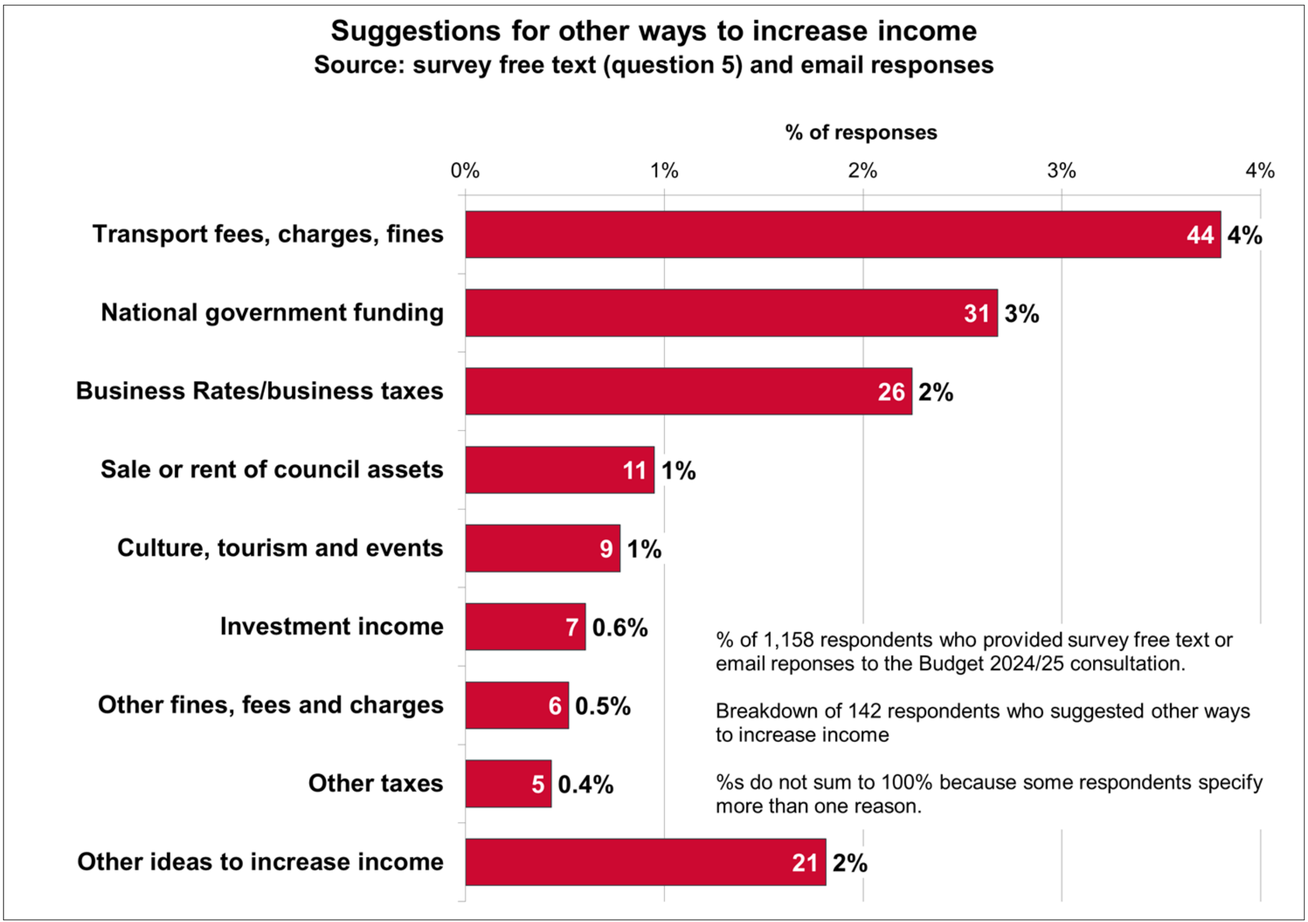
5.4 Suggestions for other ways to increase income.

5.4.1 Overview

Of the 1,158 free text survey and email responses, 142 (12%) provided suggestions for other ways the council might increase income (Figure 26). Of these:

- 44 (4%) recommended increasing revenue from transport fees, charges and fines
- 31 (3%) said national government should provide the funding needed by local authorities
- 26 (2%) favoured increasing Business Rates or other business taxes
- 11 (1%) recommended raising money through sale of council assets
- 9 (1%) suggested raising revenue from culture, tourism and events
- 7 (0.6%) advised investing to create a long-term revenue stream
- 6 (0.5%) proposed a variety of other fines, fees and charges
- 5 (0.4%) suggested ways to raise income via other taxes
- 21 (2%) provided other ideas to increase income.

Figure 26: Other suggestions for ways to increase income



A further breakdown of these comments is provided below. All percentages are percentages of the 1,158 free text survey and email responses.

5.4.2 Transport taxes, charges and fines

44 (4%) mentioned use of taxes, charges, fines and enforcement related to transport. Of these, 34 (3%) suggested specific ideas for using transport fees, fines and enforcement to increase the council's income. 10 (1%) expressed opposition to transport charges, with nine criticising the Clean Air Zone, one opposed to increases in parking charges in the Controlled Parking Zone (CPZ), and one critical of increasing Residents' Parking permit charges.

Ideas in favour of using transport taxes, charges and fines to increase council revenue were as follows.

- **Increase road tax.** Specific comments included:
    - change road tax to a road transit tax with all wheeled transport paying for use of the roads
    - Increase tax on Sports Utility Vehicles (SUVs) – tax based on vehicle weight
- **Clean Air zone**: Extend the Clean Air Zone (also referred to as 'low emission zone') to cover the entire Bristol City Council area and charge for entry
- **Introduce a congestion charge**

- **Parking revenue (charges and fines)**:
  - Introduce a workplace parking levy to fund public transport improvements
  - Increase parking charges, including in council-managed car parks
  - Increase parking enforcement (and employ more enforcement officers). There was a view expressed by several respondents that there is not enough parking enforcement in parts of central Bristol, specifically Old Market, and that increasing enforcement is needed to reduce nuisance and could also increase revenue
  - Increase minimum parking fines and charge for illegally parked vehicles that need to be towed away. Targeting match-day illegal parking was suggested.
  - Extend / expand residents' parking schemes and increase the cost of permits
  - A request for clarity on revenue raised on residential parking schemes and why resident's parking has not been rolled out equitably in areas (the examples of St Andrews and Redland were given) which border existing schemes
  - Introduce fines for parking on pavements. Issues of delivery vehicles parking on, and damaging footways, and vehicles parking on, and blocking, pavements or overhanging driveways in residential areas were mentioned
  - Charge for disabled parking bays including annual renewals. (The respondent thought these are being abused)
  - Charge van dwellers for parking on public roads and prevent people parking large campervans on narrow residential streets for long periods
- **Vehicle access charges**
  - Charge online shopping delivery couriers for access to the city
- **Electric vehicle (EV) charging infrastructure**
  - Increase spending on EV charging infrastructure. It was suggested that on-street EV chargers could provide significant income for the council whilst helping to support the aims of the Clean Air Zone
- **Cyclists:** fine cyclists for breaking Highway Code

Of the 10 respondents who were critical of the Clean Air Zone (CAZ) and parking charges:

- **Clean air zone**: nine respondents variously saw the CAZ as a waste of money, a non-transparent way of raising income, ineffective at improving air quality, an 'unfair tax', and having a negative impact on the viability of the city centre. The section of the CAZ across the Cumberland Basin was specifically criticised
- **Increase in parking permits costs in the CPZ**. This was criticised as unjustified and unfair for people living in the city centre during a cost-of-living crisis.

5.4.3 National government funding

31 (3%) respondents recommended that more of the funding for local authorities should be raised nationally, instead of from citizens in each local authority. The following themes were covered. Comments were:

- **Central government responsibility:** There was a prevailing sentiment that central government was responsible for funding shortfalls for local authorities and cuts to local services. Respondents stated that central government should restore adequate funding to local councils to deliver essential services and reverse austerity measures
- **Fund local government using nationally raised taxes.** Specific suggestions included:
    - Fund services through progressive general taxation at a national level, including income tax and wealth taxes, with a higher tax take from the highest earners
    - Fund local government through VAT
    - Redirect the Treasury's planned tax cuts to local councils
- **Grants**: Increase grants from central government to local authorities.

5.4.4 Business rates and increases to business taxes

26 (2%) respondents suggested increasing Business Rates and other business taxes as a way to increase council income. These comments included suggestions for changes to business rate relief. Comments included:

- **Balance of public versus business taxation**:
    - Increase business taxes instead of individual taxes
    - Businesses need to be taxed more, not the public
    - Compare business taxation rates with other major European cities
    - Stop subsidising non-contributing businesses
    - Increase charges for food shops selling alcohol
    - Businesses should take responsibility for driving positive changes
- **Other comments about Business Rates**
    - Increase Business Rates, particularly for larger businesses such as law and accounting firms, and hotels
    - Implement a sliding scale for business rate relief
    - Review and potentially reduce 100% relief for small businesses
- **Tax poor environmental responsibility:**
    - Tax polluting and unsustainable businesses
    - Fine or tax delivery companies for pavement damage.

5.4.5 Sale or renting of council assets

11 (1%) had recommendations for increasing the council's income through sale or renting out council assets. The themes were:

- Emphasis on the importance of efficiently managing and monetising existing council assets to meet financial needs rather than resorting to raising council tax directly
- Optimise use of council buildings by evaluating office needs and renting out spaces
- Sell unused and underutilised council properties, including BCC estate assets and vacant land. Use the income to fund essential services
- Consider selling expensive housing in high value areas and relocating to cheaper areas
- Explore selling or co-developing unused land and buildings for commercial ventures
- Sell the Bristol Beacon or seek sponsorship/investment to recoup some of the costs of redevelopment.

5.4.6 Culture, tourism and events

9 (1%) suggested the council could raise revenue from culture, tourism and events, including:

- Charging more for cultural services
- permitting or organising public events, including festivals, county fairs, camping, outdoor discos, sports events, car boot sales
- Encouraging tourism.

5.4.7 Investment income

7 (0.6%) respondents recommended that the council develops investment strategies to create a long-term funding stream to support revenue budgets. Ideas included:

- **Build more homes for rent.** There was specific mention of building high quality council homes on brownfield sites by allowing councils to fund via private debt, with priority given to key workers. The respondent anticipates this would generate money in the long term
- **Housing renovation**: Buying up and renovating Bristol's run-down private housing stock to improve energy efficiency and then sell at a profit or rent
- **Environmental investments**, including enabling citizens to invest in projects which tackle the climate and ecological emergencies. It was suggested that this could help the council meet its goals as well as increasing revenue.

5.4.8 Other fines, fees and charges.

6 (0.5%) respondents suggested other fines, fees and charges which could raise income.

- **Fines**
  - Prosecution of fly tippers and harsher fines for littering
  - Issue fines to utility companies cutting fibre connections to businesses
  - Issue fines to 'unscrupulous' property developers, particularly those who destroy buildings by fires or leave buildings to become derelict
  - Charge people for missed doctor's appointments
- **Fees and charges**
  - Make a small charge for employed people to use libraries

5.4.9 Other taxes

5 (0.4%) respondents suggested increasing income from other taxes. These comments tended to be accompanied by frustration at the prospect of a significant increase in individual contributions. Suggestions for other taxes were:

- A tourist tax or leisure tax
- A tax on banks
- Higher local taxes on landlords
- A tax on polluting/unsustainable businesses
- Local wealth taxes

5.4.10 Other ideas to increase income:

21 (2%) had other recommendations for increasing the council's income. These were:

- **Charge higher rent** for council homes.
- **Introduce Short Term Let Licences** to curb the number of Airbnbs in the city and generate additional council revenue
- **Development gain**: Be more rigorous in levying Community Infrastructure Levy (CIL) on developers
- **Support refugees**: there are highly educated people looking to contribute to our society and more support here would see a noticeably benefit to the Bristol local economy and public services as a result
- **Donations**: donated items to the council could be sold online
- **Attract sponsorship**
- **A Bristol postcode lottery** with profits going to Bristol City Council
- **Legalise cannabis:** the respondent suggested the council could raise income by legalising cannabis and opening cannabis cafes.

5.5 Suggestions for other priorities the council should fund

53 (5%) had recommendations for projects in which the council should invest additional funds. These were commonly suggested as services to preserve when budgets were at risk, or things that need improving in the context of comments about support for or opposition to Council Tax increases:

- **Council housing and affordable housing**
  - Allocate more funds to affordable housing developments to meet the needs of a growing population
  - Increase the rental market to hold costs down and make it easier for people to rent
- **Adult and children's social care**
  - Children's services, parenting support, and parent mental health
  - Special Educational Needs and Disability (SEND)
  - Good quality care homes
  - Support vulnerable people, including those facing homelessness and drug addiction
  - Encourage local communities to provide more/better mental health support
  - More youth clubs
- **Transport improvement:**
  - Road and highway maintenance. Specific concerns mentioned were repeated flooding in Easton and uneven surface on the Bristol-Bath cycle path
  - Better public transport and cycling infrastructure
  - Increase spending on Electric Vehicle charging infrastructure
- **Environmental initiatives:**
  - Tree planting and other environmental projects to reduce air pollution
- **Public facilities and services that affect all citizens:**
  - Address footpaths, streetlights, drains, litter, and weeds
  - Increase the number of public toilets
  - Prioritise waste/recycling programs
- **Safety and law enforcement:**
  - Increase police presence
- **Education:**
  - Invest in education, schools and specifically address dyslexia-related issues
  - Boost the economy by helping young adults be more employable
  - Focus on public-private partnerships in the education sector
- **Arts and cultural funding:**
  - Better funding for the arts, citing The Watershed as an example.

5.6 Other comments and suggestions

19 (2%) respondents offered the following other comments and suggestions.

- **Disparities in levels of council services in different areas of Bristol**. It was perceived that that some areas receive more advantages while others in need of funding do not
- **HMO licensing fees**: It was suggested that licensing fees could be increased for houses in multiple occupation (HMO), particularly in overpopulated areas like Southmead Road. The respondent questioned the lack of consideration for an Article 4 Direction in Southmead and the absence of an additional licensing scheme
- **Recommendations without knowledge of spending plans**: Some respondents expressed difficulty making recommendations without knowing how the increased money will be spent
- **Concerns about perceived bias and broadness of the phrase "adult social care"**: The respondent criticised the survey as potentially biased, stating that adult social care is not defined only as aid for the elderly and disabled but as a broad safety net that has the ability to be abused. They suggest that categorising all welfare systems under one umbrella is disingenuous
- **Begging and addiction**: A respondent suggests making giving money to beggars illegal to discourage begging for drugs, and recommends donations of food and clothing instead.
- **Other comments** covered a range of topics, including dissatisfaction with the planning department; lack of bus services in Whitchurch; concerns about homelessness and addiction; and a specific request for detailed information on education services expenditure.

5.7 Comments about the consultation survey

24 (2%) respondents commented on the consultation process. Comments covered the following issues.

- **Positive comments** about the level of information provided and transparency in involving citizens in helping to shape the budget
- **Insufficient information**: Request for more information to be provided in the survey, including:
  - Information about other precepts (fire service, police) to be included, to compare to cost of Social Care Precept
  - Information about whether Business Rates can be increased as an alternative to Council Tax
  - Information about restructuring to reduce BCC staffing and reduce ward councillor and Cabinet member expenses
  - Information about possible savings coming from the end of an elected Mayor and the City Office

    - Information about how effective budget spending has been; not just information about which services the money is spent on
    - Information on the total monthly costs to an individual of each combination of Council Tax and Social Care Precept options
    - Request for details of how increased payments to private landlords could be considered a saving
    - Concern that some of the images may be intended to emotionally manipulate respondents to agree to higher Council Tax or Social Care Precept
- **Confusing information**
    - Confusion about the financial amounts needed and how much each Council Tax and Social Care Precept would raise
    - Difficulty understanding the key issues because of the amount of information provided
- **Accessibility and involving all communities**:
    - Concerns regarding the accessibility of the survey
    - Request for clearer communication in plain English, with concern that the amount and complexity of the information in the consultation may exclude less-heard groups
    - Worries that the survey may not reach certain demographics
    - Suggestions made to engage a wider community through local institutions such as libraries, community centres, and religious centres
- **Scepticism that the consultation would influence decision-making.**
    - Scepticism that the decisions about the budget would reflect the preferences expressed in the consultation feedback. Respondents expressed hope that the council would act on the survey feedback
    - Concerns expressed about the council's responsiveness, with references to past instances where respondents said feedback and petitions were not implemented
    - Call for transparency, with requests to publish survey results against actual decisions to demonstrate how the consultation has influenced decisions
- **Objection to being consulted.**
    - Requests not to be contacted again about council consultations
    - Requests that the council makes its own decisions instead of asking citizens.

6 Impact of the proposals because of protected characteristics

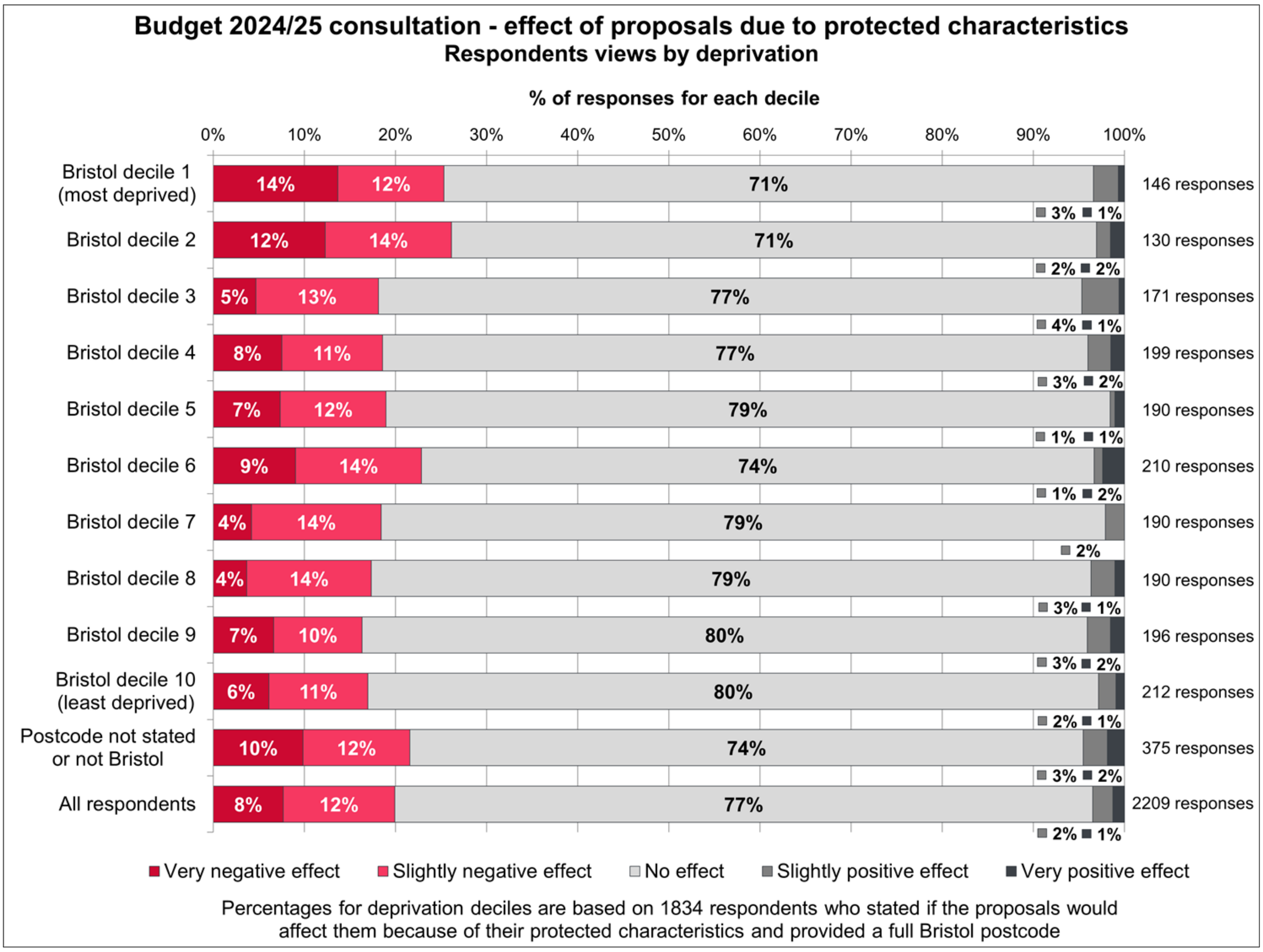
6.1 Scale of effects

Respondents were asked what effect, if any, the proposals would have on them because of their protected characteristics[28]. Of the 2,547 respondents to the survey, 2,209 (87%) answered the question. Of these:

- 170 (8%) said the proposals would have a very negative effect
- 270 (12%) said the proposals would have a slightly negative effect
- 1,692 (77%) said the proposals would have no effect
- 49 (2%) said the proposals would have a slightly positive effect
- 28 (1%) said the proposals would have a very positive effect.

Answers to this question were also compared for respondents in areas with different levels of deprivation, to check for any significant differences in potential effects (Figure 27)

Figure 27: Effect by deprivation of the proposals because of protected characteristics



[28] The protected characteristics defined in the Equality Act 2010 are age; disability; race including colour; nationality, ethnic or national origin; religion or belief; sex; gender reassignment; sexual orientation; being married or in a civil partnership; being pregnant or on maternity leave.

Figure 27 shows the percentage of respondents from each deprivation decile who stated the extent of positive or negative effects on them because of their protected characteristics. This is based on the 1,834 Bristol respondents who stated the impact of the proposals and provided a full postcode. Figure 27 also shows the views of 375 people who did not provide a postcode or gave a non-Bristol postcode, and the aggregate views of all respondents.

Figure 27 shows that the proportion of respondents who think the proposals would have a very negative or slightly negative effect because of their protected characteristics is higher in the most deprived 20% of the city (deciles 1 and 2) than other areas. In deciles 1 and 2, 26% say the proposals would have a very negative or slightly negative effect. Decile 6 also has a higher-than-average proportion (23%) who anticipate very or slightly negative effects. For other deciles, the proportion who say the proposals would have a slightly negative or very negative effect ranges from 16% in decile 9 to 19% in deciles 4 and 5.

In every decile, fewer people anticipate very positive or slightly positive effects than negative effects. The proportion of respondents who think the proposals would have a very positive or slightly positive effect because of their protected characteristics ranges from 2% in deciles 5 and 7 to 5% in decile 3. There is no clear pattern in views about positive effects between areas of high and low deprivation.

Note that percentages in Figure 27 are shown to the nearest whole number and may appear not to add up to 100% due to rounding. For example, the percentages for postcode not stated (10%, 12%, 74%, 3%, 2%) appear to add up to 101%. This may similarly affect totals for 'very negative effect' and 'slightly negative effect' in the text.

6.2 Reasons why the proposals would affect people because of protected characteristics

Respondents were also asked to explain how they believe the proposals would have an impact on themselves or others. The 217 respondents who provided a free text response, highlighted the following impacts.

Financial difficulty and impact of rising costs

30% of the 217 respondents to the question described financial difficulty and the impact of rising costs. These included:

- Concerns about increased living costs and inability to manage additional expenses, especially Council Tax rises. This was a concern particularly for low-income households
- Specific groups, including retirees, young people, and those on fixed incomes, highlighted the strain of rising expenses. For example:
    - Additional Council Tax rises would be particularly challenging for retired individuals who have limited income, especially due to fixed pension rates
    - Issues of financial strain, difficulty in affording housing, and saving for the future were highlighted, particularly for younger individuals
- Criticism directed towards the proposals, with calls for support for struggling families and scepticism about the benefits derived from increased taxes.

Concerns about the impact on specific demographic groups

18% of the 217 respondents to the question cited concerns about impacts on specific demographic groups. These included:

- Challenges highlighted for specific groups - including single parents, carers, those on maternity leave, women, LGBT+ individuals, foreign nationals, single occupants, and those on limited benefits facing financial difficulties - indicating potential negative impacts of increased taxes on their budgets and lives
- Concerns raised by single parents, disabled individuals, and those on fixed pensions about their vulnerability to cost increases in general
- Concerns about financial impacts due to individual circumstances such as age, employment, and fixed income, indicating potential disproportionate burdens
- Criticisms related to gender disparities, especially concerning pay gaps and the differential treatment of households based on marital or partnership status.

Concerns about the disproportionate impacts on vulnerable and minority groups

17% of the 217 respondents to the question stated their concerns about disproportionate impacts on vulnerable and minority groups. These included:

- Concerns raised by disabled individuals and carers regarding increased living expenses, financial strain, and limitations in accessing support services. Issues highlighted include:
  - difficulties in managing everyday costs, transportation expenses, and energy needs due to disabilities
  - Challenges in accessing specialised support, private school costs
  - disparities in societal assistance despite paying taxes
- Calls for increased funding and improvements in provisions for Special Educational Needs (SEN) and social care for disabled individuals and families
- Concerns about how protected characteristics might lead to indirect discrimination
- Financial impact on ethnic minorities, women, and LGBTQ+ individuals due to existing gender and ethnicity pay gaps.

Concerns about council governance, decisions and the consultation

12% of the 217 respondents to the question mentioned concerns about council governance, decisions and the consultation. These included:

- Criticisms about the distribution of funds, perceived inefficiencies in council services, perceived mis-spending of money, and concerns about governance competency
- Criticism of high Council Tax rates – which were attributed to inefficient council services - and the impact this has on the personal funds of hardworking individuals
- Opposition to tax increases

- Scepticism regarding the consultation process and distrust towards proposed policies and their implementation
- Frustration over a perceived lack of responsiveness to community needs and preferences
- Lack of trust in the decision-making process
- Accusations of enabling victimisation and catering to minority groups
- Calls for policies which represent the majority's interests and concerns.

Concerns about the impact of service cuts on the community and public services

9% of the 217 respondents to the question raised concerns about the impact of cuts to services on the community and public services, and their priorities for funding services. These included:

- Respondents emphasising the importance of social care for older people within the community
- Concerns about infrastructure issues like uneven pavements, potholes, and parking hindrances which disproportionately affect those with mobility issues
- Anticipation of rising living expenses and declining service quality
- Dependence on public services such as the NHS for health needs
- Worries about potential service cuts affecting maternity leave experiences, libraries, and community activities
- Willingness to pay for better local authority services despite limited income
- Recognition of the need for increased funding in social services and education but anticipating impacts on personal care availability.

Accessibility, equality and fairness

6% of respondents to the question cited issues regarding accessibility, equality and fairness. These included:

- Criticism of equality measures which they consider meritless and causing division and isolation
- Questioning the council’s focus on protected characteristics and whether the Equality Act is of wider concern to majority of citizens
- Criticism of positive discrimination and targeted campaigns, including scepticism of criteria for social support, alleging favouritism
- Advocacy for gender-neutral cost considerations, prioritising education
- Acknowledgment of negative impacts on various lower-income groups: families, people on maternity leave, disabled individuals, elderly people, and students
- Linking equality to inclusivity and how this can benefit citizens by creating a hospitable environment
- Concerns about unequal treatment based on marital status and the financial implications of different household structures.

Concerns about the impact on health and wellbeing

3% of respondents to the question stated concerns about the impact of higher costs and reduced services on health and wellbeing. These included:

- The impact of increased costs on mental health and anxiety about financial stability
- Impact of reduced disposable income on maintaining health and wellbeing, especially for those with disabilities or health conditions
- Significant decline in wellbeing services over the last few years
- Concerns about potential charges or reduced care for those with mental health conditions
- Impact on mental health of cutting services like swimming pools and libraries.

Uncertain impact

3% of respondents to the question said they were unsure about the impact of the proposals.

No impact

2% of respondents to the question re-iterated that the proposals would have no impact on them because of their protected characteristics.

7 How will this report be used?

The consultation feedback summarised in this report has been taken into consideration by officers when developing final proposals for the 2024/25 budget, including the level of Council Tax and Social Care Precept and proposals to save money and generate income.

The final proposals are included in a separate report which, together with this consultation report, will be considered by Cabinet on 23 January 2024.

Full Council will take into consideration this consultation report and responses in making its decisions about the level of Council Tax and Social Care Precept and how much money the council will be able to spend on each service area, as part of the 2024/25 budget. These decisions will be taken at the Full Council meeting on 20 February 2024.

How can I keep track?

You can find the latest consultation and engagement surveys online on the council's Consultation and Engagement Hub (www.ask.bristol.gov.uk). You can also sign up to receive automated email notifications about consultations and engagement at www.bristol.gov.uk/askbristolnewsletter

Decisions related to the proposals in this consultation will be made publicly at the Full Council meeting on 20 February 2024.

You can find forthcoming meetings and their agendas at democracy.bristol.gov.uk.

Any decisions made by Full Council and Cabinet will also be shared at democracy.bristol.gov.uk

Equality Impact Assessment [version 2.12]

Title: Cumulative Equality Impact Assessment of proposed budget savings 2024/25 – 2028/29	
☒ Budget proposal	☒ Changing
Directorate: Crosscutting	Lead Officer name: Denise Murray
Service Area: All	Lead Officer role: Director of Finance (Chief Finance Officer & S151 Officer)

Step 1: What do we want to do?

The purpose of an Equality Impact Assessment is to assist decision makers in understanding the impact of proposals as part of their duties under the Equality Act 2010. Detailed guidance to support completion can be found here Equality Impact Assessments (EqIA) (sharepoint.com).

This assessment should be started at the beginning of the process by someone with a good knowledge of the proposal and service area, and sufficient influence over the proposal. It is good practice to take a team approach to completing the equality impact assessment. Please contact the Equality and Inclusion Team early for advice and feedback.

1.1 What are the aims and objectives/purpose of this proposal?

Briefly explain the purpose of the proposal and why it is needed. Describe who it is aimed at and the intended aims / outcomes. Where known also summarise the key actions you plan to undertake. Please use plain English, avoiding jargon and acronyms. Equality Impact Assessments are viewed by a wide range of people including decision-makers and the wider public.

Budget context

Every year, Bristol City Council must agree an annual budget which balances the money we spend with the money we are expecting to receive. Councils across the country are continuing to face financial challenges, reflecting the economic context, including the significant inflationary environment, combined with continuing demand pressures and limitations on government funding. Based on our current forecasts, we face a funding gap over the next five years (to 2028/29) of £32.2 million. This is in addition to the £17.7 million of savings and efficiencies proposals for 2024-2028 outlined in the 2023/24 budget and assumed delivery of 2023/24 savings in the current year.

The council is funded via different streams including council tax (24%), business rates (15%), income from service users (19%), grants (38%), contributions from other organisations (3%) and investment income (less than 1%). The Council has defined statutory responsibilities, but deliver against a far broader agenda, providing universal services benefiting the whole community, and targeted services aimed at individuals, communities with particular needs, and businesses – administered by our workforce, city partners, stakeholder organisations and commissioned services. By far the largest share of the council's budget is spent on social care services, with over 70 per cent of our core service spending on providing support to those who need additional help and the most vulnerable in our city. We are seeing an increase in demand for all of our services which is likely due to a cost-of-living crisis, a rise of inflation nationally and a growth in population.

To address these challenges, we must look again across all of our services to find where we can do things differently to reduce costs, be more efficient in how we do things and, in some cases, stop doing some things entirely. As part of this and reflecting the breadth of savings already within the previous budget, during 2023/24 we have identified four transformation programmes designed to make significant changes to the way we work: Our Families (children and education), Adult Social Care, temporary accommodation and property.

The Medium Term Financial Plan underpins the Council's financial planning process and outlines the approach we will take to meet the challenges presented by focusing primarily on delivering efficiencies and service re-design programmes.

The Budget Equality Impact and Cumulative Impact Assessment process

Each of the proposed savings has an associated equalities impact assessment that analyses the impact of the proposal on different protected characteristics and community groups and identifies any potential mitigations. Assessing the impact of savings proposals on different groups allows decision makers to have due regard to any likely disproportionate or negative impact for citizens, service users or employees on the basis of their protected and other relevant characteristics. This relates to the time at which the budget is approved and on an ongoing basis as propositions are further developed. Even when we plan to consult in more detail on specific service delivery proposals at a later time, we must make sure that any proposals that are likely to affect future services are informed by sufficient consultation and proper analysis.

This Cumulative assessment looks at the potential collective equality impacts of all the proposed savings and key budget decisions taken together as a whole to identify compound issues or disparities, and what we can do to mitigate them.

Decision making

The recommendations regarding the budget proposals are made by the Cabinet to Full Council, where the budget is then approved. During the development of budget proposals, officers and Cabinet members have been mindful of the potential impacts that any changes could have on key communities and on the city as a whole, and for several savings proposals there has already been a comprehensive equality impact assessment developed throughout existing projects which has now been updated.

Our Approach

A key part of our purpose as a local authority is to support those at risk or in need, and the majority of our revenue budgets are spent on services for people. Therefore, any change to the costs of delivering our services or our funding, has potential for impact and we have taken into consideration the issue of both direct and indirect impacts on individuals and groups of people when working to deliver a set of proposed budget reductions. It is also important to recognise that although the proposed level of reduction is significant, we will still be spending or directing the spend of significant sums across the city to achieve our priorities.

Our Corporate Strategy sets out how we work with other service providers and organisations and how we are planning to meet the challenges of a growing and ageing population, increased demand for care services and make sure people have the services they need, regardless of background.

Our Equity and Inclusion strategic framework sets our vision, recognising the contributions that people from different backgrounds make, actively tackling inequality and fostering good relationships across our communities. As well as our firm commitment to the Public Sector Equality Duty our aspirations go

further to include people in care, refugees and migrants, people with caring responsibilities and the inequality resulting from socio-economic disadvantage. Our aim is to minimise direct and indirect impacts on our communities in this budget, specifically communities with protected characteristics and multiple characteristics, people living in deprivation, and those with other characteristics such as being care experienced. Where impacts are probable or likely, our aim is to mitigate against these where we can. In building our approach to these budget reductions, we have first prioritised savings in areas which have the minimum direct impact on people and been clear how we will reshape the ongoing investment to address key areas of work. In this context we have also looked at wider measures which have enabled us to maintain many of our services targeted towards those who may be more vulnerable in our city.

1.2 Who will the proposal have the potential to affect?

☒ Bristol City Council workforce	☒ Service users	☒ The wider community
☒ Commissioned services	☒ City partners / Stakeholder organisations	
Additional comments:		

1.3 Will the proposal have an equality impact?

Could the proposal affect access levels of representation or participation in a service, or does it have the potential to change e.g. quality of life: health, education, or standard of living etc.?

If 'No' explain why you are sure there will be no equality impact, then skip steps 2-4 and request review by Equality and Inclusion Team.

If 'Yes' complete the rest of this assessment, or if you plan to complete the assessment at a later stage please state this clearly here and request review by the Equality and Inclusion Team.

☒ **Yes**	☐ **No**	[please select]

Step 2: What information do we have?

2.1 What data or evidence is there which tells us who is, or could be affected?

Please use this section to demonstrate an understanding of who could be affected by the proposal. Include general population data where appropriate, and information about people who will be affected with particular reference to protected and other relevant characteristics: How we measure equality and diversity (bristol.gov.uk)

Use one row for each evidence source and say which characteristic(s) it relates to. You can include a mix of qualitative and quantitative data e.g. from national or local research, available data or previous consultations and engagement activities.

Outline whether there is any over or under representation of equality groups within relevant services - don't forget to benchmark to the local population where appropriate. Links to available data and reports are here : Statistics and census information (bristol.gov.uk), Bristol Key Facts November 2023; Quality of life in Bristol; Census 2021 (bristol.gov.uk); Ward profile data (bristol.gov.uk); Open Data Bristol, ; Joint Strategic Needs Assessment (JSNA);

For workforce / management of change proposals you will need to look at the diversity of the affected teams using available evidence such as HR Analytics: Power BI Reports (sharepoint.com) which shows the diversity profile of council teams and service areas. Identify any over or under-representation compared with Bristol economically active citizens for different characteristics. Additional sources of useful workforce evidence include the Employee Staff Survey Report and Stress Risk Assessment

Data / Evidence Source [Include a reference where known]	**Summary of what this tells us**
Census Data 2021	Key headlines from 2021 census data on Bristol were: • 49.6% of the overall population were men and 50.4% were women. • 18.8% of usual residents were born outside of the UK • 17.2% reported a Health issue or disability. The average across England and Wales is 17.5%. • There were 287+ ethnic groups recorded with Somali's being the largest ethnic minority with a population of almost 9,200 (1.9%) • There were 3,220 people identified as trans • 51.4% reported no religion, 32.2% reported Christian and 6.7% reported that they were Muslim
Population of Bristol Population Profile: Disabled population Population Profile: Somali population Population Profile: Religion Population Profile: Ethnic group	The population of Bristol was estimated to be 479,000 people at the end of June 2022. Bristol is one of the 11 UK Core Cities, the largest city in the Southwest and the 8th largest city in England and Wales outside of London. Bristol was the second fastest growing of all the Core Cities in England and Wales over the last 10 years (2012 to 2022). Disabled population • More than 81,000 (17.2%) people in Bristol have long-term physical or mental health conditions or illnesses whose day-to-day activities were limited • More than a quarter (27%) of the 'White Gypsy or Irish Traveller' population said they had a long-term physical or mental health issue or disability that affected their daily lives - 10 percentage points more than the Bristol average (17%) • Of all the carers in Bristol, almost a third (30%) were disabled themselves - this compares to just 17% of the population who do not provide unpaid carer to others Somali population • In 2021 more than half (52%) of Somalis living in Bristol were aged under 20 (Bristol total population 23% aged under 20) • More than half of the Somali population live in Barton Hill (23%), Upper Easton (11%), St Pauls (10%) or Temple Meads (10%) Religion population • More than a third (36%) of all Jewish people of working age were economically inactive students compared to just 12% in the population as a whole

	• Hindus have the highest levels of qualification - 62% with a degree or higher • Half of all Muslims (50%) live in socially rented accommodation - 31 percentage points higher than the overall population (19%) Ethnic group population • There are now more than 287 different ethnic groups in the city, more than 185 countries of birth represented, at least 45 religions and more than 90 languages spoken by people living in Bristol. • The proportion of the population who are not 'White British' has increased over the last two decades from 12% in 2001 to 28% in 2021.
Ward profile data	The ward profiles provide a range of datasets including population, life expectancy, Quality of Life, Equalities characteristics, health and education disparities for each of Bristol's electoral wards.
Deprivation in Bristol	Bristol has 41 Lower layer Super Output Areas (LSOA's) in the most deprived 10% in England for Multiple Deprivation (one less than in 2015), including 3 LSOAs in the most deprived 1% in England (3 less than in 2015). The 10 most deprived neighbourhoods in Bristol are all in the South Bristol areas of Hartcliffe, Whitchurch Park and Knowle West. At ward level, the greatest levels of deprivation in Bristol are in the wards of Hartcliffe & Withywood, Lawrence Hill and Filwood, the same as identified in 2015.
Bristol Quality of Life survey 2022-23	The Bristol Quality of Life survey is an annual, residents survey that measures against 190 indicators on topics such as health, lifestyles, community, local services and living in Bristol. The survey is a randomised sample that is mailed to 33,000 Bristol households. The 2022-23 survey compromised a total of 3,905 responses. The below shows the percentage by demographic in response to the indicator: '% who find it difficult to manage financially' **Characteristic** — **% Percentage** **Bristol Average** — **10.2%** Most Deprived 10% — 17.5% 16 to 24 years — 18.5% 50 years and older — 7.8% 65 years and older — 5.4% Female — 10.0% Male — 10.3%

Disabled	25.7%
Black, Asian and minority ethnic	22.3%
Asian/Asian British	19.7%
Black/Black British	27.0%
Mixed/Multiple ethnic groups	20.0%
White	7.9%
White Minority Ethnic	14.7%
White British	7.9%
Christian	9.6%
Other religion	48.9%
No religion or faith	19.5%
Single parent	23.0%
Two parents	9.4%
No qualifications	13.7%
Owner Occupier	5.5%
Rented from housing association	21.3%
Rented from the council	25.9%
Rented from private landlord	19.2%
Non degree qualifications	14.2%
Degree qualifications	8.2%
Part-time carer	13.5%
Full-time carer	21.2%
Carer (All)	15.7%
Parents (All)	11.0%
Lesbian, Gay or Bisexual+	14.4%
Trans	32.5%

Bristol One City - Cost of Living Crisis Bristol's One City approach to support citizens and communities – What happened and key learning, November 2023	This report provides a summary of Bristol's response to the national cost of living crisis between October 2022 and March 2023. Key headlines are: • In August 22 – February 23 the cost-of-living support webpage reached 20,400 unique views • From November 2022 to March 2023, the free 'We are Bristol' helpline logged 359 phone calls linked to the cost-of-living crisis • An estimated 4,911 people per week visited 'Welcome spaces' (a communal warm space that is free to access) over the winter 2022/23
Impact of the cost-of-living crisis on black & minoritized communities in Bristol –	The Black Southwest network launched a survey to investigate the impact of the cost-of-living crisis on Black and minoritized communities in the greater Bristol area. In total, there were 127 responses from

Black Southwest Network, 2023	Black and minoritized individuals to a survey covering a range of topics related to financial concerns. Key headlines are: • 75% advised that they are now struggling to afford basic items • 79% stated that they were struggling with at least one type of bill • 68% advised that they are struggling to afford essential services (public transport, healthcare or education) • Of those who identified as being a parent or guardian for a child/children, 41% mentioned concern around education related expenses such as school uniform
Nomis - Official Labour Market Statistics (nomisweb.co.uk) 2022-23 Business Demography	80.6% of all people in Bristol are economically active which is higher than nationally (78.6) and in the Southwest (80.7%). Of economically active people in Bristol 8.2% are self-employed, compared to 9.3% nationally. Of those who are economically inactive in Bristol, 35.5% are Students, 26.7% are 'long-term sick' and 18.7% are looking after family/home, as well as 7.9% who are retired. The percentage of 'workless households' in Bristol is 11.2%, compared to 13.9% nationally, and the proportion of working aged people who are benefit claimants is 11.2%. Bristol has a higher proportion of people working in 'professional occupations' (35.2) than for the Southwest (25.4%) and nationally (26.8%). In 2020 (most recent data) the Southwest continued to have the highest five-year 'survival rate' in the UK of businesses that survived into 2020 (this has been the case since 2012). The largest proportion of these surviving businesses, 22%, was in the professional, scientific and technical industry.
Gender and Early Education and Childcare – Spring budget 2023	National data shows that early education and childcare is increasingly expensive. National data shows that 52% of families were concerned about paying for childcare and for 33% of parents, early education and childcare payments are higher than their mortgage or rent, this rises to 47% of those with Black ethnic background, 42% of those receiving universal credit and 38% of single parents. Parents with a one year old child advised that the cost of nursery provision has grown four times faster than their wages. A nursery place for children under two costs between 45-60% of women's average salaries in England. 94% of parents who changed working patterns after having children cited financial reasons as a factor in their decisions.
Bristol City Council – staff data	
HR Analytics data [internal use only – November 2023]	The Workforce Diversity Report shows Bristol City Council Workforce Diversity statistics for Headcount, Sickness, Starters and Leavers data. It excludes data for Locally Managed Schools/Nurseries, Councillors, Casual, Seasonal and External Agency employees. The report is based

	on the sensitive information that staff add to Employee Self Service on iTrent (ESS).

	BCC headcount % (19 Nov 2023)	Bristol Working Age Population (16-64)
Age 16-29	11.9%	39.0%
Age 30-39	21.9%	24.0%
Age 40-49	25.2%	16.0%
Age 50-64	41.2%	21.0%
Disabled	8.5%	12%
Asian / Asian British	2.9%	5.8%
Black / Black British	5.1%	5.3%
Mixed ethnicity	3.5%	2.9%
Other ethnic groups	1.7%	1.0%
White	77.2%	85.0%
Female	61.3%	49.1%
Male	38.7%	50.9%
Use another gender term	0.2%	-
Christian	25.2%	43.5%
Other religion/belief	18.2%	7.4%
No religion/belief	32.2%	41.5%
Lesbian, Gay or Bisexual	6.4%	9.1%
Trans	0.2%	-

Additional comments:

2.2 Do you currently monitor relevant activity by the following protected characteristics?

☒ Age	☒ Disability	☒ Gender Reassignment
☒ Marriage and Civil Partnership	☒ Pregnancy/Maternity	☒ Race
☒ Religion or Belief	☒ Sex	☒ Sexual Orientation

2.3 Are there any gaps in the evidence base?

Where there are gaps in the evidence, or you don't have enough information about some equality groups, include an equality action to find out in section 4.2 below. This doesn't mean that you can't complete the assessment without the information, but you need to follow up the action and if necessary, review the assessment later. If you are unable to fill in the gaps, then state this clearly with a justification.

For workforce related proposals all relevant characteristics may not be included in HR diversity reporting (e.g. pregnancy/maternity). For smaller teams diversity data may be redacted. A high proportion of not known/not disclosed may require an action to address under-reporting.

Although our corporate approach is to collect diversity monitoring for all relevant characteristics, there are gaps in the available local diversity data for some characteristics, especially where this has not always historically been included in census and statutory reporting e.g. for sexual orientation. We also know there are some under-reporting gaps in our workforce diversity information – where personal and confidential information is voluntarily requested from staff.

2.4 How have you involved communities and groups that could be affected?

You will nearly always need to involve and consult with internal and external stakeholders during your assessment. The extent of the engagement will depend on the nature of the proposal or change. This should usually include individuals and groups representing different relevant protected characteristics. Please include details of any completed engagement and consultation and how representative this had been of Bristol's diverse communities.

Include the main findings of any engagement and consultation in Section 2.1 above.

If you are managing a workforce change process or restructure please refer to [Managing a change process or restructure (sharepoint.com)]() for advice on consulting with employees etc. Relevant stakeholders for engagement about workforce changes may include e.g. staff-led groups and trades unions as well as affected staff.

We launched a public [consultation]() on our budget proposals between Thursday 9th November and Thursday 21st December. Alongside asking for views on different options for Council Tax and the Social Care precept for 24/25, the consultation set out all the savings proposals we had identified to produce a balanced budget in the context of reduced available funding and increasing financial pressures. In carrying out budget saving equality impact assessments we have also incorporated key learning from local equalities communities in response to previous consultations. Whilst it is a challenge to engage with all our citizens, we know that there are some groups with seldom heard voices with whom we can do a better job at engaging with. Unfortunately, because of the very tight timescales involved in preparing our draft budget proposals, this year we were unable to provide an Easy Read version in time for the launch of the consultation as this takes several days to produce. However, both an Easy Read version and a British Sign Language version was uploaded to the consultation and engagement hub. Paper copies were also distributed with Freepost return. Equalities groups and community groups were contacted, raising awareness of the consultation with a request to circulate to their networks.

As of 3rd January 2024, we received 2,547 responses to the consultation including 168 via Easy Read online and 12 email responses. As part of the consultation, we asked some diversity monitoring questions to help us understand more about the characteristics and circumstances of respondents, as well as to identity differences in their views:

- 8% of responses were from people living in the most deprived areas of the city (by postcode)
- There were significant differences in response rate by Ward e.g. 64 per 10,000 residents in Southville, compared to 18 per 10,000 residents in Hartcliffe and Withywood
- 44% of all survey responses were from women and 56% were from men. This compares to 50% of each sex in the Bristol population. 0.1% of responses were from people who identified as 'other sex'.
- 2% of respondents answered 'yes' to 'do you consider yourself to have a gender identity different from your sex recorded at birth'?
- 13% of respondents were Disabled people
- The highest number of responses were from respondents aged 35-44 years (26%), followed by 25-34 (22%)
- Young people 18-24 were underrepresented (3%) and older age groups, except for age 85+ were overrepresented, compared to the overall Bristol population
- Respondents from some minoritised ethnic backgrounds were underrepresented:
- Asian/Asian British 5% (compared to 7% for Bristol)
- Black/Black British 3% (compared to 6% for Bristol)
- Mixed/Multiple ethnic group 3% (compared to 4% for Bristol)
- Other ethnic background 1% (compared to 2% for Bristol)

- Gypsy / Roma / Irish Traveller 0.2% (compared to 0.3% for Bristol
- People from Christian and some other faith groups including Muslims (2% respondents compared to 7% population) were somewhat underrepresented
- 11% of respondents were carers
- Those identifying at LGB+ were over-represented when comparing with the Bristol population.

Summary of findings

Council tax

The majority (66%) favour an increase in core Council Tax to support general services in 2024/25.

- 1,046 (42%) would prefer a 3% increase in core Council Tax. This is the option with the highest support
- 316 (13%) favour a 2% increase
- 279 (11%) favour a 1% increase
- 844 (34%) respondents would prefer 'no increase to Council Tax' in 2024/25. This is the option with the second highest support
- 62 respondents did not give a view on Council Tax.

Selections varied dependent on decile. For example,

- in the most deprived decile 42% selected no increase to council tax in comparison to decile 10 (least deprived) which was 25%.
- In the most deprived decile 75% selected no social care precept above 2% in comparison to decile 10 (least deprived) which was 61% and mid-range, 58%.
- In the most deprived decile 14% advised that the proposals would have an effect on them because of a protected characteristic in comparison to the least deprived which was 8%.

Social care precept

The majority (60%), favour some Social Care Precept (on top of core Council Tax) to support the delivery of social care in 2024/25.

- 932 (37%) would prefer a 2% Social Care Precept. This is the option with the second highest support
- 566 (23%) favour a 1% Social Care Precept
- 966 (40%) respondents would prefer no Social Care Precept in 2024/25. This is the option with the highest support
- 53 respondents did not give a view on Social Care Precept.

Similarly with Council Tax, selections varied dependent on decile.

- in the most deprived decile 49% selected no increase to council tax in comparison to decile 10 (least deprived) which was 33%.

The option with the highest support (30%) is a 3% increase in core Council Tax and a 2% Social Care Precept. This is the maximum increase permitted under government limits announced on 18 December 2023 in the Provisional local government finance settlement: England, 2024 to 2025

Comments opposed to increasing council tax and the social care precept largely focused on the fact that people are already struggling financially given the current cost of living crisis, and any increase would place additional pressures on budgets. This could lead to further challenges with paying mortgages, food poverty and heating homes. Comments in favour emphasised on the importance of services such as social care supporting vulnerable groups. Calls were made for proportional taxation based on income or property value.

Respondents were asked what effect, if any, the proposals would have on them because of their protected characteristics. Of the 2,547 respondents to the survey, 87% answered the question.

- (8%) said the proposals would have a very negative effect
- (12%) said the proposals would have a slightly negative effect
- (77%) said the proposals would have no effect
- (2%) said the proposals would have a slightly positive effect
- (1%) said the proposals would have a very positive effect.

This fluctuated between different deciles, 14% in the most deprived area advised that the proposals would a very negative effective because of protected characteristics, compared to 6% in the least deprived.

Reasons why the proposals would have an effect because of protected characteristics were cited as:

- Financial struggles and the impact of rising costs (30% who responded in the free text box to this question cited this reason). Examples include but are not limited to:
    - Additional council tax rises will be particularly challenging for retired individuals who have limited income, especially due to fixed pension rates
    - difficulty in affording housing, and saving for the future were highlighted, particularly for younger individuals
- Impact on specific demographics (18% who responded in the free text box to this question cited this reason). Examples include but are not limited to:
    - Specific concerns raised by single parents, disabled individuals, and those on fixed pensions about their vulnerability to cost increases.
    - Criticisms related to gender disparities, especially concerning pay gaps and the differential treatment of households based on marital or partnership status.
    - Challenges highlighted for single parents, carers, single occupants, those on maternity leave, and those on limited benefits facing financial difficulties, indicating potential impacts of increased taxes on their budgets.
    - Mention of specific groups, including LGBT+ individuals, foreign nationals, and women, highlighting concerns about negative effects of increased taxes on their lives and livelihoods.
- Concerns on the disproportionate impact on vulnerable and minority groups (17% who responded in the free text box to this question cited this reason). Examples include but are not limited too:
    - Concerns raised by disabled individuals and carers regarding increased living expenses, financial strain, and limitations in accessing support services.
    - Challenges highlighted include difficulties in managing everyday costs, transportation expenses, and energy needs due to disabilities. Struggles in accessing specialised support, private school costs, and disparities in societal assistance despite paying taxes also raised as issues.
    - Calls for increased funding and improvements in provisions for Special Educational Needs (SEN) and social care for disabled individuals and families.

Other reasons were summarised as:

- Concerns around council governance, decisions and the consultation (12%)
- Concerns about the impact on the community and public services (9%)
- Issues regarding accessibility, equality and fairness (6%)
- Concerns around the impact on health and wellbeing (3%)

A full detailed breakdown of the responses will be available on the consultation and engagement hub Monday 15th January 2024.

2.5 How will engagement with stakeholders continue?

Explain how you will continue to engage with stakeholders throughout the course of planning and delivery. Please describe where more engagement and consultation is required and set out how you intend to undertake it. Include any targeted work to seek the views of under-represented groups. If you do not intend to undertake it, please set out your justification. You can ask the Equality and Inclusion Team for help in targeting particular groups.

All responses to the Budget Consultation have been analysed and will be included in the Council's Budget report that will be published on the Bristol City Council website from Monday 15th January 2024. We will take Budget consultation responses into account when developing the final proposals to put to the Cabinet, which is scheduled for 23rd January 2024 and a meeting of the Full Council for approval, 20th February 2024 where final decision will be taken.

Step 3: Who might the proposal impact?

Analysis of impacts must be rigorous. Please demonstrate your analysis of any impacts of the proposal in this section, referring to evidence you have gathered above and the characteristics protected by the Equality Act 2010. Also include details of existing issues for particular groups that you are aware of and are seeking to address or mitigate through this proposal. See detailed guidance documents for advice on identifying potential impacts etc. Equality Impact Assessments (EqIA) (sharepoint.com)

3.1 Does the proposal have any potentially adverse impacts on people based on their protected or other relevant characteristics?

Consider sub-categories and how people with combined characteristics (e.g. young women) might have particular needs or experience particular kinds of disadvantage.

Where mitigations indicate a follow-on action, include this in the 'Action Plan' Section 4.2 below.

GENERAL COMMENTS (highlight any potential issues that might impact all or many groups)
Overview Even when we plan to consult in more detail on specific service delivery proposals at a later time, we must ensure that any budget setting decisions that are likely to affect future services are informed by sufficient consultation and proper analysis. This is so that decision makers can have due regard to any likely disproportionate or negative impact on the basis of protected and other relevant characteristics at the time the budget is approved – not afterwards. Decision makers will have the ability to make changes to the individual spending plans following further consultation as appropriate and detailed evaluation of the impact of specific proposals. Within the proposed budget envelope there will be financial mitigation put aside for any non-delivery or

amendments to proposals which may occur due to future consideration of equalities issues or other factors.

As well as identifying whether budget changes will have a disproportionate impact on particular groups (e.g., because they are over-represented in a particular cohort), we need to pay particular attention to the risk of indirect discrimination: when an apparently neutral decision puts members of a given group at a particular disadvantage compared with other people because of their different needs and circumstances. We are also aware of existing structural inequalities and particular considerations, issues, and disparities for people in Bristol based on their characteristics, which we will take into account.

Alongside other public bodies we are in an unprecedented period of financial pressure, with significant challenges in being able to meet all our statutory duties within a balanced budget. As a local authority these responsibilities include ensuring, so far as reasonably practicable, sufficient provision of specific services within the area to meet the needs of particular groups such as: our duty of care for adult social care and children's services; education; housing policy and homelessness prevention; health, safety and licensing; and libraries. In setting our budget we prioritised statutory over discretionary services. The cumulative impact of these proposals may exacerbate existing levels of inequality and we should be aware that there may also be a disproportionate impact on demographic groups who are not recorded in the Quality of Life survey such as asylum seekers, refugees and those with no resource to public funds.

Savings proposals

Workforce changes

Where budget proposals are likely to impact on our workforce, we will carry out consultation in line with the Council's Management of Change process and seek advice from HR and the Equality and Inclusion Team to mitigate risks of discrimination. For any savings which are likely to lead to changed job roles for our employees we will: use positive action initiatives as appropriate to address under representation across the workforce; advertise any new job opportunities in a range of ways to ensure a wide pool of applicants; review job paperwork including job descriptions and employee specification to make sure they are only for the skills, experiences and qualities needed to do the job and there are no discriminatory statements/requirements; and check tests, assessments and interview processes are accessible and transparent.

The operating model re-design of the Children and Education directorate is in line with the current activities within the transformation programmes (Our Families), previously agreed by cabinet and is anticipated to enable us to deliver our work more effectively. The 'Our Families' programme board provide programme governance and alignment with wider changes in children's services, embedding equality and inclusion into operating model activities will help ensure effective outcomes and ensure no discrimination occurs throughout the process. We will ensure that service redesign is informed by meaningful consultation, comprehensive needs analysis and equality impact assessment that includes consideration of the changing landscape of external specialist provision. A smaller workforce and less recruitment could mean it will take longer to address existing underrepresentation, pay gaps and other disparities particularly on the basis of age, disability, ethnicity and sex. In some service areas, shrinking capacity may lead to an increase in workforce stress/pressure and reduced flexibility. Reviews of management structure should consider the impact on diversifying the workforce, and representation at leadership levels.

Reducing the council's discretionary learning and development budget is likely to impact the council's overall knowledge and skills in relation to best practice of Equality and Inclusion. The council will continue to deliver statutory and mandatory learning and will continue to prioritise funding for Equality and Inclusion where possible, however, learning and development training on other topics may be reduced, widening knowledge gaps. The impact of this will be monitored through the diversity dashboard and responses to the staff survey. Having two application windows for the annual leave top up scheme is in line with previous years, but the cumulative impact on staff on lower paygrades whom this may feel inaccessible to should be continually monitored. Promoting the scheme in an accessible way to all employees and increasing awareness around the councils flexible working policies should be maximised to support those with other responsibilities such as caring responsibilities.

Community engagement
The Community Development team currently work with priority neighbourhoods, some of which are in the most deprived areas of the city (Deprivation, 2019). The team works in partnership with a wide range of organisations to promote community cohesion. The current programme of work will continue to be delivered; however, no new operational work will be delivered which may impact the council's ability to further advance equality of opportunity and foster good relations to a greater extent. Although priorities have not been set yet, and this is not committed spend, the need to invest in community development and support equalities across the city is growing.

Health, care and wellbeing
Bristol Quality of Life results showed that results for health and wellbeing indicators in 2022-23 were generally worse than 2021-22 and there are large health deprivation gaps within the city. There are multiple savings related to health care and wellbeing designed to make us work more efficiently. Where we are planning on increasing the number of reviews at shortened stages, the council must ensure that the provision and quality of care people receive is not impacted. Although there are likely to be some service users identified as being able to be discharged from care earlier, there will be some who still require access to care, and this should be sustained to ensure we do not exacerbate existing inequalities and support our duties outlined in the Care Act (2014). Older people and Disabled people are likely to be over-represented in cohorts receiving support, and so reviews should be carefully tailored to support these groups and any changes to care communicated sensitively and appropriately. The ageing population is increasingly diverse, and so ensuring changes to care are person-led, considerate of protected and other characteristics, based on an understanding of health equity and communicated in an accessible way is increasingly important. Staff completing reviews should have a good understanding of disability and race equality. Additionally, any reliance on social or community networks may further burden other groups such as carers.

Proposals that are related to increasing independence to alleviate pressures on other services should factor in equality and inclusion into service design and ensure assessing independence accounts for protected characteristics. Although this approach is anticipated to improve our effectiveness, we also know that other public bodies including NHS Trusts are also under enormous financial strain. The underlying reasons for the Council's budget deficit are far reaching and likely to impact other public bodies and providers and we should avoid making any assumptions that people's needs will still be met by other external provision if we change our existing services.

The consultation for the Fair and Affordable Care policy is due to close towards the end of January 2024. The policy sets out the council's future approach to Care Act Assessments, identifying how we will meet individual needs whilst ensuring best value for money under current financial pressures. The Policy describes the ways in which we will arrange care in a manner that reflects the choice and preferences of individuals but balances the need for us to arrange care that is sufficient to meet eligible needs whilst always looking to make best value of the finite resources available to us. The policy is likely to have disproportionate impacts on Disabled people and carers as there may be occasions where the support offered will not be the individual's preference or first choice of care. Responses to the consultation will need to be carefully considered and care should be person-centred, promote independence where possible and ensure adherence to the Human Rights Act. Disabled people's groups should be consulted with where appropriate and internal equalities working groups collaborated with to ensure effective delivery and transparency.

Support for parents and children

A management plan has been developed to ensure the efficient and effective delivery of the Dedicated Schools Grant. The plan brings together the transformation programme, activities around Delivering Better Value (DBV) and Bristol's Special Educational Needs (SEND) activities. Any changes to the Dedicated schools grant will have multiple, intersecting equality impacts that require careful consideration. External expertise should be consulted with where appropriate to ensure accountability and that changes are meeting objectives related to creating more inclusive spaces for children. Co-production activities should be embedded into workstreams including with a wide range of stakeholders, parents and children from diverse backgrounds to capture different lived experiences. Programme boards should consistently pay due regard to equalities issues when decision making, to ensure effective governance, compliance with equality processes and to ensure we are achieving the best outcomes. Robust monitoring and adapting of deliverables will help ensure the needs of children, including complex needs are supported. Developing a culture of inclusion should continue to be prioritised and engagement with other sectors would be beneficial, to ensure a holistic approach to support. Activities will be subject to their own equalities assessment to ensure any risks and supporting mitigations are identified. Actions developed from the equality assessment process should be carefully monitored and implemented.

Like every local authority in England, Bristol has seen significant rising levels of Disabled Children diagnosed with SEND in schools in recent years, and budgets have not increased sufficiently to meet the current demand. There are 13,500 pupils in Bristol who have been diagnosed with SEND, this has increased 43% since 2016. Supporting children who require more support than what is ordinarily available has been a priority issue for the council, but the process has now become unsustainable. The consultation for Bristol's Special Educational Needs (SEND) funding closed on 13th December 2023. The purpose of the consultation was to gather views on how we provide non-statutory, discretionary top-up funding for children who have SEND but not an education, health and care plan (EHCP). Those receiving funding currently are more likely to be eligible for free school meals and pupils with SEND attendance at school is consistently lower. Black African children are 27% more likely to be in receipt of non-statutory top-up at mainstream schools, 60% more likely to be at a special school than the average child in Bristol and 41.6% of pupils with SEND support live in a deprived area. The budget is finite and a continuation of the current process puts the school system in Bristol at risk, so we must now review how the money is spent. There is likely to be a disproportionate negative impact on Disabled children who currently receive funding. Responses to the consultation will be carefully reviewed and the council will work with schools, parents and children to minimise impacts on equality of opportunity, especially where children have combined characteristics, so as to not widen existing educational gaps.

Transport and connectivity

The council will use net proceeds from the Clean Air Zone charges to support local transport schemes and change the way we pay for things. Investing into highways maintenance and highways network is likely to have a positive impact by ensuring roads and pavements are maintained in better conditions and are more accessible. Accessibility when carrying out any works should be continued to be prioritised. Any restructures or changes to services should use this as an opportunity to diversify the workforce.

Accommodation

There will be a rent and service charge increase in rents from April 2024, this is applicable to general needs accommodation, supported housing, temporary accommodation and garages and is to relieve pressures on the Housing Revenue Account. The maximum increase is determined by the government using a rent formula, a cap was introduced for the previous year which has now been lifted. Bristol quality of life data shows that, already, those renting from the council have several indicators significantly worse in relation to financial stability:

Indicator	% Bristol average	Rented from the council
% who find it difficult to manage financially	10.2%	25.9%
% extremely worried about keeping their home warm this winter	20.9%	47.5%
% households that used a food bank during the last 12 months	1.9%	6.8%
% households which have experienced moderate to severe food insecurity	8.1%	26.4%

Decision makers should consider the impact increases will have on tenants. Lettings officers will work with tenants on an individual basis and, where appropriate, put support plans in place and signpost to other financial resources to help minimise the impact on tenants. There are a high proportion of Disabled tenants in council-rented accommodation in comparison to the Bristol average, therefore specific financial and other support tailored to the needs of Disabled people should be shared where possible. Communications around increases in rent and service charges will be available in multiple languages and via accessible means. A fund has been made available specifically for residents struggling to pay rent, in addition to a crisis fund.

Almost three in ten homes in Bristol are privately rented. Private rental prices continue to grow annually, research from Bristol determined that 69% of low-income private renters in England will be forced to go without food and heating at least one day per week to meet rising housing and living cost (Bristol One City, 2022). Young people are often over-represented in privately rented homes. Decision makers should consider the likelihood of a knock-on effect for tenants when introducing costing licensing schemes for landlords. There is a small risk that landlords will transfer the additional costs down to tenants to avoid absorbing costs which could disproportionately impact those from lower socio-economic households. The impact of the scheme will be reviewed for its effectiveness, and local rent prices will need to be reviewed carefully. Overall, it is designed to have a positive equalities impact by improving living standards for tenants of rented, private accommodation which is greatly needed. Other proposals focused on accommodation; increasing direct lets with private landlords and developing two new solo homes for foster children will consider the suitability of accommodation based on the needs of service users based on Disability status, cultural needs and other characteristics when designing and placing people in accommodation to advance equality of opportunity. Physical accessibility needs should be prioritised, and BCC utilise this as an opportunity to work with landlords to raise awareness on accessible accommodation.

Income generation and contract management

Whilst we take a corporate approach to inflation, which includes on fees and charges, we have some savings linked to fees and charges to clients, partners or citizens for goods or services, where we are proposing increases above that inflationary rate. This is reflective of the markets and conditions in those specific areas as well as to ensure that we are able to recover costs of providing services. This ensures we are not cross subsidising chargeable areas through other income sources. We may seek to secure more grants and external funding for services and activities, and collect debts which are owed to us ethically, but more effectively. Increasing business-to-business charges for goods/services may have a disproportionate impact on small businesses and the local voluntary and community sector- in particular for organisations who are led by those who are racially minoritised and for those who support equalities groups. We will consider the impact of particular users on a case-by-case basis, promote initiatives which address lack of equity, and provide discretionary concessions for external equalities-led stakeholder organisations where appropriate.

Contract negotiation and better contract management forms a core part of the budget proposals. Although this is designed to improve efficiencies, this should be carefully monitored to ensure it does not impact the quality of goods and services that subsequently may impact service-users. Robust monitoring of contracts should continue to take place with quality checks and equality and inclusion embedded into review processes.

Low-income households

Deprivation and cost of living crisis

Although the annual inflation rate is down on the previous year (October 2023), energy prices remain extremely high. Gas prices nationally in October 2023 were 60% higher than the previous two years and electricity was 40% higher than the previous two years (Census, 2023). Census data also showed that around two thirds of adults nationally are spending less on non-essentials because of cost-of-living increases.

The cost-of-living crisis disproportionately impacts those from lower-income households due to additional financial strain on essential spending. Bristol Quality of life data showed that 61.9% of people in the 10% most deprived areas were extremely or moderately worried about keeping their home warm in winter, the Bristol average was 48.0%. The cost-of-living crisis has wider-reaching, intersecting impacts on issues such as health-as people may be in poorer living-conditions, there are increases in poor mental health due to stress and increases in food insecurity leading to poor health. Decision makers should be aware of the potential cumulative impact of multiple savings proposals which taken together are likely to amount to increased charges for council services overall and consider whether there are any specific mitigations which can be put in place to reduce the disproportionate negative impact of this on people living in deprivation. Protecting vulnerable households remains a priority for the council and we will continue to use our discretionary funds to provide support to those most in need in 2024/25 and help low-income households with poverty.

Council tax reduction scheme

The council currently provides a Council Tax Reduction Scheme, which was introduced in 2013 and helps people on a low income with up to 100% of their council tax costs. The scheme has continued despite the reduction in government funding and Bristol has been among only a small number of authorities to retain a fully funded scheme for those that need financial support. In February 2023 it was agreed by full council that the scheme would be reviewed as part of the budget setting process. A public consultation launched in October-November 2023 with ten options being proposed. 6,533 surveys were completed, in total 40% wanted no change to the scheme and 60% wanted some change to the current scheme. Monitoring of responses showed that a high proportion of Disabled people responded to the consultation. The decision went to cabinet on 5th December 2023 and it was agreed that there would be no change to Bristol's 2024/25 Council tax reduction scheme. The scheme remains unchanged, which will ease pressures on those from low-income households who are reliant on the scheme, this has been reflected in the proposed budget with the related saving being outlined as a proposed write-off as now undeliverable in the 2024-25 budget.

Council funding

General reserves- in addition to the council's budgets to pay for investment and day-to-day services, the council also holds money in reserve, which is required to cover one-off unexpected expenditure, reduced income arising in any particular year and emergency events such as natural disasters and other unforeseen urgent needs. Whilst it is possible to top-up with money from reserves, as it can only be used once, this could only be a short-term solution and the full funding gap will still be evident and need to be addressed. Additionally, a reduction in reserves can reduce the Council's capacity to respond to the emerging needs of equalities communities in relation to accessibility and inclusion etc.

Housing Revenue Account is a separate ring-fenced account covering all activities of Bristol City Council as a landlord and is mostly made up of the rent we collect. This money is used to plan and provide services for people living in council housing, including repairs and improvements. The Housing Revenue Account also has a programme to build new council homes and invest in additional stock. The HRA budget reflects a commitment to increase investment in the existing stock, to be funded through a series of above inflationary increases in rents, with a 7.7% rent and service charge increase from April 2024 (applicable to general needs accommodation, supported housing, temporary accommodation and garages).

The Dedicated schools grant comes from UK government and can only be used to pay for schools and education services for children and young people in Bristol. The Early Years Block within this is used to fund free nursery and pre-school hours for eligible children up to 4 years. The High Needs Block is dedicated funding for children and young people with special educational needs and disabilities (SEND) or for those who need alternative provision, such as Pupil Referral. There is an increasing demand for Education, Health and Care Plans and special educational needs provision. The provisional uplift applied to the High Needs Block is 5% but based on the historic deficits and current trends, this will not be sufficient for the funding needs within the High Needs Block. A Mitigation Plan has been developed that includes a range of deficit mitigation measures and identifies further work required to ensure sustainability in high needs service provision in the coming financial years.

The public health budget is a yearly UK Government grant to promote good mental and physical health in the city and pay for services that help people be healthier and stay healthy. The amount of funding allocated for public health is dictated by central government and we are required to spend the money in line with set guidelines known as the 'Public Health Outcomes Framework'.

The capital budget is spent on investing in the city by building e.g., schools and houses, introducing new transport options, maintaining and improving existing stock, supporting infrastructure work and supporting invest to save measures such as those included in the budget for children's homes sufficiency and fostering placements which should save money in the future.

Some activities that have an equalities impact will be dependent on expected income. If we do not receive as much income as expected, then we will ensure equality impact assessments are completed for any activities affected. At this stage, it is not possible to provide an assessment.

<table>
<tr><th colspan="2">Protected characteristics</th></tr>
<tr><td>Age: Young People</td><td>Does your analysis indicate a disproportionate impact? Yes ☒ No ☐</td></tr>
<tr><td>Existing issues and considerations</td><td>
Bristol has a younger age profile in comparison to the national average (This is partly due to the large number of students living in Bristol during term time who are counted as part of the usually resident population).
Young people are often under-represented in engagement and consultation in Bristol and are less satisfied than average with the way the council runs things.
Children and young people in Bristol are considerably more ethnically diverse than the overall population of Bristol.
In 2021 more than half (52%) of Somalis living in Bristol were aged under 20 (Bristol total population 23% aged under 20)
Children and young people from the most deprived areas of Bristol have the poorest outcomes in health and education in terms of health, education and future employment etc.
Young people in Bristol are more likely to:
has poor emotional health and wellbeing
o find inaccessible public transport prevents them from leaving their home when they want to
o 6.8% of 16–17-year-olds (2020/21) were “not in education, employment or training” (NEET), worse than the national average (5.5%)
Young adults are most likely to have lost work or seen their income drop because of COVID-19 and the cost-of-living crisis
There are 91,900 children under 18 living in Bristol (Census 2021)
21.8% (17,955) of children under 16 live in relative low-income families (Census 2021)
Across Bristol, there were 694 children in care as at the end of March 2022 (Figure 1). This has increased from previous years.
Boys are over-represented in the cohort and two-thirds of children in care are of white ethnicity (JSNA).
68% of children in care were from the most deprived 30% of the population.
Young people are more likely to be over-represented in rented accommodation
Young people (16-29) are under-represented in Bristol City Council’s workforce (11.9%) in comparison to those aged 50-64 (41.2%).
Children in the most deprived areas are over five times (5.25) more likely to be injured in motor traffic collisions than those in the least deprived areas
</td></tr>
<tr><td>Mitigations:</td><td>When considering proposals, consideration should be taken over existing disparities within young people such as educational gaps between Black, Asian and minority ethnic pupils and white pupils, or pupils from low-income households. Consideration should be taken on intersecting characteristics, such as being young and Disabled, and the impact budget proposals taken together may have on combined characteristics. Mitigations will centre around communicating effectively with children, parents and educational settings, signposting to support where possible and working with young people on an individual basis to support their needs. We will continue to monitor outcomes via demographic breakdowns and protected characteristics.</td></tr>
</table>

	Proposals related to children in care are anticipated to have a positive impact on young people through increasing the council's capacity to support children appropriately. Mitigations to support these approaches are ensuring a child-led process for the design and development of the homes based on service-user need and a proactive and targeted recruitment approach will be adopted to widen the pool of foster carers better able to support a wider variety of needs. In addition to the direct impact of "Children and Families" savings proposals there may be a disproportionate cumulative impact for children and young people from various budget proposals where there are existing disparities in access and inclusion. Workforce efficiencies and changes may have a disproportionate impact on younger employees who are more likely to be employed on fixed term contracts and a large proportion of under 35's are leaving after the end of a fixed term contract. The impact of increased working from home can make it harder for younger and newer employees to be fully part of pre-existing teams – this will be mitigated where possible through positive action initiatives and ongoing liaison with the Young Professionals Network staff led group.
Age: Older People	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• There is a higher prevalence of Disability in older age groups • Older people in Bristol are: o less likely to be comfortable using digital services (17.5% of people aged 65 years and older advised they lack the skills or confidence to use the internet, the Bristol average is 4.4%) ○ more reliant on public and community transport ○ more likely to be an unpaid carer ○ more likely to help out or volunteer in their community ○ less likely to have formal qualifications • Bristol Ageing Better estimated at least 11,000 older people are experiencing isolation in the city. • We must factor aging and the needs of older people into long term budgeting and service design
Mitigations:	Changes to Health, Care and Wellbeing is likely to disproportionately impact older people due to them being over-represented as service-users. Changes to care need to be communicated clearly and consistently with a wide range of accessible communications for older people. The population of older people in Bristol is increasingly diverse and proposals to make changes in commissioned services for older adults may reduce the focus on providing accessible and flexible services unless revised specifications have an explicit equality and inclusion focus. Open dialogue with older people and engagement with older people advocacy groups will help to ensure care is appropriate and effective in supporting their needs. Workforce efficiencies and changes may have a disproportionate impact on older employees if they are closer to retirement age. Tailored communications, considerate of the needs and perspectives of older people will help ensure they receive sufficient information, and line managers should communicate with individuals around any support needs.
Disability	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• More than 81,000 (17.2%) people in Bristol have long-term physical or mental health conditions or illnesses whose day-to-day activities were limited

	• Over 13,500 pupils in Bristol been diagnosed with special educational needs (SEN)
	• Disabled people are twice as likely to live in social rented accommodation than people not Disabled - 32% live in social rented housing compared to 16% of people not Disabled
	• Disability prevalence increases with age in Bristol: children 6.1% disabled, working age 16.0% disabled, older people 65+ 38.5% disabled
	• More than a quarter (27%) of the 'White Gypsy or Irish Traveller' population said they had a long-term physical or mental health issue or disability that affected their daily lives - 10 percentage points more than the Bristol average (17%)
	• Disability rates higher than the city average (17%) are found in the 'Black or Black British Caribbean' population (23%), the 'White Irish' population (21%) and the 'White British' population (19%)
	• Just 18% of Disabled people aged 16+ whose day-to-day activities are limited a lot have a degree or higher – 27 percentage points lower than people not disabled at 45%
	• Almost 2 in 5 (39%) Disabled people whose day-to-day activities are limited a lot do not have access to a car or van compared to just 17% of people not disabled
	• Over a quarter of Disabled people (26.4%) report suffering from Disability discrimination or harassment in the last year
	• Over an eighth (13.0%) have experienced severe food insecurity, over three and a half times the city average
	• Local data shows 21% of Bristol residents have "below average mental wellbeing", rising to 34.2% in the most deprived areas.
	• Disabled people are the least satisfied with life (32.5%), significantly lower than the Bristol average (62.4%)
	• Disabled people should be empowered to make independent living choices and a have a say in access to service provision.
	• Budget setting needs to provide sufficient resource and flexibility to meet our legal duty to make anticipatory and responsive reasonable adjustments for disabled people including:
	    o changing the way things are done e.g., opening / working times.
	    o changes to overcome barriers created by the physical features of premises.
	    o providing auxiliary aids e.g., extra equipment or a different or additional service.
	    o is 'anticipatory' so we must think in advance and ongoing about what disabled people might reasonably need.
	• Disabled people must not be charged for their reasonable adjustments, accessible formats or other adaptations. It is a legal requirement under the Equalities Act to ensure information is accessible to Disabled employees and service users.
	• Disabled staff are under-represented in the workforce (8.5%).

Mitigations:	Changes in non-statutory, discretionary funding will impact on Disabled young people, some with intersecting and complex needs. A smaller, more targeted approach is required in order for it to be sustainable, however, changes cannot guarantee that all those that require funding will continue to receive it.

	Communicating changes with children, parents and educational settings effectively will be essential and, where possible, signposting to other resources. Proposals related to reviews of care need to carefully consider the intersecting and specific needs of Disabled people when promoting independence and increasing reviews. This may have a positive impact through increased contact time to ensure needs are met appropriately but needs to be sensitively applied dependent on individual circumstances, ensuring continued high-quality care for people that need it. Ensuring staff completing reviews are trained in disability equality and have developed knowledge beyond medical models of Disability, will help to ensure independence is supported effectively. Where we are proposing supporting people with technology and equipment, we need to ensure Disabled people feel confident in using equipment to support their needs independently. Accommodation, including children's accommodation and temporary accommodation should ensure high-quality, accessible options for Disabled people and that we maximise on the opportunity to engage with landlords around Disability awareness. If we are changing the way we work, we should ensure that we are communicating to service-users in accessible formats. Engaging with Disabled-led groups locally, and internal equality groups around changes will help to minimise impact. Responses to any relevant consultation should be carefully considered to ensure changes are informed by those who may be impacted. Workforce efficiencies and changes may have a disproportionate impact on disabled colleagues unless emerging accessibility issues are adequately mitigated through ongoing equality impact assessment and liaison with e.g. the Disabled Colleagues Network prior to implementation. Overall, there is likely to be a disproportionate, negative impact on Disabled people due to the number of proposals related to health, care and wellbeing, the consultation on the Fair and Affordable Care Policy and the consultation on Bristol's SEND funding, that could further existing inequality gaps.
Sex	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• Men are under-represented in the workforce (38.7%) • The average UK pay gap is 14.8% in favour of men [(ONS, 2023)]() • Women still bear the majority of caring responsibilities for both children and older relatives. • Women are more likely to be excluded from conversations which affect decision making due to lack of representation in boards / organisational leadership. • Services and workplace requirements may not take into consideration the impact of women's reproductive life course including menstruation, avoiding pregnancy, pregnancy, childbirth, breastfeeding, and menopause. • Young women between the ages of 16 and 24 have higher risk of common mental health problems and higher rates of self-harm and post-traumatic stress disorder etc. • In Bristol, females over the age of 16 are 2.5 times more likely to be a victim of a domestic abuse related crime than males [(JSNA, 2023)]() • Women in Bristol live an average of 21.2 years in poor health. This is higher than England average for women and over 2.5 years worse than the Bristol average for men.

	• Men in Bristol live on average 18.7 years in poor health – which is also higher than the England average for men [(JSNA, 2023)](#) • A higher proportion of boys have physical impairments and more boys than girls • 62% of pupils with Special Educational Needs are boys • have diagnosed mental health disorders and learning difficulties. • Men are three times more likely than women to take their own lives.
Mitigations:	The cumulative impact of proposed savings may have a disproportionate impact on women because of existing economic and structural inequalities which mean that they are more dependent on existing services. Any changes to services should take into consideration the differing needs of female and male service users. Workforce efficiencies and changes will have a disproportionate impact on women as over 60% of employees, however there is wide variance in the proportion of female and male employees between teams. Female employees are much more likely to work part time which is likely to be because of unpaid caring responsibilities for children and older adults. This can be partly mitigated through the Council's Flexible Working Policy, and we are committed to helping all employees achieve a balance between their working life and other priorities such as parental and caring responsibilities etc.
Sexual orientation	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• Census date (2021) showed that 6.1% of Bristol's population identify as LGB+ • LGB people are under-represented in the workforce (6.4%). • Lesbian, gay and bisexual people are statistically more vulnerable to verbal and • physical abuse • 55.5% thought that sexual harassment is an issue in Bristol, higher than the Bristol average (34.6%) • 35.9% said that their mental/emotional health prevents them from leaving the house, significantly higher than the Bristol average (15.6%) • 49.7% reported they were satisfied with life; this is lower than the Bristol average (62.4%) • 52.6% reduced spending on essentials due to concerns about energy prices, this is higher than the Bristol average (41.6%) • 71.7% reported they felt satisfied that they can stay in their home for as long as they choose to, this is lower than the Bristol average of 81.9% • 14.4% of households have experienced moderate, to severe food insecurity, this is higher than the Bristol average 8.1% • One in ten black, Asian and minority ethnic LGBT staff (10 per cent) have similarly been physically attacked because of their sexual orientation and/or gender identity, compared to three per cent of white LGBT staff • Almost one in five LGBT staff (18 per cent) have been the target of negative comments or conduct from work colleagues in the last year because they're LGBT
Mitigations:	Proposals to make changes in services may reduce the focus on providing LGBTQ+ friendly services unless revised specifications have an explicit equality and inclusion focus.

	Workforce efficiencies and changes may have a disproportionate impact on sexual orientation if relocated lesbian, gay and bisexual staff have concerns about discrimination in their new setting. The Council is committed to promoting an inclusive working environment and challenging discriminatory behaviour.
Pregnancy / Maternity	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• The Equality Act 2010 applies to those who are pregnant or have given birth in the past 26 weeks, as well as making provisions to protect the rights of breastfeeding mothers. • Around 80% of women will give birth and many women will also experience termination, miscarriage and stillbirth • In the workplace we need to ensure equal access to recruitment, personal development, promotion and retention for employees who are pregnant or on maternity leave (including briefing and updates for any workforce changes) • Ensure there is equality of opportunity for services in relation to pregnancy and maternity. This includes e.g. providing physical access when using prams and pushchairs, and availability of toilets and baby-changing facilities etc., and flexible working patterns and service times for childcare arrangements • Women from minoritised ethnic backgrounds are more likely to experience complications at birth
Mitigations:	Workforce efficiencies and changes may have a disproportionate impact on pregnancy employees. We need to ensure equal access to recruitment, personal development, promotion and retention for employees who are pregnant or on maternity leave - including briefing and updates for any workforce changes.
Gender reassignment	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• 6 in 10 (59.8%) suffered from discrimination and harassment in the past year, and almost 1 in 3 (32.2%) feel unsafe from sexual harassment using public transport. • Almost a third experience food insecurity (32.7%) and a third (32.5%; not necessarily the same people) find it difficult to manage financially. • Over half (53.7%) are sometimes prevented from leaving home due to their mental / emotional health. • 40.3% of Trans people said they feel safe outdoors after dark compared to the Bristol average of 57.5% • 37% of trans people and 33% of non-binary people had avoided healthcare through fear of discrimination • 25% of trans people had been homeless at some point in their lives • Trans people are under-represented in the workforce (0.2%)
Mitigations:	Proposals to make savings in services may reduce the focus on providing trans inclusive services unless revised specifications have an explicit equality and inclusion focus. Workforce efficiencies and changes may have a disproportionate impact on relocated trans employees if they have concerns about discrimination in their new setting. The Council is committed to promoting an inclusive working environment and challenging discriminatory behaviour.

Race	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• In the UK in 2022 black employees had the biggest pay gap of 5.6% in comparison to white employees • Black, Asian and minority ethnic people are less likely to be satisfied overall with their current accommodation (74.2%) in comparison to the Bristol average (84.2%) • 57.7% of Black, Asian and minority ethnic people extremely or moderately worried about keeping their home warm this winter in comparison to the Bristol average at 48.0%. • 17.2% of Black, Asian and minority ethnic households have experienced moderate to severe food insecurity in comparison to the Bristol average at 8.1% • Just over a quarter of people of Black ethnicity report below average mental wellbeing, higher than the city average • The majority (85%) of the Somali population live in socially rented accommodation – a level four times higher than the Bristol average (19%) • Overcrowding is most common for people who identified as 'Black or Black British African', with nearly half of people (47%) living in overcrowded homes compared with 10% of the overall population • 36% of children belong to a minority ethnic group • People who do not speak English as a main language may require information in plain English and community language translations or videos or visual communications
Mitigations:	The cumulative impact of proposed savings may have a disproportionate impact on the protected characteristic of race because of existing economic and structural inequalities, especially health inequalities may mean that they already may have less access to services. Proposals which have an element of communications such as reducing spend on the Bristol Legible City and communicating licensing fees should consider the impact on those that do not read/speak English. Alternative provisions or access to translation services should be considered. Proposals related to community engagement will largely impact minoritised groups as they are the main beneficiaries of this service. Workforce efficiencies and changes may have a disproportionate impact on Black, Asian and minority ethnic employees who proportionally under-represented on higher salary bands, and statistically more likely to raise formal grievances and be subject to disciplinaries. This should be mitigated through a range of positive action initiatives and specific race equality actions.
Religion or Belief	Does your analysis indicate a disproportionate impact? Yes ☒ No ☐
Existing issues and considerations	• More than 45 religions represented in Bristol • More than half (51%) of people state they have no religion - the third highest proportion of all local authorities in England • The second highest proportion is Christian (32.2%), and the third highest is Muslim (6.7%) • Half of all Muslims (50%) live in socially rented accommodation - 31 percentage points higher than the overall population (19%)

	• More than a third (36%) of all Jewish people of working age were economically inactive students compared to just 12% in the population as a whole • In council staff, 25.2% are Christian, 18.2% have another religion and 32.2% had no religion
Mitigations:	Budget proposals related health, care and wellbeing, such as increasing reviews or supporting people with reablement in their homes should take into account differing needs because of people's religion and belief (for example different requirements around diet, life events, and holidays). This should be factored into service-design. We will continue to work with faith-led organisations in the city to understand the emerging needs of faith groups. Council workforce efficiencies and changes may have a disproportionate impact on some faith groups as the category "Other religion or belief" is disproportionately represented at the lowest salary bracket of Council employees. The main City Hall and Temple St work sites have a multi-faith room, and we will continue to promote flexible working patterns wherever possible to accommodate faith holidays and prayer requirements etc.
Marriage & civil partnership	Does your analysis indicate a disproportionate impact? Yes ☐ No ☒
Existing issues and considerations	No impact identified at this stage.
Mitigations:	No impact identified at this stage.
OTHER RELEVANT CHARACTERISTICS	
Does your analysis indicate a disproportionate impact? Yes ☒ No ☐	

Socio-Economic (deprivation)	• Due to the nature of the activity, there is a risk that budget proposals will have a disproportionate, negative impact on those from low-income households and those living in poverty
	• Bristol has 41 Lower Super Output Areas (LSOAs) in the most deprived 10% in England for Multiple Deprivation, including 3 LSOAs in the most deprived 1% in England (Deprivation, 2019)
	• The results from Bristol's Quality of Life survey show that people from the most deprived areas in Bristol are less satisfied across a range of indicators (including, Health & Wellbeing, Crime & Safety, Education & Skills, Sustainability & Environment) compared with the cities average. Data showed:
	  ○ the % households which have experienced severe food insecurity increased from 1.8% in 21-22 to 3.7% in 2022-23
	  ○ Those who experienced moderate to severe food insecurity rose from 4.6% (21-22) to 8.1% (22-23).
	  ○ The % satisfied with the cost of heating their home was (down from 34.7% (21-22) to 21.6% (22-23).
	  ○ People from the most deprived areas of Bristol are significantly less satisfied with their local areas as a place to live, compared to the cities average.
	  ○ Rates of people whose day-to-day life is affected by fear of crime is nearly double in the most deprived areas of the city, compared to the cities average 32.4% / 17.4%.

	- People from the most deprived areas of Bristol are 27.4% less satisfied with their local area, compared to the cities average (47.8% / 75.2%). - 15.1% less people from the most deprived areas of Bristol feel they belong to their neighbourhood, compared to the cities average of 65.1%. - 26.3% of people from the most deprived areas of Bristol have low life satisfaction, compared to the cities average of 13.8%. A difference of 12.5%. • Around 1 in 4 (24%) of adults who reported difficult in paying their energy bills in 2022 experienced moderate to severe depressive symptoms, which is nearly three times higher than those who found it easy to pay their energy bills (9% - ONS) • In Bristol 15% of residents (72,300 people) live in the 10% most deprived12 areas in England, including 17,900 children and 7,600 older people
Carers	• Of all the carers in Bristol, almost a third (30%) were disabled themselves - this compares to just 17% of the population who do not provide unpaid carer to others • In 2021 there were almost 34,000 people providing unpaid care in Bristol. This accounts for 7.6% of all people aged 5 years and over • About 4 in 9 (45.3%) say caring responsibilities prevent them from leaving their home when they want to. • Almost 1 in 7 (14.3%) are prevented from getting involved in their community due to accessibility issues. • Nearly 1 in 11 (8.6%) are stopped from leaving home because of a lack of support and assistance and about 2 in 9 (23.0%) suggested they would visit venues and events more often if the venues were more accessible • Almost 2 in 9 (21.7%) were victims of disability discrimination or harassment in last year.
Other groups [Please add additional rows below to detail the impact for any other relevant groups as appropriate e.g. asylum seekers and refugees; care experienced; homelessness; armed forces personnel and veterans]	
Potential impacts:	
Mitigations:	

3.2 Does the proposal create any benefits for people based on their protected or other relevant characteristics?

Outline any potential benefits of the proposal and how they can be maximised. Identify how the proposal will support our Public Sector Equality Duty to:

- ✓ Eliminate unlawful discrimination for a protected group
- ✓ Advance equality of opportunity between people who share a protected characteristic and those who don't
- ✓ Foster good relations between people who share a protected characteristic and those who don't

There is the potential for a positive equality impact with proposals related to children and education by increasing local specialist education provision, increasing the number of foster carers and having two new children's homes that are designed to support specific needs based on Disability status, supporting equality of opportunity. In addition, proposals related to using funding to support highways

maintenance should improve the quality road roads and footpaths, increasing safety for services users. We have considered as far as possible the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010; advance equality of opportunity between people from different groups; and foster good relations between people from different groups. Our budget savings proposals are aligned to our Corporate Strategy and although we have limited resources our future focus will be on achieving those priorities we have identified, including tackling poverty and intergenerational inequality.

Step 4: Impact

4.1 How has the equality impact assessment informed or changed the proposal?

What are the main conclusions of this assessment? Use this section to provide an overview of your findings. This summary can be included in decision pathway reports etc.

If you have identified any significant negative impacts which cannot be mitigated, provide a justification showing how the proposal is proportionate, necessary, and appropriate despite this.

Summary of significant negative impacts and how they can be mitigated or justified:
The cumulative impact of our saving proposals is likely to have a disproportionate impact on people living in poverty / low-income families, and equalities groups particularly on the basis of age and disability. We will aim to mitigate this disproportionate impact as much as possible by prioritising and retaining statutory and targeted services which most benefit vulnerable groups.
Summary of positive impacts / opportunities to promote the Public Sector Equality Duty:
• Foster carer recruitment and retention • Supporting Bristol's children's homes (this will help reduce the number of children placed in more expensive placements outside the city, and make sure children can stay close to local connections such as school, friends and family) • Use Clean Air Zone funds to improve the highways network

4.2 Action Plan

Use this section to set out any actions you have identified to improve data, mitigate issues, or maximise opportunities etc. If an action is to meet the needs of a particular protected group, please specify this.

Improvement / action required	**Responsible Officer**	**Timescale**
All relevant EqIAs will be published on the Council's website and continue to be updated as appropriate.	Grace Biddulph	March 2024

4.3 How will the impact of your proposal and actions be measured?

How will you know if you have been successful? Once the activity has been implemented this equality impact assessment should be periodically reviewed to make sure your changes have been effective your approach is still appropriate.

Our Equality and Inclusion Annual Progress Reports show what we have done to achieve the aims of our Equality and Inclusion policy and strategy, and the progress we have made including reporting on all relevant Key Performance Indicators and workforce diversity - Equalities policy - bristol.gov.uk

Step 5: Review

The Equality and Inclusion Team need at least five working days to comment and feedback on your EqIA. EqIAs should only be marked as reviewed when they provide sufficient information for decision-makers on the equalities impact of the proposal. Please seek feedback and review from the Equality and Inclusion Team before requesting sign off from your Director[1].

Equality and Inclusion Team Review: ***Reviewed by the Equality and Inclusion Team***	**Director Sign-Off:** Denise Murray
Date: 11/01/2023	Date: 16/01/2024

[1] Review by the Equality and Inclusion Team confirms there is sufficient analysis for decision makers to consider the likely equality impacts at this stage. This is not an endorsement or approval of the proposal.

Bristol's Budget 2024/25

BRISTOL CITY COUNCIL

Introduction

Like other Councils, Bristol City Council continues to operate in a challenging environment, where cost to deliver services are escalating along with demand for those services, which affects our ability to continue all the activities we would like to in order to deliver the services that we want.

Councils faced reducing revenues as part of the government austerity programme for a decade between 20110-2019 and whilst there has been additional income since that point, that income has not maintained pace with overall levels of inflation and demand pressures that are being seen. This has meant that councils across the county, including Bristol, are facing increasing challenges in balancing the budget.

Based on our autumn forecasts in our Medium Term Financial Plan, we face a funding gap over the next five years, with a gap of £17.8 million in 2024/25, rising to a peak of £32.2 million during the 5 year planning period. This is in addition to the £17.7 million of savings and efficiencies for the 2024/25 – 2027/28 period that were outlined in the 2023/24 budget.

The following proposals will be presented to Cabinet on Tuesday 23rd January 2024. Cabinet will decide whether to recommend the budget to Full Council. If it does, Full Council will consider the budget for 2024/25 on Tuesday 20th February 2024.

The setting of a budget which includes these proposals does not guarantee that they will all happen. Some of these may be subject to further development, public consultation, and formal Cabinet decision making.

Proposals 2024/25 to 2028/29

The following list of proposals set out how we outline that the budget gap is bridged until March 2029.

These proposals cross the breadth of the council's services across a number of themes, but continue to closely align with our Corporate Strategy priorities.

Each proposal is presented with its forecast savings for each financial year up until 2028/29.

The list of proposals is shown in two sections so that proposals that may require further consultation can be reviewed separately to those that do not.

In section three there is a summary table that outlines our savings by category of approval and by directorate.

The amounts shown against each savings proposal are net of the costs and investments required to deliver the proposed savings. Where a negative figure is shown in a table, this indicates that either the saving is a one-off and non-recurrent or that the cost in that year to deliver the saving outweighs the amount saved during that time.

Status	
Previous Budget Reports	An unchanged proposal which was published as part of theBudget Reports prior to 2023/24
Budget Report 2023/24	An unchanged proposal which was published as part of the 2023/24 Budget Report
Budget Report 2023/24 (Changed)	A proposal which was published as part of the 2023/24 Budget Report but has had its decription or savings amounts changed
Budget Consultation Dec 2023 for 2024/25 Budget	An unchanged proposal which was published as part of the 2024/25 -2028/29 Budget consultaiton
Budget Consultation Dec 2023 for 2024/25 Budget (Changed)	A proposal which was publised as part of the 2024/25 - 2028/29 Budget Consultation but has had it's description or savings amounts changed
Budget Recommendation 2024/25 (New Since 2023 consultation)	A new proposal now being published following the 2024/25 - 2028/29 Budget Consultation

Section 1: Proposals that may be subject to consultation

These proposals are ideas based upon several items that we consulted citizens about at the end of 2022. Many of these will need more work to shape the proposals and confirm if they can go ahead. At this early stage we think it is likely that they will require further public consultation and assessment before final decisions can be made. This may change however as proposals are developed in more detail and we will keep this under review.

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Status*
Growth & Regeneration	2324-NEW5	Cllr Don Alexander	**New parking charges** New charges for small district car parks.	150	-	-	-	-	**150**	**Budget Report 2023/24**
Growth & Regeneration	NEW 2223_GR021	Cllr Ellie King	**Secure new commercial opportunities through the Bristol Future Parks approach** Generate new income for Parks and Green Spaces.	50	-	-	-	-	**50**	**Previous Budget Reports**
Growth & Regeneration	NEW 2223_GR022	Cllr Ellie King	**Maximise commercial opportunities for catering outlets within parks** Continue to grow the catering and nursery businesses with Parks and Green Spaces.	25	-	-	-	-	**25**	**Previous Budget Reports**
Adults, Community & Public Health	2324-P7	Cllr Helen Holland	**Concord Lodge** To review and develop a more efficient and effective delivery model at Concord Lodge.	104	-	-	-	-	104	**Budget Report 2023/24**
Children's & Education	2324-P15	Cllr Asher Craig	**Social worker retention and recruitment** Increase retention of our experienced social workers so that we can reduce our spend on agency temporary social workers.	220	245	-	-	-	**465**	**Budget Report 2023/24**
Resources (& Shareholding)	2324-R30	Cllr Craig Cheney	**Discretionary Rate Relief (#2)** Robustly administer the existing discretionary business rates relief policy ensuring that discretionary business rates relief is only paid to those organisations set out in the policy as eligible.	200	-	-	-	-	**200**	**Budget Report 2023/24**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Status*
Adults, Community & Public Health	NEW 2223_ ASC1	Cllr Helen Holland	**Increase social housing for people with care and support needs** Better Lives at Home is an innovative transformation programme for adult social care which supports people to lead more fulfilling lives and live independently in their own homes for longer. It boosts usage of TEC (technology enabled care). TEC equipment can be used at home to remain independent.	870	550	468	-	-	**1,888**	**Previous Budget Reports**
Growth & Regeneration	2324-GR7_ updated	Cllr Tom Renhard / Cllr Nicola Beech / Mayor	**Temporary Accommodation need** We will reduce the costs of providing temporary accommodation to those with immediate housing needs. We will do this by creating new temporary accommodation, making use of existing properties, including council housing, and working with partners to source available properties. This will reduce our spend on expensive and inappropriate accommodation like hotels.	821	-	-	-	-	**821**	**Budget Report 2023/24**
Adults, Community & Public Health	2324-P6	Cllr Helen Holland	**East Bristol Intermediate Care Centre** Following a recent review it is proposed to offer East Bristol Intermediate Care Centre to alternative providers, or close the centre. The centre provides care and accommodation for 17 people over the age of 18 who stay for up to six weeks to help them to be independent after a hospital admission or illness. This is a discretionary service offered by the council.	834	-	-	-	-	**834**	**Budget Report 2023/24**
Adults, Community & Public Health	NEW 2223_ ASC7	Cllr Helen Holland	**Review Bristol Community Links service delivery** Review of Day Opportunities. Subject to consultation.	500	-	-	-	-	**500**	**Previous Budget Reports**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Status*
Children's & Education	2324-NEW2	Cllr Asher Craig	**Targeted Commissioning** Review and reduce spend on direct commissioning for Mentoring/Youth services, with a focus on maximising delivery outcomes through alternative routes, such as application of the Youth Zone.	200	-	-	-	-	**200**	**Budget Report 2023/24**
Children's & Education	2324-NEW3	Cllr Asher Craig	**Short Breaks** Review and reduce pooled budget spend by 10%. This will require further consultation and represents a change to S75 budget.	270	-	-	-	-	**270**	**Budget Report 2023/24**
Children's & Education	2324-P11	Cllr Asher Craig	**Foster carer recruitment and retention** Supporting Fostering Services to recruit and retain foster carers, with innovative approaches and strategies to encourage and support people with the right skills and experience, to come forward and offer some of our most vulnerable children an opportunity to experience a stable family life. This proposal would significantly increase our cohort of local foster carers and reduce the use of more expensive distant placements and the use of Independent fostering agencies.	1,284	614	251	293	-	**2,442**	**Budget Report 2023/24**
Children's & Education	2324-P21	Cllr Asher Craig	**Home to Education Transport** Redesign the service to provide a more efficient needs-led Statutory Home to School Transport Service, developing more sustainable travel options, including independent travel, for young people with Special Educational Needs and Disability aged 16–25.	2,270	130	192	254	-	**2,846**	**Budget Report 2023/24 (Changed)**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Status*
Children's & Education	2324-P23a	Cllr Asher Craig	**Early Help in communities, including Children's Centres and Family Hubs** We are proposing to review how we provide Early Help in communities, including children's centres and family hubs. The aim is to bring together more services that can be delivered from a range of different local venues and increase the amount of outreach work and online support we are able to provide, reducing the spend on buildings and staffing costs.	-	150	-	-	-	**150**	**Budget Report 2023/24 (Changed)**
Children's & Education	2324-P25	Cllr Asher Craig	**Bristol Children's Homes** We will increase our available capacity of council run children's homes. This will help us to try and reduce the number of children who are placed in expensive placements outside of the city, improving outcomes whilst reducing our overall expenditure.	300	-	-	-	-	**300**	**Budget Report 2023/24**
Children's & Education	NEW 2223_CF6b.1	Cllr Asher Craig	**Review special guardianship order arrangements** Improve special guardianship arrangements to ensure payments are aligned with national guidance.	-	30	-	-	-	**30**	**Previous Budget Reports**
Growth & Regeneration	NEW 2223_GR028	Cllr Craig Cheney	**Review Museums and Archive Service** Review of the Museums and Archive Service in order to deliver the Corporate Strategy and to deliver savings.	258	-	-	-	-	**258**	**Previous Budget Reports**
Resources (& Shareholding)	2324-R29	Cllr Craig Cheney	**Discretionary Rate Relief (#1)** Suspend the council's discretionary rate relief scheme and the discretion to 'top-up' relief to 100% of the business rates due, following the required 12 months' notice period. Eligible registered charities and other voluntary and community organisations will be restricted to mandatory relief of 80%.	170	-	-	-	-	**170**	**Budget Report 2023/24**

Section 2: Proposals where no consultation is required

We don’t believe that the proposals in this section will require further public consultation. The reasons for this will vary by proposal, but it will typically be because there is little or no noticeable frontline impact on the services people receive. This may change however as proposals are developed in more detail and we will keep this under review.

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Corporate	24/25-GR007	Cllr Alexander	**Alternative investment in sustainable transport** We would use net proceeds from Clean Air Zone charges to contribute to the amount of money we pay to the West of England Combined Authority for the annual Transport Levy which supports the Local Transport Plan, funding concessionary fares and other public transport related services.	10,300	(4,000)	-	-	-	**6,300**	**Budget Consultation Dec 2023 for 2024/25 Budget (Changed)**
Growth & Regeneration	2324-GR15	Cllr Don Alexander	**Transport and Highway Maintenance** Access alternative income sources (some of which may be one-off) to pay for routine maintenance and improvements to sustainable transport and air quality to help improve health.	(500)	(500)	-	-	-	**(1,000)**	**Budget Report 2023/24**
Growth & Regeneration	24/25-GR001	Cllr Beech	**Keep more of the administration fee from the Community Infrastructure Levy** The Community Infrastructure Levy (CIL) is money collected from new developments and used to fund local infrastructure. We would use the 5 per cent of this levy allocated to administration to replace money from the general fund (the council’s main revenue account). This would be used to fund staff time spent supporting CIL work.	150	(50)	(50)	-	-	**50**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Growth & Regeneration	24/25-GR003	Cllr Alexander	**Use e-scooter payments for highway maintenance** Use new income from e-scooter operator payments to fund highway maintenance. This new income could also be used to support the use of bikes and e-scooters in the city.	500	-	-	-	-	**500**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Growth & Regeneration	24/25-GR010	Cllr Alexander	**Use Clean Air Zone funds to maintain and improve the highways network** We would use net proceeds from Clean Air Zone charges to carry out repairs and improvement works on the city's roads and footpaths. These works would support the Local Transport Plan by keeping our roads and footpaths safe for all users, encouraging walking and cycling and reducing traffic congestion.	2,311	(1,148)	-	-	(1,163)	**-**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Growth & Regeneration	NEW 2223_GR013	Cllr Don Alexander	**Continue with the enforcement of the Bristol Bridge restrictions** Penalty Charge Notices from bus lane enforcement at Bristol Bridge.	(300)	-	-	-	-	**(300)**	**Previous Budget Reports**
Resources (& Shareholding)	24/25-R002	Cllr Cheney	**Register Office** We would raise Register Office prices for 2024/25 in line with current market rates, including fees to hold a ceremony, for our registrars to attend, to license a venue, for couples to hold a date and for other event hire.	76	-	-	-	-	**76**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Resources (& Shareholding)	2324-R12	Cllr Craig Cheney	**IT Contracts** Review all of our spending on IT software and services across the entire council. Seek to reduce or cancel any non-essential contracts and services.	310	-	-	-	-	**310**	**Budget Report 2023/24 (Changed)**
Adults, Community & Public Health	24/25-A001	Cllr Helen Holland	**Ensure all homecare packages provide the right support** We would review more people who receive care and support in their home and have not had a social care review within the last year, to ensure they receive the amount and type of care and support that is appropriate to their needs and are enabled to be as independent as possible. For example, by enabling people's independence through the use of technology and / or equipment we would spend less on direct care and support provided by our teams. Reviews would be based on an individuals' personal strengths, including their social and community networks, in order to promote their wellbeing and independence.	600	-	-	-	-	**600**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Adults, Community & Public Health	24/25-A003	Cllr Helen Holland	**Review contract management with residential and nursing care providers** We would improve the way we pay external organisations to provide residential and nursing care services on our behalf, to ensure the services we provide are funded fairly, are affordable and represent good value. This better management of contracts and expenditure will enable us to spend less while providing the same level and quality of service to people who need residential or nursing care services.	675	-	-	-	-	**675**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Adults, Community & Public Health	24/25-A004	Cllr Helen Holland	**Review contract management with providers of care and support to young people transitioning from children's services** We would improve the way we pay external organisations to provide care and support to young people who have transitioned from children's services, to ensure the services we provide are funded fairly, are affordable and represent good value. This better management of contracts and expenditure will enable us to get better value while providing the same level and quality of service to people who need care and support to access employment, independent living, community and wellbeing services.	1,148	383	-	-	-	**1,531**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Adults, Community & Public Health	24/25-A006	Cllr Helen Holland	**Increase reviews of care and support plans** Increase the number of care and support plans which have been reviewed by a social care practitioner within the last year. This will be achieved by improving systems to identify and complete timely reviews and where possible, support approaches which focus on an individuals' personal strengths including social and community networks in order to promote their wellbeing and independence.	630	210	-	-	-	**840**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Adults, Community & Public Health	24/25-A007	Cllr Helen Holland	**Improve Reablement** We would improve the way Reablement Teams work so that more people would be able to receive Reablement. This would mean that more people go on to achieve improved independence, resulting in the need for less care and therefore reduced costs. Reablement helps individuals to learn or re-learn the skills necessary to be able to engage in activities or occupations that are important to them.	938	313	-	-	-	**1,251**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Adults, Community & Public Health	24/25-A008	Cllr Helen Holland	**Increase reviews of those receiving Section 117 aftercare** More people who receive Section 117 Mental Health aftercare services (free help and support provided to those after they leave hospital having been detained there under the Mental Health Act) are reviewed within one year of them leaving hospital. This would support and improve independence, resulting in the need for less care and therefore reduced costs.	1,350	450	-	-	-	**1,800**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Adults, Community & Public Health	24/25-A009	Cllr Ellie King	**Communities programme** This budget supports the capacity of the city council's community development team. To make this saving we would not deliver any new community development programmes in 2024/25 (subject to consultation where required). Current ongoing initiatives will continue.	75	-	-	-	-	**75**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Children's & Education	24/25-CEN 001a	Cllr Craig Cheney	**Review fees and charges** Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	116	-	-	-	-	**116**	**Budget Consultation Dec 2023 for 2024/25 Budget (Changed)**
Growth & Regeneration	2324-GR2.1	Cllr Don Alexander	**City Transport discretionary activities** Reduce the City Transport budget by focussing on statutory areas and making reductions in discretionary activities, including transport studies, and reviewing our approach to income and expenditure on bus-shelters and bus-stops.	(70)	-	-	-	-	**(70)**	**Budget Report 2023/24**
Growth & Regeneration	24/25-CEN 001b	Cllr Craig Cheney	**Review fees and charges** Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	479	-	-	-	-	**479**	**Budget Consultation Dec 2023 for 2024/25 Budget (Changed)**
Growth & Regeneration	24/25-GR002	Cllr Alexander	**Charge more for City Transport work** We would use income from externally funded projects, where appropriate, to charge for staff time, and replace income from the general fund (the council's main revenue account. Make sure all charges for work are accurately recorded and job vacancies are filled.	250	-	-	-	-	**250**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Growth & Regeneration	24/25-GR005	Cllr Renhard	**Fund the Head of Housing Delivery role differently** The Head of Housing Delivery is currently funded by the general fund (the council's main revenue account). Due to the nature of the work, we would seek to fund 50 per cent of this position through the Housing Revenue Account (HRA). The HRA is funded by tenants' rents and leasehold service charges, and funds can only be used for services to tenants and leaseholders and the delivery of new homes. Given that the Head of Housing Delivery will oversee the planned increase in housing delivery it is appropriate that this role be part funded by the HRA.	52	-	-	-	-	**52**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Growth & Regeneration	24/25-GR008	Cllr Alexander	**Local Transport schemes** We would use net proceeds from Clean Air Zone charges to cover the costs of local transport schemes which support the Local Transport Plan such as yellow lines, crossings, dropped kerbs including staff costs.	350	-	-	-	-	**350**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Resources (& Shareholding)	2324-R2	Cllr Craig Cheney	**Democratic Engagement** Review of democratic engagement staffing structures in the context of the change to council governance.	50	-	-	-	-	**50**	**Budget Report 2023/24**
Resources (& Shareholding)	24/25-CEN 001c	Cllr Craig Cheney	**Review fees and charges** Review and realign the budgets for fees and charges across sources of income that have repeatedly outperformed their approved budgets in recent years.	30	-	-	-	-	**30**	**Budget Consultation Dec 2023 for 2024/25 Budget (Changed)**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Resources (& Shareholding)	24/25-R001	Cllr Cheney	**Annual leave purchase scheme** We would raise income by offering an additional opportunity for employees to buy extra leave. Managers will consider requests carefully, in relation to business needs and the potential impact of additional leave on the service.	75	-	-	-	-	**75**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Children's & Education	2324-P23c	Cllr Asher Craig	**Early Help in communities, including Children's Centres and Family Hubs** We are proposing to review how we provide Early Help in communities, with this element looking specifically at children's centres and the system change around asset management. The aim is to bring together more services that can be delivered from a range of different local venues and increase the amount of outreach work and online support we are able to provide, reducing the spend on buildings and staffing costs.	250	-	-	-	-	**250**	**Budget Report 2023/24 (Changed)**
Children's & Education	24/25-CE002	Cllr Asher Craig	**Bristol's children's homes** Increase the number of council run children's homes. This will help us reduce the number of children placed in more expensive placements outside of the city, and make sure children can stay close to local connections, such as school, friends and family.	(597)	936	28	-	29	**396**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Children's & Education	24/25 ITS 1/8/10	Cllr Asher Craig	**Fostering Sufficiency** Increase the range and choice of available placements for children locally by implementing a scheme for home extensions and adaptations.	-	159	159	-	-	**317**	**Budget Recommendation 2024/25**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Children's & Education	24/25-ITS 2/3/ 4/5/7	Cllr Asher Craig	**Children's Homes Sufficiency** Investment in residential properties and / or larger residential multi-functional properties to enable more appropriate placements for older children.	-	390	570	-	-	**960**	**Budget Recommendation 2024/25**
Growth & Regeneration	24/25-GR009	Cllr Renhard	**Increase direct lets with Private Sector Landlords for Temporary Accommodation** We would reduce our reliance on our most expensive privately managed Temporary Accommodation, by renting properties direct from landlords. This would reduce costs associated with providing Temporary Accommodation. The council has a statutory duty to provide accommodation to people who are homeless, and either reach our vulnerability thresholds, or have dependent children, and where it hasn't been possible to prevent homelessness.	405	810	810	810	810	**3,645**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Growth & Regeneration	NEW 2223_ GR039	Cllr Craig Cheney	**Reduce grant to Bristol Music Trust** Reduction of grant to Bristol Music Trust after substantial investment and opening of Bristol Beacon.	276	501	-	-	-	**777**	**Previous Budget Reports**
Resources (& Shareholding)	24/25-R003	Cllr Cheney	**Professional services** We have procured a contract with Constellia to deliver the council's professional services (including consultancy) requirements. Any secured contract delivered by Constellia will earn a 0.2% rebate which will be returned to the council annually.	33	-	-	-	-	**33**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Adults, Community & Public Health	24/25-A005	Cllr Helen Holland	**Review housing related support** Review how we would provide the support which helps people stay living independently in their homes. By undertaking Care Act eligibility assessments for people who receive this service, we would ensure that we maintain support for those who are eligible in line with the Care Act 2014.	1,785	-	-	-	-	**1,785**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Children's & Education	2324-NEW4	Cllr Asher Craig	**Pooled Budgets** Enable a one-off refund of pooled budgets.	(100)	-	-	-	-	**(100)**	**Budget Report 2023/24**
Children's & Education	2324-P23b	Cllr Asher Craig	**Early Help in communities, including Children's Centres and Family Hubs - Transformation and redesign element** Where we are proposing review of Early Help provision in communities there is a system change opportunity to redesign the operating model and offer within that process of review. The aim is to bring together more services that can be delivered from a range of different local venues and increase the amount of outreach work and online support we are able to provide, reducing the spend on buildings and staffing costs.	802	-	-	-	-	**802**	**Budget Report 2023/24 (Changed)**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Children's & Education	24/25-CE001	Cllr Asher Craig	**Foster carer recruitment and retention** Implement an extended family peer support model for foster carers, including regular joint planning, training, and social activities. This is an alternative way of providing foster care, and the success has been evidenced nationally in attracting prospective carers and retaining our existing experienced carer community. This will improve the stability of fostering placements and strengthen the relationships between carers, children and young people, fostering services and birth families.	100	133	33	-	-	**266**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Children's & Education	24/25-CE003	Cllr Asher Craig	**New operating model for Children and Education directorate** We would apply this new model to enable us to better meet the demands while making the service more financially sustainable long term and enabling improved quality, retention and partnerhip working.	200	400	400	-	-	**1,000**	**Budget Recommendation 2024/25**
Children's & Education	NEW 2223_CF6b.2	Cllr Asher Craig	**Transformation redesign** Delivery through the wider Our Families Transformation programme through better demand management, process automation, improved commissioning, including new operating model (approved at Cabinet).	-	93	-	-	-	**93**	**Previous Budget Reports**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Growth & Regeneration	24/25-GR004	Cllr Cheney	**Reduce spend on Bristol Legible City** We would spend less money on the Bristol Legible City project. This means signage and wayfinding information that help people navigate the city would be updated less frequently and may not always have the latest information about new developments or transport. This may impact residents and visitors accessing the city centre.	60	-	-	-	-	**60**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Growth & Regeneration	24/25-GR006	Cllr Renhard	**Create two new property licensing schemes** If new property licensing schemes are introduced following the current consultation process, we would increase income by introducing two new property licensing schemes. This new income would be used to expand the council's Private Housing team and cover the costs of running the service. Put link to current consultation here.	330	330	-	-	-	**660**	**Budget Consultation Dec 2023 for 2024/25 Budget**
Resources (& Shareholding)	2324-R11	Cllr Craig Cheney	**City Innovation Team** Cease all activities and delete the City Innovation Team (which focuses on discretionary projects such as digital and smart city innovations).	76	-	-	-	-	**76**	**Budget Report 2023/24**
Resources (& Shareholding)	2324-R16	Cllr Craig Cheney	**Networking, partnership and influence services** Review and possibly reduce or stop some services that focus on partnership working at home and abroad. This includes our work with national and international networks which focus on the role of elected Mayors.	90	160	-	-	-	**250**	**Budget Report 2023/24**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Resources (& Shareholding)	2324-R18	Cllr Craig Cheney	**Workforce and Change service** Restructure the council’s HR, Change and Learning and Development functions to support a smaller organisation, with a further redesign in 2026/27 following the implementation of the council’s change programme.	-	-	150	-	-	**150**	**Budget Report 2023/24**
Resources (& Shareholding)	2324-R22	Cllr Craig Cheney	**Debt collection outreach** Reduce the temporary funding to the debt outreach programme, which worked with individuals in debt to the council, and instead improve sign-posting to specialist providers of debt advice in the city.	(100)	-	-	-	-	**(100)**	**Budget Report 2023/24**
Resources (& Shareholding)	2324-R7	Cllr Craig Cheney	**Mayor's Office** Reduce the amount of money we spend on staff and activities performed by the Mayor’s Office with a deletion of this function from 2024–25 (upon the end of the Mayoral term) and identify opportunities for reductions in 2023–24.	425	-	-	-	-	**425**	**Budget Report 2023/24**
Resources (& Shareholding)	2324-R9	Cllr Craig Cheney	**IT Service** Reduce the amount of money we spend on staff by restructuring and reducing our internal ICT service.	290	-	-	-	-	**290**	**Budget Report 2023/24 (Changed)**

Directorate	Savings Ref	Cabinet Lead	Proposals	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000	Status*
Resources (& Shareholding)	24/25-R004	Cllr Cheney	**Reduce spend on discretionary areas of Learning and Development** By reviewing and focusing our spend in this area we would be required to prioritise funding for statutory or mandatory training and areas of organisational prioritiy, to enable a reduction to the Learning and Development offered across the organisation.	50	-	-	-	-	**50**	**Budget Recommendation 2024/25**
Adults, Community & Public Health	24/25-A002	Cllr Helen Holland	**Reduce the number of longer term care packages by increasing the frequency of reviews following a hospital visit** Where people have moved from hospital into residential or nursing care, we would increase the number of reviews carried out at six and twelve weeks following discharge from hospital. This will allow us to revise care packages and/or cease those that are no longer needed to ensure people receive care and support that is appropriate to their needs, while their independence continues to be supported and promoted."	1,500	-	-	-	-	**1,500**	**Budget Consultation Dec 2023 for 2024/25 Budget**

Section 3: Summary tables

Summary table outlining savings proposals by category of approval and consultation:

	24/25 £'000	25/26 £'000	26/27 £000	27/28 £'000	28/29 £'000	Total £'000
Previous Budget Reports	1,679	1,174	468	-	-	**3,321**
Budget Report 2023/24	4,424	519	401	293	-	**5,637**
Budget Report 2023/24 *(Changed)*	3,922	280	192	254	-	**4,648**
TOTAL PREVIOUS BUDGETS	10,025	1,973	1,061	547	-	**13,606**
Budget Consultation Dec 2023 for 2024/25 Budget	23,096	(1,633)	821	810	(324)	**22,770**
Budget Consultation Dec 2023 for 2024/25 Budget *(Changed)*	625	-	-	-	-	**625**
Budget Recommendation 2024/25 *(New Since 2023 consultation)*	250	949	1,129	-	-	**2,327**
TOTAL 2024/25 BUDGET	23,971	(685)	1,950	810	(324)	**25,722**
GRAND TOTAL	**33,996**	**1,289**	**3,011**	**1,357**	**(324)**	**39,328**

Summary table by directorate:

	24/25 £'000	25/26 £'000	26/27 £000	27/28 £'000	28/29 £'000	Total £'000
Adults, Community & Public Health	11,009	1,906	468	-	-	**13,383**
Children's & Education	5,315	3,280	1,633	547	29	**10,803**
Growth & Regeneration	5,597	(57)	760	810	(353)	**6,757**
Resources (& Shareholding)	1,775	160	150	-	-	**2,085**
Corporate	10,300	(4,000)	-	-	-	**6,300**
TOTAL SAVINGS	**33,996**	**1,289**	**3,011**	**1,357**	**(324)**	**39,328**

1. Long Term Investments / Shareholdings

1.1 The council has a range of long-term investments and shareholdings which it wholly owns or in which it has a material interest. In relation to the wholly owned companies, these are complex businesses and when entering any long-term investments such as these it is important to assess market conditions and to acknowledge that the industries are ever-changing and as such will always be subject to external influences, volatilities and risks. The financial performance of these companies and their assets and liabilities is regularly reviewed to ensure that there is no unexpected financial implication for the council in future years.

1.2 Bristol Holding Group currently includes the following subsidiaries:
- Bristol Waste Company Ltd
- Goram Homes Ltd

1.3 The council is part of the following joint venture partnerships:
- City Leap Partnership Limited

1.4 The council budget provides the shareholder investment context. It reflects the council's associated financial committed reserves and establishes the capital and revenue cash limits considered sufficient to meet business needs.

1.5 The maximum level of exposure of the council to loans / liabilities (including deferred capital receipts) in its subsidiaries is set out in the council's Capital Strategy approved by Full Council on 31 October 2023. The level is set at the lower of either 10% of the council's general fund capital financing requirement or £70 million and the latest assessment is that this level will not be reached as part of the 2024/25 business planning process.

1.6 The process for preparation of the companies' annual business plans allows for appropriate governance and scrutiny. These plans are in the process of being refreshed / developed and will reflect the funding parameters approved for 2024/25. These will be submitted separately to Cabinet for consideration.

2. Bristol Holding Company

2.1 Bristol Holding Limited is wholly owned by the council and is an intermediate holding company for investments in Bristol Waste Company Limited and Goram Homes Limited. Its principal role is to protect the interest of the shareholder by ensuring effective governance of the council's portfolio of trading companies and supporting delivery of activities.

2.2 The council holds £37.153 million share capital investment in Bristol Holding (£36.55m of Ordinary shares and £0.603 million of redeemable Preference shares). The ordinary shares relate to the legacy investment in Bristol Energy Limited which is dormant and in the process of being wound up, with the Council's investment being fully provided as set out in the Council's financial statements.

There are currently no loan agreements between Bristol City Council and Bristol Holding Company. The gross budget assumed for 2024/25 is £0.3 million and this is fully recharged to Bristol Waste Company Ltd and Goram Homes Ltd. This budget reflects a lean operating model where functions have been transferred to the council with time spent by council employees expected to be charged back to Bristol Holding Company. The budget assumes staff costs consist of three roles, including a Chair, a part-time Executive Lead and a part time administrator. If the council commissions work through Bristol Holding which is additional to that budgeted, then Bristol Holding's operating model enables them to recover such costs where appropriate or in the form of a fee via management recharges to the subsidiary companies.

2.3 Bristol Holding currently holds £1 Ordinary share capital in each of Bristol Waste and Goram Homes.

3. Bristol Waste Company (BWC)

BWC is a Teckal company, wholly owned by the council and provides the council's waste and street cleaning services (its municipal waste business) as well as providing commercial services and workplace/facilities management services. The council has 2 main contracts with BWC:

- Waste Services
- Facilities Management (FM)

Waste

3.1 This is the BWC contract with the council for its core (Teckal) service. The contract includes a payment mechanism (paymech) based on actual cost (and open book accounting, in order to achieve best value for the use of public funds) plus % approach. This is calculated annually according to unavoidable cost, market volatilities (for example for recyclates) and a mechanism for efficiencies and cost savings to be returned to the council under the contract. The cost plus approach allows for +14% overhead as set in 2022/23 Budget preparation with a 3 year review period.

3.2 This approach ensures the council pays appropriately for actual activity commissioned and eliminates variations in estimates in the business planning process due to financial and economic conditions which change over time coupled with over optimism at the outset.

3.3 The paymech represents a risk / reward arrangement between the council and BWC when dealing with Waste in-year contract variations only and is calculated as follows:

- The variance is defined as the difference between Teckal Waste (direct) cost + 14% mark-up and Teckal Waste revenue contract as outlined in paragraph 3.5 below.
- The paymech is stacked.

i. any variance within +/- £0.250 million will be 100% met by BWC

ii. variances of up to a further +/- £0.250 million – 100% the council
iii. any further variance above +/- £0.500million is shared between the council and BWC in the percentage split of council 30%:BWC 70%.

- Illustration based on £1.0million verified in year variance post open book reconciliation would equate to BWC £0.600million and council £0.400million.

3.4 A small reserve is held and movement +/- is applied to this fund during the paymech period to reset. An uplift of £1 million will be applied to this reserve in 2024/25 to be managed over the medium term.

3.5 The council's 2024/25 budget for its core waste services (Teckal activity) is £46.6 million. This includes a £2.1 million increase from 2023/24 budget in line with the council's assumed budget increase for inflation and £1.8 million budget increase to reflect the pressure in relation to increased municipal waste costs.

	2023/24 Budget £m	Inflation 2024/25 £m	Additional Funding £m	2024/25 Budget £m
Waste – Core Contract - Indexed	29.6	1.5		**31.1**
Waste – West of England- Indexed	13.1	0.6		**13.7**
Waste – Other Growth / Pressures			1.8	**1.8**
Total	**42.7**	**2.1**	**1.8**	**46.6**

3.6 Due to current levels of inflation and other economic pressures, in order to remain within the funding envelope set by the council above, BWC put forward proposals on savings and an increase in charges which came into effect from 2023/24; £0.7 million of additional income (included in the council's budget) is expected to be generated via the council and transferred across. To mitigate the risk of this income not being achieved, the income position will be reconciled as part of the paymech process at the end of the year.

3.7 The council had previously approved repayable loan facilities of £12 million to BWC for fleet vehicle replacement (Cabinet 4 December 2018) and £2.8 million for Phase 2 of the Avonmouth site redevelopment (Cabinet 26 January 2021). No further loan requests are anticipated and therefore none are included in the council's budget proposal for 2024/25.

3.8 Of the £12 million for fleet vehicle replacement, £11.3 million has been borrowed. In line with contractual payment terms, £5.3 million (the principal) had been repaid at December 2023. This leaves £6.0 million to be repaid in full plus interest by November 2028.

3.9 A contract for the £2.8 million loan facility for Phase 2 of the Avonmouth site redevelopment was signed in 2021. Again, this agreement includes an interest charge on the principal sum. Drawdowns from this facility commenced in January 2024 within an initial draw down of £1 million. The balance of £1.8 million is forecast to be drawn down in 2024/25. BWC indicates that the total cost for the Avonmouth site redevelopment will be £5.4 million with the balance over and above the £2.8 million to be funded from their cash reserves.

Facilities Management (FM)

3.10 The council entered a 4 year contract with BWC for Integrated Workplace & Facilities Management Services (Soft FM) for the council estate which started on 1 June 2021 to deliver a range of 'Soft FM' services including internal & external cleaning, security, waste, consumables, service management and co-ordination.

3.11 This is a contract for services with the main aim of finding savings and efficiencies for the council as reflected in the annual pricing structure in the table below (table reflects contract years and not financial years). The council's FM cleaning and security staff were TUPE'd across to BWC (142 Full Time Equivalent (FTE) positions).

	Council Baseline 2020/21 Outturn £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
Annual Cost	6.0	5.8	5.5	5.3	5.2	5.1
Annual Efficiencies		0.1	0.3	0.2	0.1	0.1
Cumulative Efficiencies		0.1	0.5	0.6	0.8	0.9

3.12 The pricing structure is forecast on year one baseline figures which do not include inflation. Inflationary increases will need to ensure that if the absolute value of BWC's annual pay increase exceeds the absolute value which the council would have awarded the cleaning and security staff had they remained with the council, then BWC must absorb that difference.

3.13 The 2024/25 budget for this service is £5.4 million, which includes the provision made by the council to fund the pay implications of TUPE'd staff in line with pay awards negotiated by the union in 2023/24 and assumptions for 2024/25. The actual and projected pay awards are set out in the table below.

	Council Baseline 2020/21 Outturn £m	Year 1 £m	Year 2 £m	Year 3 £m	Year 4 £m	Year 5 £m
Annual Cost	6.0	5.8	5.5	5.3	5.2	5.1
Annual actual/projected pay awards		0.1	0.3	0.3	0.2	0.1
Total Annual Budget		5.9	5.9	5.7	5.4	5.2

3.14 FM arrangements included Third Party Income (TPI) received by the council. In operating a similar baseline as 2020/21, the TPI budget has been set at £0.6 million and will remain a fixed liability for BWC.

4. Goram Homes

4.1 The council approved the establishment of Goram Homes in 2018, with an initial Pipeline 1 development, namely: One Lockleaze (formally known as Romney House) and Baltic Wharf, land transfer (with a deferred capital receipt) and up to £10 million (earmarked revenue reserve) potential loan facility for working capital and development investment (terms still to be agreed for one of the schemes). Pipeline 1 schemes are expected to deliver 432 units of housing, 173 (40%) of which will be ‘affordable’ housing.

4.2 Against this approved £10 million, an initial loan facility of £3.3 million for Pipeline 1 working capital was established with a contractual repayment date (of principal plus interest) of March 2024. Draw downs from this £3.3 million facility are £2.4 million as at January 2024. There are no draw downs forecast in 2023/24 or 2024/25. The balance of £921,000 is currently forecast for 2025/26.

4.3 As part of Budget 2021/22, £4 million was released back to the council and the final £2.7 million of this approved £10 million was set aside as potential development funding also linked to Pipeline 1. As part of budget 2022/23, £1.7 million of this was released back to Reserves so that only £1 million then continues to be set aside for Pipeline 1.

4.4 The unrequired balance of £3.7 million remaining from the initial £10 million was re-directed in to a second £10 million loan facility for a suite of additional sites, referred to as Pipeline 2, as approved at Cabinet 26 January 2021. Pipeline 2 developments include: Hengrove, Dovercourt Road and New Fosseway Road.

4.5 From this 2nd Pipeline’s overarching approved £10 million, a loan facility of £4 million for working capital was established during 2021/22 with a contractual repayment date (of principal plus interest) of March 2027. Drawdowns from this £4 million facility commenced in July 2022 with £1 million utilised as at January 2024, and a further £1 million forecast to be drawn down in 2023/24. The expected drawdown for 2024/25 is £1 million.

4.6 In addition to the above, in association with the Hengrove pipeline scheme, £10.1m of the West of England Combined Authority funding will transfer to Goram Homes via a ‘pass down, back-to-back funding agreement’ between the council and Goram Homes to support the development at Hengrove Park. It is expected that Goram Homes will manage the program of works and submit quarterly returns to enable the council to comply with its obligations under the terms of the Funding Offer. It is also expected that Goram Homes will ensure that the £5m repayable loan element due to be repaid over the 3 financial years 2027/28 to 2029/30 will be repaid to the council in line with the agreed profile.

4.7 The council has confirmed in its budget the anticipated release of profits to the shareholder, forecast as £6 million across 2025/26 and 2026/27, and will work with Goram to determine the appropriate and most cost effective mechanism to achieve this. In the interim, the council will make notional reductions to the Goram Homes pipeline reserves to reflect the intent and anticipated profile. This decision and forecast is on the basis of initial developments now coming to fruition and the company business projections.

4.8 The council’s strategic priority for housing delivery may result in further development opportunities and whilst no further funding has been earmarked in 2024/25, should Goram be successful in securing these opportunities it would result in further pipeline funding adopting similar principles in the medium term to support the acceleration of housing development.

5. Other Shareholdings

City Leap

5.1 City Leap Partnership Limited is a 50:50 joint venture company between the council and Ameresco Limited, formed following a successful procurement by the council to appoint a strategic partner to assist with the council’s aims to achieve its decarbonisation ambitions across its estate by 2030.

5.2 Funding of the Joint Venture Company (JV Co) is provided exclusively by Ameresco Limited, with no funding obligation on the council, noting that the primary role of the JV is project origination, with delivery responsibility sitting outside of JV Co with the wider City Leap Energy Partnership.

5.3 The effective date of the City Leap transaction was 4 January 2023. As at January 2024 £10 million of energy related grants have been secured by the council for projects being delivered by City Leap and £12 million of the council’s capital decarbonisation fund has been aligned.

5.4 The overall level of planned investment by the wider City Leap Energy Partnership over the initial five-year period in low carbon energy infrastructure amounts to nearly £500 million.

6. Risk Management

6.1 On a monthly basis Bristol Holding Company reviews and consolidates the shareholder companies' common or specific high risks into its' group-wide risk register. In turn, quarterly or more regularly if appropriate, the council incorporates those risks into its Corporate Risk Register where it assesses them as significant to the council. It also includes an additional risk impacting the council as shareholder rather than the investment companies themselves.

Emerging risks

6.2 Regulatory changes introduced by the Environment Agency (EA) on Padded Residential Furniture (POPs- Persistent Organic Pollutants) is expected to continue to increase the cost of disposing these items. The EA is considering increasing the materials in scope, beyond sofas and mattresses. Therefore, this poses an increased risk estimated between £0.5 - £1 million on cost of disposing bulky waste items. This estimated cost has not been built into the budget for 2024/25. This risk lies with the council and BWC as per the Paymech process of risks and rewards.

6.3 Emissions Trading Scheme (ETS) is a new tax that will be applied to per tonne carbon emitted from burning fossil fuel waste burnt at Energy Recovery Facilities (incinerators). The cost of permits per tonne could be between £30 - £50 and over time could increase to £100. This is due to be introduced in 2027/28 and could potentially cost the council between £2-4 million per annum, dependant on tonnage fossil fuels burnt and the trading price for ETS permits per tonne.

6.4 The housing market is subject to fluctuating economic and market conditions which continues to be a risk to Goram's commercial return. Those specifically impacting commercial return are time, cost and revenue. This includes time taken to grant planning permission, find appropriate partners and deliver homes, the cost of developing new homes being greater than planned and the loss of demand for property sales or reduction in sales values. These risks are managed most simply before the LLP is formed, and within the control of the LLP once projects commence.

7. Future opportunities

Temple Quarter

7.1 The Temple Quarter Regeneration Programme is one of the largest re-development opportunities in the UK. The establishment of a Temple Quarter Joint Delivery Vehicle will formalise the long-standing collaborative working arrangements that are already in place under the Memorandum of Understanding signed in February 2021 between the council and its Temple Quarter delivery partners Homes England, West of England Combined Authority and Network Rail (BTQ Partners). The BTQ Partners intend to establish the JDV in 2024 and commence the procurement process to select the development partner shortly thereafter.

Supported Housing

7.2 The council is currently exploring ways to deliver the outcomes set out in the emerging Supported Housing Delivery Plan to meet the need for Temporary Accommodation and Supported Housing across the city. This may result in setting up a new not-for-profit housing company / registered provider to deliver exempt accommodation to address this demand, and / or appropriate ‘asset holding vehicle’. An Outline Business Case is currently being prepared to seek professional advice and consider potential options including the entity type and structure that will deliver the outcomes and achieve best value.

Appendix 10

Service and Corporate Pressures

Section 1: On-going Service and Corporate Pressures

Service Area	Year Incl. From	Investment	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	Total £m
All Services	All	Pay Award & National Insurance Contributions	10.648	4.559	4.527	4.367	4.454	28.555
All Services	All	General Contract Inflation, Levies and Corporate Pressures	25.983	3.572	6.678	10.826	6.287	53.346
All Services		**Total General and Inflationary Pressures**	**36.631**	**8.131**	**11.205**	**15.193**	**10.741**	**81.901**
Adult Social Care	22/23	Demand and Demographic Growth	1.037	0.885	1.186	1.196	-	4.304
Adult Social Care	23/24	Preparing for Adulthood - Cost of Care	0.355	0.366	-	-	-	0.721
Adult Social Care	23/24	New Burden: New Better Care Fund	2.095	-	-	-	-	2.095
Community and Public Health	23/24	Environmental Health - Statutory Food Safety Inspections	0.085	-	-	-	-	0.085
Adult Social Care	24/25	Demand and Demographic Growth	-	-	-	-	1.000	1.000
Adult Social Care	24/25	New Burden for Transfer of Care - First Cohort	0.655	0.655	-	-	-	1.310
Adult Social Care	24/25	New Burden for Transforming Care linked to Hospital Discharge to the Community	-	1.966	-	-	-	1.966
Adult Social Care	24/25	Core Grants in Service: Market Sustainability and Improvement Fund	2.391	-	-	-	-	2.391
Adult Social Care	24/25	Core Grants in Service: Adult Social Care Discharge Fund	0.622	-	-	-	-	0.622
Adult Social Care	24/25	Core Grants in Service: Independent Living Fund	1.618	-	-	-	-	1.618

Adult Social Care	24/25	Core Grants in Service: Adult Social Care Market Sustainability and Improvement Fund - Workforce Fund	1.733	-	-	-	-	1.733
Adult & Communities		Total Adult & Communities	10.592	3.872	1.186	1.196	1.000	17.846
Children and Families	22/23	Benefit from Invest to Save - Children's Placements Demand and Cost Pressures	(1.195)	(0.671)	-	-	-	(1.866)
Children and Families	22/23	Bristol Children's Home Staffing and Maintenance Costs	0.250	-	-	-	-	0.250
Children and Families	23/24	Placement costs - Additional Children From 2023/24	1.296	1.335	1.375	1.416	-	5.422
Children and Families	23/24	Additional Social Workers to Support Increasing Children's Numbers	0.054	0.055	0.056	0.058	-	0.223
Children and Families	23/24	Pheonix Court (reversal of one off funding)	(0.065)	-	-	-	-	(0.065)
Children and Families	24/25	Probation Checks & Local Authority Designated Officer (LADO) Changes in Guidance	0.084	-	-	-	-	0.084
Children and Families	24/25	Additional Pressures from Child Support Agency (CSA) Mandatory Reporting Requirements	0.055	-	-	-	-	0.055
Children and Families	24/25	Working Together Implementation	0.066	-	-	-	-	0.066
Children and Families	24/25	Children's Social Care Placement Demand Growth - additional children	0.328	0.338	0.348	0.359	0.359	1.732
Children and Families	24/25	Children in Need - Support for Children at Home	2.000	-	-	-	-	2.000
Children and Families	24/25	Prior Year Recurrent Service Pressures	7.897	-	-	-	-	7.897
Children and Families	Total Children and Families		10.770	1.057	1.779	1.833	0.359	15.798

Educational Improvements	22/23	Home to School Transport Increased Demand	0.051	0.053	0.053	0.053	-	0.210
Educational Improvements	22/23	Special Educational Needs Support	0.385	-	-	-	-	0.385
Educational Improvements	23/24	Home to School Transport - Price and Volume	1.252	0.626	-	-	-	1.878
Educational Improvements	24/25	Prior Year Recurrent Service Pressures	4.150	-	-	-	-	4.150
Educational Improvements	Total Educational Improvements		5.838	0.679	0.053	0.053	-	6.623
Children & Education	Total Children & Education		16.608	1.736	1.832	1.886	0.359	22.421
Property, Assets & Infrastructure	23/24	BWC - Transfer of additional Waste Efficiencies	0.029	0.029	0.030	0.030	-	0.118
Property, Assets & Infrastructure	23/24	BWC - Facilities Management Net Annual Contractual Efficiencies	(0.005)	(0.019)	-	-	-	**(0.024)**
Property, Assets & Infrastructure	24/25	BWC - Waste Growth and Demand Pressures	1.800	0.500	0.500	-	-	2.800
Property, Assets & Infrastructure	24/25	Prior Year Recurrent Service Pressures (Energy)	1.550	-	-	-	-	1.550
Management of Place	24/25	Increased Kennelling Costs	0.050	-	-	-		0.050
Management of Place	24/25	Core Grants in Service: Food Security Enforcement	0.014	-	-	-	-	0.014
Growth & Regeneration	Total Growth & Regeneration		3.438	0.510	0.530	0.030	-	4.508
Legal & Democratic Services	23/24	Legal/Mortuary & Coroner Contract, Backlog and Staffing Cost	(0.058)	-	-	-	-	**(0.058)**
Policy, Strategy and Digital	24/25	Additional phone lines required to ensure Payment Card Industry (PCI) Compliance	0.035	-	-	-	-	0.035

Finance Services	24/25	Revenues Income / Debt Collection	0.300	(0.300)	-	-	-	-
Legal and Dem Services	24/25	Leader's Office staffing	0.100	-	-	-	-	0.100
Legal and Dem Services	24/25	Committee Model staffing	0.300	-	-	-	-	0.300
Legal and Dem Services	24/25	Coroners - Deceased Transport Contract	0.123	-	-	-	-	0.123
Legal and Dem Services	24/25	Coroners - Histology & Toxicology Contract	0.082	-	-	-	-	0.082
Legal and Dem Services	24/25	Prior Year Recurrent Service Pressures	0.507	-	-	-	-	0.507
Finance Services	24/25	Core Grants in Service: Local Council Tax Support Admin Support Grant	0.724	-	-	-	-	0.724
Finance Services	24/25	Core Grants in Service: Family Annexe Council Tax Discount	0.009	-	-	-	-	0.009
Resources	Total Resources		2.122	(0.300)	-	-	-	1.822
TOTAL			69.391	13.949	14.753	18.305	12.100	128.498

Table 1: Detail of on-going incremental revenue investment in services

1.1. The 2024/25 pay award has been budgeted at 5%. This pay award has been budgeted for centrally and notionally allocated across services at this stage. Its eventual distribution will follow once negotiations with Trade Unions have been concluded.

1.2. In addition, specific inflationary increases in Private Finance Initiative (PFI) unitary charges based on contractual terms and conditions and specific inflationary increases as set out in other (non-PFI) long-term contracts are budgeted for centrally and notionally allocated across the services at this stage. Again, distribution will follow materialisation of these pressures in-year.

APPENDIX 12

Changes to Council Tax

1. Full Council is asked to determine:

1.1 From 1 April 2024, for properties defined in the Local Government Finance Act 1992 and its subordinate legislation as being **long term empty dwellings that are substantially unfurnished:**
- A discount shall not apply
- An additional council tax charge will be applied at the maximum permitted level:

Dwelling empty for less than 5 years, but **at least 1 year**	Dwelling empty for less than 10 years, but at least 5 years	Dwelling empty for 10 years or more
100%	200%	300%

1.2 From 1 April 2025, for properties defined in the Local Government Finance Act 1992 and its subordinate legislation as being dwellings that are occupied periodically, where there is no resident, and that are substantially furnished:
- A discount shall not apply
- An additional council tax charge will be applied at the maximum permitted level of 100%

2. Evidence Base

2.1 In its original form, The Local Government Finance Act 1992 prescribed certain discounts to be applied where there is no resident of the dwelling. Subsequent amendments have allowed a billing authority to set policies for the application of certain council tax discounts and increased charges (premiums) on dwellings that are not occupied.

2.2 **Long term empty dwellings** are currently defined as those that have been unoccupied and substantially unfurnished for at least 2 years. Bristol City Council has previously opted not to apply a discount, and to apply the maximum percentage increases on these dwellings as set out below:

	Dwelling empty for less than 5 years, but **at least 2 years**	Dwelling empty for less than 10 years, but at least 5 years	Dwelling empty for 10 years or more
1 April 2019	100%	100%	100%
1 April 2020	100%	200%	200%
1 April 2021	100%	200%	300%

2.3 **The Levelling Up and Regeneration Act 2023** has further amended the current provision.

Long term empty dwellings have been redefined as those that have been unoccupied and substantially unfurnished for at least **1 year** (previously 2 years). This amendment has effect for financial years from 1 April 2024, and it does not matter whether the 1-year period begins before this date. For example, if a dwelling has been unoccupied and substantially unfurnished for more than 1 year (but less than 2 years) on 1 April 2024, the increased charge will be applied from 1 April 2024. If a dwelling has been unoccupied and substantially unfurnished since 1 May 2023, the increased charge will be applied from 1 May 2024.

Our records indicate a number of properties have been empty for between one and two years and this position will be verified.

2.4 Councils have now been given the option to apply an additional council tax charge of a maximum 100% for **dwellings that are occupied periodically**. The conditions are that there is no resident, and the dwelling is substantially furnished. These are sometimes referred to as 'second homes' and this premium will apply in more situations than might normally be regarded as a 'second home' including:

- where the resident has fled through violence or fear of violence
- domestic premises used as staff or office facilities by a business (eg flat above a shop)
- flats used by overnight carers, patients, families, visitors or staff of hospitals, sheltered housing, vet surgeries etc
- apartments for let that are not rated for business rates

Around 2000 dwellings are recorded as empty and substantially furnished and this status will be verified.

2.5 A council must make a determination to apply this additional charge at least one year before the beginning of the financial year to which it relates, and it is proposed that Bristol City Council applies the maximum increased charge of 100% with effect from 1 April 2025.

2.6 The Secretary of State may by regulations:

- identify certain dwellings for which these premiums may not be applied
- specify a different percentage limit for those quoted above

2.7 The Government has recently consulted on proposals to exempt certain categories of dwellings from these premiums, and has proposed that the premiums should not be applied in the following circumstances:

Empty Homes

- Undergoing major repairs (for up to 6 months)

'Second homes'

- Annexes forming part of a main dwelling
- Job related dwellings
- Occupied caravan pitches and boat moorings
- Seasonal homes where occupancy is restricted

Both Empty and 'Second homes'

- Properties undergoing probate
- Being actively marketed for sale or let

2.8 The outcome of the consultation has not been published, and we have no indication as to whether any of the above proposals, or if any other circumstances, might be brought forward as exemptions. Regulations for any exemptions could be laid prior to the implementation dates above.

2.9 A decision by Bristol City Council to increase the council tax charge for dwellings that are occupied periodically and are substantially furnished will apply in all cases that meet the criteria unless an exemption is specified in Regulations.

3. Potential income

3.1 If we estimate that 20% of existing dwellings could be exempt from the premium, an indicative income from furnished properties which are unoccupied could be:

Number of properties	Band D equivalents	Reduce by 20%	Estimated Band D charge 25-26*	98%
2000	1667	1334	2200.26	2.876m

*Assumes a 4.99% increase

APPENDIX 13

Service Investments / Loans & Guarantees

The council invests its surplus cash balances with approved financial institutions, predominately banks, building societies and other local authorities, in accordance with the council's Treasury Management Strategy as set out in Appendix 4. These funds support meeting our current and future obligations with regards to providing revenue services and delivering the capital programme.

The authority has other commercial investments which are expected to generate both a commercial and social return. For social investments, their primary purpose is to provide service benefits / social impact while the generation of yield and liquidity is secondary. These are commonly known as service investments / impact investments and are summarised below, except for investments and loans to the council's wholly owned subsidiaries that are detailed in Appendix 9.

Investment	Approved Budget (£m)	Type	Amount Invested (£m)	Amount Repaid (£m)	Amount O/S (£m)
Homelessness Property Fund	10	Share & Loan Capital	10	1.3	8.7
Temporary Accommodation Property Fund	4	Share & Loan Capital	3.5	-	3.5
City Funds LP	5	Loan Capital	4.1	-	4.1
Great Western Credit Union	0.5	Loan Capital	0.5	-	0.5
Bristol & Bath Regional Capital	0.3	Loan Capital	0.3	-	0.3
Avon Mutual Community Bank	0.3	Share Capital	0.3	-	0.3
Bristol Port Company	2.5	Share Capital	2.5	-	2.5

Note: To ensure the council's investment is protected, commercial information that could impact on an individual organisation will be managed sensitively.

1. Property Funds

The investment into these specific property funds is anticipated to generate a yield of circa 3% whilst also providing support and accommodation to address homelessness in Bristol.

Homelessness Property Fund

This fund acquired 99 properties in Bristol and surrounding areas that are managed by a local charity as private rented properties on assured shorthold tenancies with rents at Local Housing Allowance. The council has 100% nomination rights and places homeless households in these properties as a move on from Temporary Accommodation or as an alternative to Temporary Accommodation. The expected length of tenancy is 2 – 3 years and our charity partner supports tenants to move into other alternative private rented accommodation enabling the council to house more homeless households in these properties.

Temporary Accommodation Property Fund

The council will be investing £4 million into this £6 million fund, of which £1 million will be funded by the council and the remaining £3 million funded by a central government grant. The fund will purchase 34 x 1 bedroom properties in Bristol to be used as supported move on accommodation for vulnerable single homeless households. The accommodation is Temporary Accommodation with support and clients can stay in the accommodation for up to 2 years.

City Funds LP

The council has approved investment of £5 million matched by Big Society Capital to create an invest fund of £10 million with a target yield of 4%. The aim of the fund is to provide loans to local communities that would seek to deliver outcomes within four priorities: No Child Goes Hungry, Economic Inclusion, Community Initiatives and Environmental Stability. The approved business plan and subsequent agreement anticipated that repayment of the investment would commence within 2023/24 (year 5). Following the initial delay to the start of the investment programme the repayment has been reprofiled and is now scheduled in the council's accounts to commence in the financial year 2024/25.

Great Western Credit Union

A loan of £0.5 million generating a return of 6% was approved by the council to allow the Credit Union to lever an additional £0.350 million from charitable and social investors to enable a new online platform, grow membership and provide more loans to people in the most deprived wards of Bristol who might otherwise borrow from high-cost lenders.

Bristol & Bath Regional Capital

To provide a loan to create a sustainable investment model for the region of Bristol.

Avon Mutual Community Bank

Purchase of foundation shares to explore the creation of a regional community bank with an inclusive finance ethos that supports the local community and economy.

Bristol Old Vic

The provision of a loan to fund the redevelopment of the theatre to support the performing arts within the city, repaid by regular instalments, the last one being February 2022.

Bristol Port Company

In 1991 the council sold a 150-year lease of the Avonmouth and Royal Portbury Docks to the Bristol Port Company, consideration including shares with a book value of £2.5 million. These shares generate, on average £2 million a year in dividends that supports the revenue budget. The estimated market valuation of this asset in the financial statements for the year ending 31 March 2022 was £28 million.

2. Guarantees

Bristol Energy (BE) Indemnity

Following the sale of Bristol Energy in 2020 a process began of entering the successor company, BE 2020 Limited into a members voluntary liquidation. The council granted an overarching indemnity of up to £7.3 million to cover all liabilities which may fall due as a consequence of the sale and orderly winding up of BE 2020. The indemnity remains in place until all transactions associated with the wind up are completed.

City Leap

Under the terms of the City Leap Share Purchase Agreement and Concession Agreement, standard business warranties have been given by the council, relating to key aspects of the former BHNL's business such as, accounts, tax warranties, breach of grant funding conditions, assets, contract and land ownership where parts of the heat network cross. The Council is also providing standard TUPE indemnities for transferring employees and standard contractual warranties for a range of other matters as set out in the Cabinet report dated 16 December 2022 within Exempt Appendix I (ii) due to their commercial sensitivity. An appropriate level of risks provision against the contingent liabilities outlined above is assessed annually and is captured within the council's capital investment reserve, and tapered as the associated liabilities fall away.

Supplementary Estimates

for the year ending 31 March 2024

Date of Request: **03/01/2024**
Date of Mayor / Cabinet endorsement: **23/01/2024**
Director: Reena Bhogal – Welsh, Education and Skills
Director: Fiona Tudge, Children and Families
Cabinet Member: Asher Craig, Councillor St George West

DECISION REQUIRED:

Cabinet are asked to recommend to Full Council the approval of a supplementary estimate of up to £18.503 million for the Children & Education Directorate to maintain existing services and financial commitments.

1. Directorate Original Budget Build Up

1.1. The Children & Education Directorate has a current revised budget of £112.709m as detailed below and is seeking supplementary estimates up to £18.503m.

1.2. Children and Family Services has a current revised budget of £90.053m against which it is forecasting pressures of £13.957m This includes growth this year of £14.0m made up of £10.5m of recurring pressures identified and included in the 2023/24 budget (supplementary estimates) and £3.5m of emerging risks identified and included in the 2023-28 Budget. Further pressures have been identified in-year and the service is seeking a supplementary estimate up to £14.0m

1.3. Education Improvement has a current revised budget of £22.655m against which it is forecasting pressures of £4.546m. This includes growth of £4.5m made up of £4.0m of recurring pressures identified and included in the 2023/24 budget (supplementary estimates) and £0.5m of emerging risks identified and included in the 2023-28 MTFP. Further pressures have been identified in-year and the service is seeking a supplementary estimate up to £4.5m.

1.4. Full Council has previously (31 October 2023) approved a supplementary estimate of £11.521m. For the avoidance of doubt this estimate incorporates the previous estimate as an overall variance and is not in addition to it.

1.5. The 2023/24 Budget as approved by Full Council (21 February 2023) included corporately held budget for contract inflation within the Children and Education Directorate of £1.652m.

1.6. The directorate now requests further supplementary estimate of £5.330m (see Table 1). This can be funded (per Table 2) by:

- £1.034m previously moved to and held in abeyance within corporate earmarked reserve at Q2/P5 2023/24.
- A further £4.296m to be transferred from corporately held budget for contract inflation to corporate earmarked reserve following Q3/P8 2023/24 and held in abeyance.

Table 1

				Total variance Q3/P8 to be funded through: additional budget revisions		
	Revised Budget	Q3/P8 Forecast	Total Variance Q3/P8	Previously approved supplementary estimate (FC 31/10/23)	Corporately held budget for inflation (FC 21/2/23)	New request for supplementary estimate
	£'000	£'000	£'000	£'000	£'000	£'000
9 - Children & Education						
15 - Children and Families Services	90,053	104,010	13,957	7,531	1,256	5,170
16 - Educational Improvement	22,655	27,201	4,546	3,990	396	160
1B - Transformation – Our Families Programme	0	1	0	0	0	0
Total 9 - Children & Education	**112,709**	**131,212**	**18,503**	**11,521**	**1,652**	**5,330**

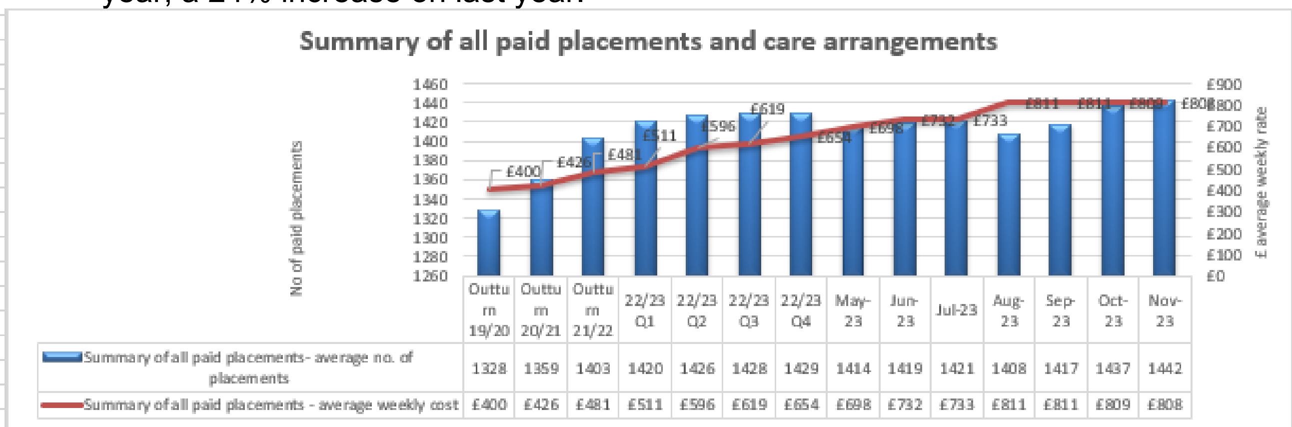
Table 2

New request for supplementary estimate	To be funded from balance remaining in earmarked reserve	To be funded from corporately held budget for contract inflation
£'000	£'000	£'000
5,170	874	4,296
160	160	0
0		
5,330	1,034	4,296

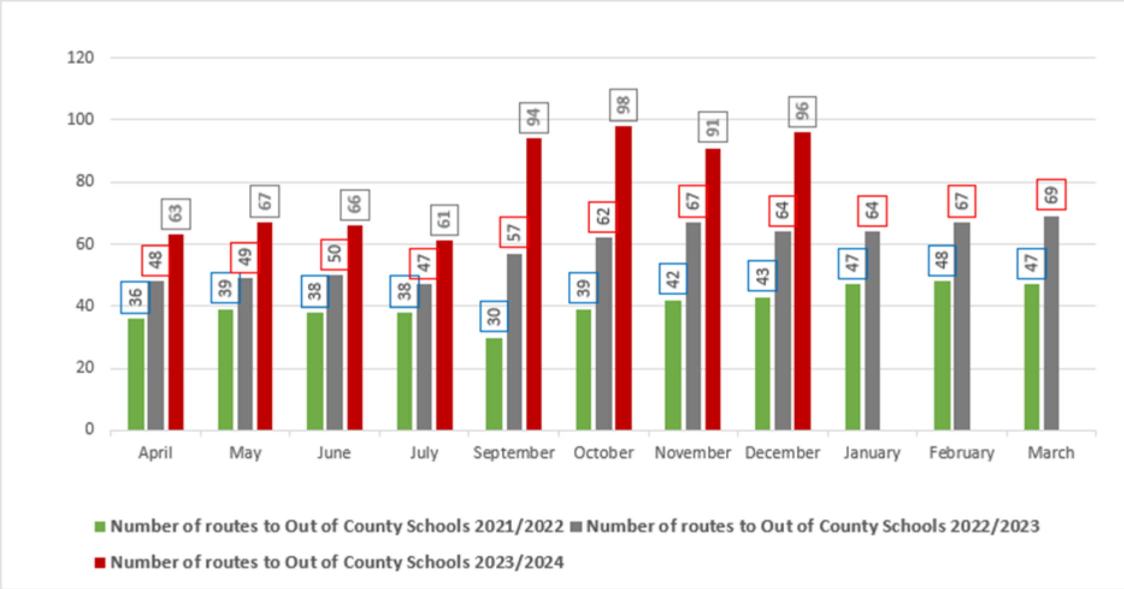
2. Justification

2.1. The Children & Education budgets have experienced significant cost pressures in Children and Family Services and Educational Improvement as follows:

2.2. There has been a significant increase in the number of supported placements this year as represented in the chart below. This cost of provision is estimated to be £56m this year, a 24% increase on last year.



2.3. The Home to School Travel service saw a 44% increase in the number of routes to schools outside the local area to December 2023, compared to the same period last year, which itself was a 45% increase on 2021/22.



3. In-Year Controls

3.1. Savings and recovery actions are being implemented across the Children & Education Directorate in terms of scrutinising all areas of spend and increased levels of management oversight and sign off. For example, in Children detailed work is ongoing to ensure that, where it is safe and appropriate to do so, placements are stepped down to the most cost effective level.

4. Impact Description

Costs	Funding Source
£18.503m Revenue	Earmarked Reserves: Recovery mitigations held in abeyance
Impact if not Approved	
If the supplementary estimate is not approved, then the service will overspend and will not be able to maintain statutory service provision.	

5. Learning Points

5.1. Lack of local sufficiency in provision is pushing an increasing number of children with EHCPs and other social care placements to provision further away from the city resulting in increasing need for transport out of the city and reliance on independent provision at a higher cost.

5.2. Further planning around local provision and better linking with the ECHP process, together with the ongoing work on the transformation programme, including changes to the travel policy and offering should help manage these pressures in the future.

5.3. When setting the budget before the start of each year, the council considers the robustness of the estimates and assumptions, as well as plans and strategies that could be used to deliver a balanced budget should unexpected pressures or events materialise. This has been a particularly challenging financial year in terms of inflationary and other cost pressures, some of which could not have been predicted. Improved service planning to forecast future levels of capacity and demand and how that can be commissioned within a finite budget envelope will continue to be an area of focus.

6. Previously Approved Supplementary Estimates

5.3. Full Council has previously approved a supplementary estimate of £11.521m (at 31 October 2023), now incorporated within this supplementary estimate.

7. Supplementary Estimate - Sign Off

The following people have signed off this Supplementary Estimate	**Evidence of Sign-off (email/121)**	**Date**
Director – Reena Bhogal-Welsh	Email	10th January 2024
Director – Fiona Tudge	Email	10th January 2024
Cabinet Member – Asher Craig	Email	15th January 2024
Section 151 Officer – Denise Murray	Email	15th January 2024