

Summons to attend meeting of Full Council

Budget Council



Date: Tuesday, 21 February 2023

Time: 2.00 pm

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

To: All Members of Council

Issued by: Oliver Harrison, Democratic Services

City Hall, PO Box 3399, Bristol, BS1 9NE

Tel: 0117 3526162

E-mail: democratic.services@bristol.gov.uk

Date: Friday, 10 February 2023



Agenda

1. Welcome and Introductions

(Pages 4 - 10)

2. Apologies for Absence

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Minutes of the Previous Meeting

To agree the minutes of the previous meeting as a correct record.

(Pages 11 - 21)

5. Lord Mayor's Business

To note any announcements from the Lord Mayor

6. Public Petitions and Statements

Under the Council's constitution, there is no provision for public forum at the Budget Council meeting. However, in consultation with the Mayor and other party group leaders, the Lord Mayor has determined that public petitions and written statements will be accepted for this meeting on the following basis:

1. Petitions and statements for this meeting must be about the budget/reports included on the agenda.

2. The wording of all petitions and all written statements must be submitted by the deadline of 12 noon on Friday 17 February. Petition details / written statements should be sent to:

democratic.services@bristol.gov.uk

3. Questions are not permitted on this occasion.



4. Details of all petitions and statements submitted will be sent to the Lord Mayor, Mayor and all councillors as soon as possible after the above deadline.

5. At the meeting, the Lord Mayor will permit a brief opportunity for petitions to be presented at the start of the meeting (up to 1 minute for each petition), to allow petitioners to formally present their petitions and to confirm the final number of signatures. The Lord Mayor will ask Full Council to receive and formally note all petitions and written statements received.

7. Budget Report 2023

(Pages 22 - 258)

Signed



Proper Officer
Friday, 10 February 2023



Public Information Sheet

Budget Council

Public meetings include Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny are held at City Hall.

Members of the press and public who plan to attend City Hall are advised that you may be asked to watch the meeting on a screen in another room should the numbers attending exceed the maximum occupancy of the meeting venue.

Fire Safety Information

In event of alarm please calmly leave by the nearest fire exit. The assembly point is by the side of the Cathedral.

COVID-19 Precautions at City Hall (from June 2022)

When attending a meeting at City Hall, the following COVID-19 prevention guidance is advised:

- promotion of good hand hygiene: washing and disinfecting hands frequently
- while face coverings are no longer mandatory, we will continue to recommend their use in venues and workplaces with limited ventilation or large groups of people.
- although legal restrictions have been removed, we should continue to be mindful of others as we navigate this next phase of the pandemic.

COVID-19 Safety Measures for Attendance at Council Meetings (from July 2021)

We request that no one attends a Council Meeting if they:

- are required to self-isolate from another country
- are suffering from symptoms of COVID-19 or
- have tested positive for COVID-19

Public Forum – Budget Council

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Members of the public may present a petition or make a written statement to Budget Council meetings. Please submit it to democratic.services@bristol.gov.uk.

Petitions and Statements can only be about the budget report presented to Council. For further information about procedure rules please refer to our Constitution <https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>



Petitions from members of the public

- Petitions must relate only to the budget item on the agenda.
- Petitions must include name, address and details for the wording of the petition.
- The person presenting a petition will be asked to read out the objectives of the petition with one minute allowed.
- A written reply will be provided to the lead petitioner within 10 working days of the Full Council meeting.

Statements

- Statements must relate only to the budget item on the agenda.
- Statements should be received no later than **12.00 noon on Friday 17 February**.
- For this meeting statements will not be invited to be read out. They will be circulated to the Lord Mayor, Mayor and Councillors in advance and noted at the meeting.
- There can be one statement per person and any statement submitted should be no longer than one side of A4 paper.
- For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

Questions

- There will be no public forum questions invited for this Budget Meeting.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being published. This information will also be made available at the meeting to which it relates and placed in the official minute book as a public record. You may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain.

The information contained within public forum submissions are the views of those individuals and do not reflect the views of Bristol City Council

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.

Arrangements for Budget Council

The allocated public gallery for Full Council is available for members of the public to observe the Full Council meeting.

The Lord Mayor has determined:

- Attendees should please be quiet and not interrupt proceedings.
- Large bags will be left at reception.
- All loud hailers, banners, and placards must be left at the main entrance and will not be permitted to be brought into the building.
- The Council reserves the right to remove any person who disrupts the proceedings. In appropriate circumstances, the police may be called.

Under our security arrangements, all members of the public (and bags) will be searched. This applies to all members of the public attending the meeting in the interests of helping to ensure a safe meeting environment for all attending. Visitors' bags are liable to be searched prior to entry, and entry is conditional upon visitors consenting to be searched. Searches are carried out to ensure that no items which may interrupt proceedings are brought into the building. Small notices may be acceptable if they are not obstructive or offensive (no more than A4 size).

The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notice-for-resource-services



Full Council Budget Meeting Tuesday 21 February 2023

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Opening Session

1. The Mayor will introduce the report, summarise, and move it.
2. The Cabinet Member - Finance, Governance and Performance will second the report.
3. Each party group will be given the opportunity to respond to the budget proposals in order of size of group
4. The Chair of Overview and Scrutiny Management Board (OSMB) and/or the Chair of Resources Scrutiny Commission will then be given an opportunity to present comments on behalf of the Board.

Amendments

Amendments have been accepted on the following basis:

- The amendment is technically possible.
 - The net financial impact of the amendment on the budget in any financial year must be zero.
 - The amendment cannot use capital budgets in place of revenue.
 - All amendments have been subject to an overview of the potential impact with the assessment outlined alongside the specific amendment.
5. Each amendment will be moved, seconded, debated and voted on in the order shown in the agenda papers. Reasons for the proposed amendment will be clearly stated. The Mayor or relevant Cabinet member will respond to each amendment and sum up, before it is voted on. The vote on each amendment is carried on a simple majority of those voting.
 6. As the amendments are voted on, the Lord Mayor will be advised as necessary if certain amendments effectively “fall by default” due to an earlier amendment(s) being carried.
 7. Once all amendments have been voted on, after consultation with the Section 151 officer (the Director: Finance) the Lord Mayor will confirm the position as necessary in terms of which budget amendments were carried. The Lord Mayor (seconded by Deputy Lord Mayor) will then move that Full Council note the Section 151 Officer’s statement as required under the Local Government Act 2003.



General Debate on budget proposals

8. The Lord Mayor will then invite general debate on the budget proposals as they stand (i.e. the revenue and capital budget).
9. The Mayor to sum up at the end of the debate.

Following the debate

If budget amendments were carried, proceed to point '10' below.

In the event that no budget amendments were carried and the budget is proposed as set out in the agenda, proceed straight to point '11' below.

10. If the Mayor decides to accept the amended budget, then he will indicate to the meeting and the Monitoring Officer accordingly.
11. If the budget is amended, the Mayor has until Tuesday 28 February 2023 to consider any amendments and his response. He may:
 - a. accept the budget as now amended; or
 - b. he may resubmit his original (unchanged) proposals, stating his reasons; or
 - c. he may submit alternative proposals, stating his reasons
 A reserve meeting date of Thursday 2 March 2023 is available should it be required.

When the budget recommendations (amended or not) are to be put to the vote

12. The Lord Mayor will propose the recommendations (as amended or not) and these will be seconded by the Deputy Lord Mayor.

The Mayor's Budget Proposals

That the Mayor's budget proposals in respect of 2023/24 be approved as set out in this report, subject to any amendments agreed at this meeting:

The approval of the Mayor's budget proposals to Council in respect of 2023/24 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 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 2023/24 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 2023/24 as £483.5 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 2023/24 Report in the case that they are required to meet Q3 2022/23 full year forecast spending requirements (see appendix 15 i,ii,iii)
- j) The council's capital budget and programme for the years 2023/24 – 2032/33, totalling £2.0 billion
- k) The strategic Community Infrastructure levy allocations in section 11 are approved.
- l) The proposed Treasury Management Strategy for 2023/24 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 additional Council Tax premiums relating to empty and second homes outlined 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 2023/24 Dedicated Schools Grant of £453.2 million as recommended by Cabinet and the Schools Forum, summarised below, and set out in Section 9.
 - i. The Schools Block budget set at £323.8 million, after transferring £1.6 million of the overall Schools Block to the High Needs Block to support the Education Transformation programme.
 - ii. The Growth Fund for established schools expanding in September 2023 be set at £2.0 million (a component of the total Schools Block budget).
 - iii. The basis for distributing the funding to mainstream schools be as set out and agreed by Schools Forum, noting that this does not include £10.7 million Mainstream Schools Additional Grant where schools level allocation will be available in Spring 2023.
 - iv. The High Needs Block budget be set at £88.1 million, after receiving transfers of £1.6 million from Schools Block.
 - v. The Early Years Block budget be set at £38.5 million and distributed in line with the arrangements agreed with the Schools Forum, noting income will fluctuate, according to participation levels.

To agree:

- p) With regards to the HRA
 - i. The HRA Revenue budget of £137.4 million for 2023/24 as set out in Section 11.
 - ii. A rent increase of 7% with effect from 3 April 2022, 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 and Bristol's Schools Forum's endorsement) the Delivering Better Value in SEND intervention programme' and further mitigation proposals for commencement in 2023/24.
- t) Tto Director of Finance in consultation with Deputy Mayor with responsibility for Finance, Governance and Performance and the Mayor to adjust the budget for the £1.9 million Energy Bill Support Scheme Alternative Funding Grant for Bristol and develop and implement the policy to facilitate the administration of this scheme.



Bristol City Council Minutes of the Full Council

10 January 2023 at 2.00 pm



Members Present:-

Councillors: Lord Mayor Councillor Paula O'Rourke, Deputy Mayor Councillor Craig Cheney, Donald Alexander, Lesley Alexander, Kerry Bailes, Jenny Bartle, Nicola Beech, Marley Bennett, Mark Bradshaw, Fabian Breckels, Andrew Brown, Craig Cheney, Jos Clark, Sarah Classick, Amirah Cole, Asher Craig, Chris Davies, Carla Denyer, Kye Dudd, Tony Dyer, Richard Eddy, Emma Edwards, Jude English, Lily Fitzgibbon, Tessa Fitzjohn, Martin Fodor, Lorraine Francis, John Geater, Paul Goggin, Geoff Gollop, Zoe Goodman, John Goulandris, Katy Grant, Fi Hance, Tom Hathway, Helen Holland, Gary Hopkins, Katja Hornchen, Jonathan Hucker, Philippa Hulme, Farah Hussain, Chris Jackson, Ellie King, Tim Kent, Heather Mack, Mohamed Makawi, Brenda Massey, Henry Michallat, Yassin Mohamud, Barry Parsons, Steve Pearce, Ed Plowden, Guy Poultney, Tom Renhard, Tim Rippington, James Scott, Sharon Scott, Steve Smith, Lisa Stone, Christine Townsend, Andrew Varney, Mark Weston, David Wilcox and Chris Windows

1 Welcome and Introductions

The Lord Mayor welcomed all attendees to the meeting and issued the safety information.

It was noted that the Mayor had tendered his apologies for this meeting due to illness, so Councillor Craig Cheney would be deputising.

2 Apologies for Absence

Apologies for absence were heard from Mayor Marvin Rees and Councillors Ali, Morris, Quartley, Stafford-Townsend and Wye.

3 Declarations of Interest

The following councillors declared an interest in the Golden Motion because they are landlords or tenants in the private rental sector:

Breckels, Brown, Clark, Classick, Dudd, Edwards, Geater, Gollop, Goodman, Goulandris, Hance, Hathway, Hussain, Mack, Plowden and Stone.



The following councillors declared an interest in agenda item 10 due to their involvement with the Avon Fire Authority:

Eddy, Goggin, Massey, Mohamud, Varney and Wilcox.

4 Minutes of the Previous Meeting

On the motion of the Lord Mayor, seconded by Councillor Hance, it was

RESOLVED:

That the minutes of the Full Council meeting and the Extraordinary Full Council meeting to grant Freedom of the City to the Bristol Bus Boycott organisers held on the 13th December 2022 be agreed as a correct record and signed by the Lord Mayor.

5 Lord Mayor's Business

Full Council noted that Bristol resident Mike Alden has been honoured with the “Unsung Hero Award” at the 2022 Sports Personality of the Year and was given a round of applause.

6 Public Petitions, Statements and Questions

Full Council received and noted the following statements, which were also referred to the Mayor for his consideration and information.

Ref No	Name	Title
PS01	Haydn Gill	Bristol has a car problem
PS02	Liv Fortune	Austerity
PS03	Ann Hughes Devereaux	Secretary Of State letter rejecting unsustainable and unpopular developments
PS04	Professor John Tarlton, BSc, PhD	Planning loophole cheating Bristol of trees
PS05	Jill Tarlton	Climate Resilience Needs Trees
PS06	Suzan Hackett	Ecological Emergency - Trees
PS07	Jen Smith	Subject Access Request to Bristol City Council
PS08	Danica Priest	Stop Building on Green Spaces
PS09	Christina Biggs	Bristol Clean Air Alliance
PS10	David Redgewell	Devolution of Transport service and powers to the city region
PS11	Lesley Powell	Extensive cuts to the Parks Department budgets
PS12	Richard Daniel	RE: Transfer of transport staff to WECA seems



		sensible
PS13	Catherine Withers	Protecting Bristol's Green spaces
PS14	Joanne Bryant	WITHDRAWN
PS15	Nasim Dumont-Namin	No more building on green spaces in the City of Bristol
PS16	Anita Bennett	Green space with over 100 trees
PS17	Mike Alden	Park Knowle Football Club
PS18	Gordon Richardson	The role of Heritage England and Historic England in the city and county of Bristol.
PS19	Pary Namini	Save our green spaces in Bristol
PS20	Louise Hingley	Mike Alden of Park Knowle Football Club
PS21	Brendon Taylor	Transfer of Transport staff from Bristol city council to west of England
PS22	Peter Travis	Devolution of Transport service and powers to the city region
PS23	TFGB Martin Garrett	WECA Transport Authority
PS24	Brendan Murphy – BARBI	Road Usage for Hospitality

Within the time available, statements 01, 02, 03, 04, 05, 06, 09, 11, 13, 16, 17, 23 and 24 were presented by individuals at the meeting.

Public Questions

Full Council noted that the following questions had been submitted:

PQ01	Haydn Gill	Feeder Road
PQ02	Haydn Gill	Heat Networks
PQ03	Liv Fortune	Public Services
PQ04	Tom Bosanquet	East Street Pedestrian Zone
PQ05	Tom Bosanquet	Antisocial Driver Behaviour
PQ06	Sian Ellis Thomas	Park Football Club
PQ07	Samantha Bensted	Unanswered Complaints
PQ08	Suzanne Audrey	FOI Requests
PQ09	Suzanne Audrey	Committee System
PQ10	Len Wyatt (Bristol Parks Forum)	Parks Service
PQ11	South West Transport Network	Bus Services
PQ12	Gordon Richardson	Accessible Heritage
PQ13	St Christophers Action Network	St Christophers Consultation

Within the time available, the Deputy Mayor responded verbally to questions 01, 02, 03, 06, 07 and 13 also responding to supplementary questions.



7 Petitions Notified by Councillors

Full Council received and noted the following petitions:

Petition CP01 – Parks Funding – petition presented by Councillor Gary Hopkins

Petition CP02 – Stop the Cuts to Brislington Buses – petition presented by Councillor Tim Rippington

8 Petition Debate: No More Building on Green Spaces in the City of Bristol

Full Council considered a report of the Director – Legal and Democratic Services setting out details of a petition ‘No more building on green spaces in the city of Bristol.’ The petition had reached the 3,500 signature threshold to qualify for a Full Council debate.

Nasim Dumont, a petition organiser, was invited by the Lord Mayor to present the objectives of the petition.

Full Council debated the petition.

Following the debate it was:

RESOLVED:

That the petition and the comments from the debate be noted and referred to the Mayor for response

9 Council Tax Base 2023/24

Full Council considered a report on the Council Tax Base for 2023/24.

Councillor Craig Cheney moved the report and the recommendations therein. Councillor Fabian Breckels seconded the report.

Following the debate, there was a vote (60 For, 0 Against, 0 Abstain) and it was:

RESOLVED Agreed, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Bristol City Council as its Council Tax base for the financial year 2023/24 shall be 129,654.

10 Collection Fund Surplus / Deficit 2022/23

Full Council considered a report on the Collection Fund Surplus / Deficit for 2022/23.

Councillor Craig Cheney moved the report and the recommendations therein. Councillor Zoe Goodman seconded the report.



Following the debate, there was a vote (60 For, 0 Against, 0 Abstain) and it was:

RESOLVED

- 1. That an estimated surplus as at 31 March 2023 on the Council Tax element of the Collection Fund of £1.960m be declared for 2022/23 and shared between this Council, the Police and Crime Commissioner for Avon and Somerset and the Avon Fire and Rescue Service in proportion to their 2022/23 precepts on the Collection Fund.**
- 2. That an estimated deficit as at 31 March 2023 on the Non-Domestic Rates (NDR) element of the Collection Fund, net of grants, of £3.358m be declared for 2022/23 and shared between this Council, Avon Fire and Rescue Service and the West of England Combined Authority (WECA) in proportion to the appropriate year demands (Bristol 95%, WECA 4%, Avon Fire and Rescue Service 1%).**

11 Recommendations of the Independent Remuneration Panel

Full Council considered a report on the Recommendations of the Independent Remuneration Panel.

The Lord Mayor moved the report and the recommendations therein. The Deputy Lord Mayor seconded the report.

There was no debate and it was:

RESOLVED Full Council considered the recommendations from the Independent Remuneration Panel and approved the scheme as proposed.

12 Motions

Altered Golden Motion: Private Sector Housing

Councillor Tom Renhard moved the following motion:

This council notes:

- Privately rented homes in Bristol make up around 30% of the total housing stock.
- The cost of privately renting a property in Bristol has increased by over 50% in ten years.
- 40% of council homes have been transferred to the private rented sector through right-to-buy. The UK Housing Review 2022 branding right-to-buy as a 'strategic failure.'
- Increasingly unaffordable rents risks driving key workers further out of the city.
- The current demand for rented properties at affordable prices has led to an increased power imbalance between tenants and landlords, resulting in tenants being warier to ask for repairs in fear of eviction, and the rising prevalence of 'bidding wars' - where letting agents encourage private renters to outbid one another for a property. This clearly has negative effect for renters, particularly low-income households.



- The Labour administration's work so far to support private renters, including the roll out of landlord licensing schemes, stamping out illegal 'no DSS' discrimination, the Renters' Summit, and the Living Rent Commission – which is exploring the options for rent controls within Bristol.

This council believes:

- Housing should be regarded first and foremost as homes rather than investment assets.
- Rent controls are needed in Bristol to stop homes in the private rented sector becoming increasingly unaffordable.
- Effective rent controls should be equitable, proportionate, and data-driven.
- Landlord Licensing schemes are an effective tool to improve conditions in the private rented sector.

These schemes should be expanded city-wide.

- Further action is needed to protect private renters and ensure their homes are not in poor condition.
- Private renters are less likely to complain about problems with their homes if they face a threat of losing it as a result. Therefore, Government should bring forward the legislation it pledged to outlaw no fault evictions immediately.
- The Renters Reform White Paper should be strengthened. The Renters' Reform Coalition's 'Safe, secure and affordable homes for all: A renters' blueprint for reform' should be the basis for reforms to the Private Rented Sector.
- Right-to-buy should not be expanded to include housing associations, as was included in the 2022 Queen's Speech – which outlines a government's legislative agenda.

This council resolves to:

- Bring the findings of the Living Rent Commission to Full Council and commit to implementing its results. Should the Commission recommend a form of rent control, this council should use its resources to lobby the Government for permission to introduce rent controls in Bristol.
- Ask officers to consider serving improvement notices on homes with severe hazards to prevent landlords from serving Section 21 notices and enable Rent Repayment Orders if the landlord fails to comply. Council officers should also seek to serve more improvement notices for excess cold in homes that fail Minimum Energy Efficiency Standards, and help private renters claim back rent through rent repayment orders when they are eligible to do so.
- Enforce the ban on letting agent fees by issuing fines to criminal letting agents.
- To condemn the practice of bidding wars and instruct officers to find ways that Bristol City Council can work to end the practice of 'bidding wars' in the private rented sector.
- Support the Renters' Reform Coalition proposals and use council resources to lobby the government to strengthen the Renters' Reform White Paper. This includes calls for a national landlord register and abolishing the 'Right to Rent' checks.
- Oppose any expansion of right-to-buy to include housing associations and instruct officers to submit a plan to government of possible ways to boost affordable home ownership rates without depleting social housing stock.
- Publish an annual "living rent index" of what affordable rents would be for Bristol.
- Following the conclusion of the Living Rent Commission, continue its work through a new, constituted forum in conjunction with the Homes and Communities Board.



- Review our Private Housing Enforcement policy to ensure it reflects any new national legislation and that formal action can be taken in a timely manner.
- Maintain a publicly accessible list of Enforcement Notices served on Private Housing in Bristol if no such national database materialises following the Renters Reform bill.
- Establish a regular Renters' Forum to engage with private rental tenants.

The motion was seconded by Councillor Carla Denyer

Following debate, upon being put to the vote, the motion was CARRIED (35 For, 9 against, 2 abstentions) and it was

RESOLVED:

This council notes:

- Privately rented homes in Bristol make up around 30% of the total housing stock.
- The cost of privately renting a property in Bristol has increased by over 50% in ten years.
- 40% of council homes have been transferred to the private rented sector through right-to-buy. The UK Housing Review 2022 branding right-to-buy as a 'strategic failure.'
- Increasingly unaffordable rents risks driving key workers further out of the city.
- The current demand for rented properties at affordable prices has led to an increased power imbalance between tenants and landlords, resulting in tenants being warier to ask for repairs in fear of eviction, and the rising prevalence of 'bidding wars' - where letting agents encourage private renters to outbid one another for a property. This clearly has negative effect for renters, particularly low-income households.
- The Labour administration's work so far to support private renters, including the roll out of landlord licensing schemes, stamping out illegal 'no DSS' discrimination, the Renters' Summit, and the Living Rent Commission – which is exploring the options for rent controls within Bristol.

This council believes:

- Housing should be regarded first and foremost as homes rather than investment assets.
- Rent controls are needed in Bristol to stop homes in the private rented sector becoming increasingly unaffordable.
- Effective rent controls should be equitable, proportionate, and data-driven.
- Landlord Licensing schemes are an effective tool to improve conditions in the private rented sector. These schemes should be expanded city-wide.
- Further action is needed to protect private renters and ensure their homes are not in poor condition.
- Private renters are less likely to complain about problems with their homes if they face a threat of losing it as a result. Therefore, Government should bring forward the legislation it pledged to outlaw no fault evictions immediately.
- The Renters Reform White Paper should be strengthened. The Renters' Reform Coalition's 'Safe, secure and affordable homes for all: A renters' blueprint for reform' should be the basis for reforms to the Private Rented Sector.



- **Right-to-buy should not be expanded to include housing associations, as was included in the 2022 Queen's Speech – which outlines a government's legislative agenda.**

This council resolves to:

- **Bring the findings of the Living Rent Commission to Full Council and commit to implementing its results. Should the Commission recommend a form of rent control, this council should use its resources to lobby the Government for permission to introduce rent controls in Bristol.**
- **Ask officers to consider serving improvement notices on homes with severe hazards to prevent landlords from serving Section 21 notices and enable Rent Repayment Orders if the landlord fails to comply. Council officers should also seek to serve more improvement notices for excess cold in homes that fail Minimum Energy Efficiency Standards, and help private renters claim back rent through rent repayment orders when they are eligible to do so.**
- **Enforce the ban on letting agent fees by issuing fines to criminal letting agents.**
- **To condemn the practice of bidding wars and instruct officers to find ways that Bristol City Council can work to end the practice of 'bidding wars' in the private rented sector.**
- **Support the Renters' Reform Coalition proposals and use council resources to lobby the government to strengthen the Renters' Reform White Paper. This includes calls for a national landlord register and abolishing the 'Right to Rent' checks.**
- **Oppose any expansion of right-to-buy to include housing associations and instruct officers to submit a plan to government of possible ways to boost affordable home ownership rates without depleting social housing stock.**
- **Publish an annual "living rent index" of what affordable rents would be for Bristol.**
- **Following the conclusion of the Living Rent Commission, continue its work through a new, constituted forum in conjunction with the Homes and Communities Board.**
- **Review our Private Housing Enforcement policy to ensure it reflects any new national legislation and that formal action can be taken in a timely manner.**
- **Maintain a publicly accessible list of Enforcement Notices served on Private Housing in Bristol if no such national database materialises following the Renters Reform bill.**
- **Establish a regular Renters' Forum to engage with private rental tenants.**

Silver Motion: Preserving Bristol's Transport and Design Powers For The Future

Councillor Ed Plowden moved the following motion:

This Council notes:

- **There is a climate emergency and Bristol needs to change rapidly to adapt to and mitigate the existential threats caused by climate chaos;**
- **We will need to play a difficult balancing act to preserve what makes our city great whilst recognising that "do nothing" is not an option;**
- **The design of the City's places and movement will play a critical part in this adaptation and mitigation;**
- **We have specialist officer expertise in the Strategic City Transport and City Design teams that help the Council make good decisions to re-design our future City;**



- The Mayor's controversial proposal to abolish these teams, with minimal detail provided as to their future form or ongoing functions;
- That outsourcing the delivery of some transport projects will actually cost more than keeping them in-house;
- The Temple Quarter Regeneration will shape the city for decades;
- The commitment made by the Cabinet Member for Transport to publish the report on Workplace Parking Levy has not been fulfilled, despite his reasoning that it was such an important decision that it should be put before Full Council;
- The recent WECA (West of England Combined Authority) Audit report that identified significant weaknesses in its operations.

This Council believes:

- Decisions that impact on the Council's future need to be taken transparently and informed by expertise;
- The Council needs expert support to fulfil its statutory Planning and Transport duties, in collaboration with other authorities;
- Although there is a good Transport Strategy in place, very little progress has been made in delivering it in a rounded and balanced way, for example the city needs parking and cycling strategies, but these have not been progressed despite repeated promises to bring them forward.
- Restructuring the expertise of planners in City Design and Transport departments without clear future arrangements has the potential to affect severely the Council's ability to make informed and quality decisions, which will inevitably impact on regeneration plans such as Temple Quarter;
- The capacity of the Council to continue to exercise these functions needs to be underpinned by a clear options and risk analysis and be referred for proper scrutiny, including to the Committee Model Working Group;
- There are different potential funding models that need to be explored to support the effective continuation of the teams, such as reviewing the capital recharge rate for staff and demand management options.
- Bristol needs capacity to be able to negotiate strategically with WECA, as recommended by the WECA auditors.

This Council resolves:

- To call on the Mayor to pause and clarify what the alternative proposals are for fulfilling these functions in sufficient time for this to be fully considered by councillors, including the Committee Model Working Group;
- That the proposals for ongoing staffing budgets should be considered as part of a budget process led by Full Council, rather than the Cabinet in isolation;
- To call on the administration to make the Workplace Parking Levy report available to Full Council as promised, so its potential to raise valuable revenue can at the very least be considered;
- To call on the Mayor to ensure problems with WECA's functioning are resolved before any further significant functions are transferred;
- To call on the Mayor to include in any firm proposals careful consideration of how Bristol will retain capacity to negotiate strategically with WECA, and the other Unitary Authorities involved



The motion was seconded by Councillor Emma Edwards.

Following debate, upon being put to the vote, the motion was CARRIED (40 For, 0 against, 19 abstentions) and it was

RESOLVED

This Council notes:

- **There is a climate emergency and Bristol needs to change rapidly to adapt to and mitigate the existential threats caused by climate chaos;**
- **We will need to play a difficult balancing act to preserve what makes our city great whilst recognising that “do nothing” is not an option;**
- **The design of the City’s places and movement will play a critical part in this adaptation and mitigation;**
- **We have specialist officer expertise in the Strategic City Transport and City Design teams that help the Council make good decisions to re-design our future City;**
- **The Mayor’s controversial proposal to abolish these teams, with minimal detail provided as to their future form or ongoing functions;**
- **That outsourcing the delivery of some transport projects will actually cost more than keeping them in-house;**
- **The Temple Quarter Regeneration will shape the city for decades;**
- **The commitment made by the Cabinet Member for Transport to publish the report on Workplace Parking Levy has not been fulfilled, despite his reasoning that it was such an important decision that it should be put before Full Council;**
- **The recent WECA (West of England Combined Authority) Audit report that identified significant weaknesses in its operations.**

This Council believes:

- **Decisions that impact on the Council’s future need to be taken transparently and informed by expertise;**
- **The Council needs expert support to fulfil its statutory Planning and Transport duties, in collaboration with other authorities;**
- **Although there is a good Transport Strategy in place, very little progress has been made in delivering it in a rounded and balanced way, for example the city needs parking and cycling strategies, but these have not been progressed despite repeated promises to bring them forward.**
- **Restructuring the expertise of planners in City Design and Transport departments without clear future arrangements has the potential to affect severely the Council’s ability to make informed and quality decisions, which will inevitably impact on regeneration plans such as Temple Quarter;**
- **The capacity of the Council to continue to exercise these functions needs to be underpinned by a clear options and risk analysis and be referred for proper scrutiny, including to the Committee Model Working Group;**



- There are different potential funding models that need to be explored to support the effective continuation of the teams, such as reviewing the capital recharge rate for staff and demand management options.
- Bristol needs capacity to be able to negotiate strategically with WECA, as recommended by the WECA auditors.

This Council resolves:

- To call on the Mayor to pause and clarify what the alternative proposals are for fulfilling these functions in sufficient time for this to be fully considered by councillors, including the Committee Model Working Group;
- That the proposals for ongoing staffing budgets should be considered as part of a budget process led by Full Council, rather than the Cabinet in isolation;
- To call on the administration to make the Workplace Parking Levy report available to Full Council as promised, so its potential to raise valuable revenue can at the very least be considered;
- To call on the Mayor to ensure problems with WECA's functioning are resolved before any further significant functions are transferred;
- To call on the Mayor to include in any firm proposals careful consideration of how Bristol will retain capacity to negotiate strategically with WECA, and the other Unitary Authorities involved.

Meeting ended at 5.00 pm

CHAIR _____



Full Council

February 2022



Report of:	Denise Murray, Director Finance (Chief Finance Officer & S151 Officer)
Title:	2023/24 Budget Report
Ward:	City Wide
Member Presenting Report:	The Mayor and the Deputy Mayor / Cabinet Member for Finance, Governance and Performance

Recommendation

For Council to consider and approve the Mayor's 2023/24 Budget recommendations which include the various elements of the Revenue budget, Capital programme, Council Tax and Adult Social Care Precept for 2023/24.

To note under the delegated authority to the Director Finance, after consultation with Deputy Mayor with responsibility for Finance, Governance and Performance and the Mayor, the following changes have been made to the budget report since approved by Cabinet on 24 January 2023:

The following government funding information received:

- Levelling Up Fund Round 2 - successful bidders announced 18 January 2023 including Bristol award of £14.5 million to help transform Filwood Broadway – sections 3.14 and 13.25 – 13.27.
- Final Local Government Finance Settlement - released 6 February 2023.
 - There are no material changes in the core funding settlement between the provisional and final, however the Services Grant was uplifted nationally by £19 million one-off and Bristol allocation increased by £0.2 million (from £3.8m provisional to £4.1m).
 - Levy Account Surplus - distribution of national £100 million one-off from the 22/23 surplus with £0.855 million for Bristol – section 5.10 – 5.12.





- The government announcement of the details in relation to the Energy Bill Support Scheme Alternative Funding Grant - section 8.7 – 8.8.

All separate but associated reports have been merged into a single report, with additional information transferred expanding the following sections of the report:

- Dedicated Schools Grant – section 3.23 and section 9.

The following additional information received or required as standard to complete the report:

- Appendix 1: Detailed budget summary by directorate, expanded to incorporate full divisional summary with savings and investments.
- Appendix 6: narrative has been expanded to include analysis of all free text comments received from members of the public.
- Appendix 11: Precept notification received from the Police and Crime Commissioner for Avon and Somerset and draft precept from Avon Fire Authority, to inform the Statutory Calculations in respect of Bristol's Council Tax.
- ESFA schools' budget - the ESFA has confirmed acceptance of the formula submission for the schools' budget, with political compliance agreed on the basis of Schools Forum and cabinet endorsement and subject to the approval of Full Council.
- The NJC unions (GMB, UNISON and Unite) have now presented their joint pay claim for 2023/24 to the National Employers – section 17.16.

Adjusted for errors, omissions or to increase transparency:

- Delegation to cabinet, to approve the Delivering Better Value in SEND intervention programme and other proposed mitigations commencing 2023/24; subject to consultation where required and Bristol's Schools Forum endorsement.
- West of England Combined Authority expanded to include further detail in relation to the Revenue Transport Levy- section 12.
- Appendix 8: 22/23 saving references have been corrected as the table was misaligned in the design process, resulting in some inaccurate descriptions.
- Other adjustments relate to minor formatting or transposition errors in previous report.



1. Mayor's Budget Recommendations to Council

The approval of the Mayor's budget proposals to Council in respect of 2023/24 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 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 2023/24 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 2023/24 as £483.5 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 2023/24 Report in the case that they are required to meet Q3 2022/23 full year forecast spending requirements (see appendix 15 i,ii,iii)
- j) The council's capital budget and programme for the years 2023/24 – 2032/33, totalling £2.0 billion
- k) The strategic Community Infrastructure levy allocations in section 11 are approved.
- l) The proposed Treasury Management Strategy for 2023/24 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 additional Council Tax premiums relating to empty and second homes outlined 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 2023/24 Dedicated Schools Grant of £453.2 million as recommended by Cabinet and the Schools Forum, summarised below, and set out in Section 9.
 - i. The Schools Block budget set at £323.8 million, after transferring £1.6 million of the overall Schools Block to the High Needs Block to support the

- Education Transformation programme.
- ii. The Growth Fund for established schools expanding in September 2023 be set at £2.0 million (a component of the total Schools Block budget).
- iii. The basis for distributing the funding to mainstream schools be as set out and agreed by Schools Forum, noting that this does not include £10.7 million Mainstream Schools Additional Grant where schools level allocation will be available in Spring 2023.
- iv. The High Needs Block budget be set at £88.1 million, after receiving transfers of £1.6 million from Schools Block.
- v. The Early Years Block budget be set at £38.5 million and distributed in line with the arrangements agreed with the Schools Forum, noting income will fluctuate, according to participation levels.

To agree:

- p) With regards to the HRA
 - i. The HRA Revenue budget of £137.4 million for 2023/24 as set out in Section 11.
 - ii. A rent increase of 7% with effect from 3 April 2022, 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 and Bristol's Schools Forum's endorsement) the Delivering Better Value in SEND intervention programme' and further mitigation proposals for commencement in 2023/24.
- t) To Director of Finance in consultation with Deputy Mayor with responsibility for Finance, Governance and Performance and the Mayor to adjust the budget for the £1.9 million Energy Bill Support Scheme Alternative Funding Grant for Bristol and develop and implement the policy to facilitate the administration of this scheme.

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 2023/24 – 2032/33

- 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: Empty and Second Homes Premiums
- Appendix 13: Service Investments, Loans and Guarantees
- Appendix 14: Bristol Schools Forum Feedback
- Appendix 15: (i,ii,iii) – 2022/23 Supplementary Estimates

3. Executive Summary

- 3.1 The council has a legal responsibility to set an annual balanced budget (Local Government Finance Act 1992) presenting how its 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 The medium term financial outlook is the most severe we have known for many years and the council continues to manage a challenging financial environment. The longer term impact of the pandemic is lingering, the pressures of the cost of living crisis, global supply challenges, labour shortages and exceptional inflationary levels combined with continuing increases in demand for core services are contributing to the council, like others across the country, facing significant financial challenges and uncertain and unpredictable funding and cost levels.
- 3.3 The position is unprecedented with national and international factors largely beyond the council's control, including inflation and pay related cost increases, rapidly rising energy costs and broader demand pressures and costs in both adults' and children's social care. Nationally, the Institute of Fiscal Studies (IFS) has warned that public services face a shortfall of £18 billion a year which is the amount needed to keep pace with inflation and demand pressures across public services. The local government share of this is estimated at £3.2 billion.

General Fund

- 3.4 Despite levels of inflation being significantly higher than forecast at the time of the Spending Review in October 2021, the Autumn Statement in November 2022 provided no new money for Inflation for local government capital and revenue budgets and whilst the provisional settlement has outlined some additional mechanisms to raise funding, such as the additional social care precept, the government funding is not keeping pace with inflation, pay and demand pressures.
- 3.5 In October the council approved the rolling Medium Term Financial Plan (MTFP) 2023/24 - 2027/28 which estimated a funding gap of £31.1 million from our core

budget requirement in 2022/23 raising to a peak of £37.5 million by the end of the five-year period. This funding gap needed to be viewed in the context of post pandemic, cost of living and demand pressures and was extremely sensitive to inflation and core funding variations, and the breadth of the potential variation ranged from £14.0 million to £87.6 million.

- 3.6 Following a refresh of the budget core funding planning assumptions, in-depth reviews of recurrent and emerging pressures, and increases to budgets for growth pressures that were considered essential to maintain service provision, the forecasted funding shortfall is projected to be £20.3 million in 2023/24, rising to £38 million 2025/26 and peaking at £40.0 million in 2027/28 if unmitigated. This pressure remains extremely sensitive to inflation and the breadth of the potential variation now ranges from £10 million to £125 million.
- 3.7 There continues to be a lack of funding certainty. The Autumn Statement and risks (subject to economic conditions) of a new round of austerity, is expected to lead to further cuts to local authority funding from 2025/26. In addition to this the government has confirmed that the long awaited fair funding review for the allocation of government funding and reset of business rates retention to redistribute growth, will not take place for at least two years. The national funding outlook for local government from 2025/26 is therefore volatile and with an unparalleled range of scenarios and uncertainty in longer term forecasting assumptions. It is for this reason that we are focusing on balancing the position to 2025/26 whilst planning for the local government funding disruption which is expected beyond.
- 3.8 Overall, this report recommends a 2023/24 general fund net expenditure budget of £483.5 million, a net increase of £52.5 million from the 2022/23 budget and incorporates revenue investment in priority areas of £38.7 million in 2023/24 (and £13.7 million in future years) to mitigate ongoing pressures.
- 3.9 The identification and achievement of significant savings is essential to live within our means and to shield us from the immediate impact of government cuts in 2025/26 and beyond. A range of newly proposed service efficiencies and income generating options equating to £16.2 million in 2023/24 and plans to deliver a further £14.0 million in future years (both figures underpinned by an overarching savings contingency of £3.7 million as outlined in section 6) has been identified.
- 3.10 The historic service reductions and efficiencies identified of over £300 million over 12 years, in which services other than social care have had to be significantly reduced by over 50% in real terms, has substantially reduced the options available. The Department for Levelling up, Housing and Communities (DLUHC) in its December local government finance policy statement, recognised that there may still be shortfalls in funding and encouraged local authorities to consider how they can use their reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support council's financial sustainability and future investment. This council is in the fortunate position of having retained a resilience reserve and therefore the council is proposing to adopt the recommended approach and use this reserve and other reserves no longer required to help us to plan the reductions we need in line with our

strategic direction and to avoid the crisis cuts which many authorities have (and are) facing.

- 3.11 In achieving the reported position of £483.5 million for 2023/24 the council has been required to make the tough decision to utilise the mechanism made available to councils by the government to levy an Adult 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. The two combined uplifts equate to an overall 2023/24 council tax increase of 4.99%, generating an additional £12.5 million resources from council tax for services provided by the council.
- 3.12 In addition to the council tax increase and savings outlined above the position as outlined in the table below relies on the drawdown of one-off council reserves over the 3 year period (a net movement of £8.6 million, not sustainable long term and leaving a residual gap in 2026/27 and beyond) to balance the annual position. This is providing temporary support as we seek to sustain critical services and smooth the impacts of the delivery investment required, whilst developing longer-term savings plans that can address market forces and provide resilience for the future.
- 3.13 There are no material changes in the core funding settlement between the provisional and Final Local Government Finance Settlement, however the Services Grant was uplifted nationally by £19 million one-off and Bristol allocation increased by £0.2 million. To ensure a balanced budget position the contribution from reserves into the budget is to be reduced by £0.2 million .

Table 1: General Fund summary

22/23 £m	Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
425.033	Annual Budget Requirement	483.523	501.934	511.287	523.045	536.786
(415.802)	Core Funding	(479.594)	(506.090)	(502.424)	(514.914)	(527.009)
9.231	(Surplus)/Deficit	3.929	(4,156)	8.863	8.131	9.777
(9.231)	Contribution to/ from Reserve	(3.929)	4.156	(8.863)		

- 3.14 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.
- 3.15 The proposed Capital Programme amounts to £298.1 million (including HRA) in 2034/24 and includes major programme of works that begin to address the ambition to make Bristol a more equal, aspirational and resilient city where everyone can share in its success. In addition to the amount above Bristol has been successful in securing £14.5 million from the recently announced awards from the Levelling Up Fund - Round 2, to help transform Filwood Broadway, provide new high quality housing, community and business space, these details

are not yet included in the programme and further details will follow in due course.

- 3.16 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.
- 3.17 The proposals above all form the basis of the council's final general fund revenue and capital budget for 2023/24.

Ringfenced accounts

Public Health

- 3.18 The Public Health Grant in Bristol is currently £34.6 million in 2022/23 and the announcement is not yet confirmed for 2023/24. 75% of the grant is externally commissioned services. If the final 2023/24 grant doesn't 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, e.g. the current nursing pay award has not been yet agreed.
- 3.19 The Kings Fund (2023) has recently reviewed national Public Health spending and has concluded that “these remain hard times for local government public health spending”. Growth during 2020/21 and 2021/22 was accounted for by additional exceptional funds for test and trace and other public health aspects of Covid-19 “beyond that spend is flat, and a cumulative £3 billion below in real terms what it would have been had it been kept at its 2015/16 level.” Source [Hard times: the latest chapter in the story of local government public health spending | The King's Fund \(kingsfund.org.uk\)](#) (accessed 9.1.2023).

Dedicated Schools Grant (DSG)

- 3.20 After taking account of the October 2022 census, the final data and allocations from the Education and Skills Funding Agency (ESFA) was released on 16 December 2022 with an overall DSG allocation for 2023/24 of £453.2 million. An additional allocation of £10.7 million to schools was also announced but is not included in the main DSG allocation. This is the award to Bristol from the £2 billion core schools budget uplift announced in the 2022 Autumn Statement, of which £1.6 billion was attributed to schools. Following recent consultation with the education sector the ESFA will provide additional supplementary funding of £10 million to local authorities for maintained nursery schools in 2023/ 24 and Bristol's element of this award is £1.5 million and incorporated in the Early Years figures below.

- 3.21 The overall DSG allocation for 2023/24 is £453.2 million, an increase of £29.8 million on the 2022/23 final allocation of £423.4 million. Additional £19.3 million is for the Schools Block, where the majority of the funding is passported directly to schools. The confirmed funding for the High Needs Block is £86.5 million, a 10.2% increase on 2022/23 (£78.5m). This includes additional allocation of £3.3 million for High Needs from the £2 billion increase (England total for High Needs element: £0.400m) stated above.
- 3.22 The High Needs Block continues to be under pressure. Current spending levels in 2022/23 indicate that the increased allocation will not cover in-year forecast overspend (of £18.2m as at p8 forecast) and does not provide any additional funding for growth, additional need, or historic shortfalls.
- 3.23 The current trends indicate that the overall DSG cumulative unmitigated deficit is forecast to reach £43.5 million by the end of 2022/23, increasing to £62.3 million at the end of 2023/24 and £128.2 million by the end of the five year period to 2027/28. The driver for this deficit is the current and forecasted High Needs spend.
- 3.24 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 just 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.
- 3.25 Work, collaboration and engagement, continues on the Education Transformation Programme to finalise early mitigation proposals alongside the DfE DBV (Delivering Better Value for SEND) programme, which will be focused on the continuing improvement in SEND provision, with particular focus on sustainable school-led programmes, addressing the deficit in the High Needs Block through more inclusive mainstream provisions and improved collaboration with key stakeholders such as health, schools, providers, parents and carers etc. Proposals for these programmes will be presented for consideration by the Schools Forum in March 2023 and cabinet thereafter.
- 3.26 Whilst it is not expected that the programmes will have a material financial impact in 2023/24, it is important that the agreed transitional changes begin to be implemented. There is no statutory undertaking to underwrite the council's DSG deficit and no clarity has been provided by the DfE how, when and if, this will be funded in the longer term. Whilst the council carries this deficit by means of a negative reserve it is a significant risk to both the council and to schools.
- 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 and that local authority maintained schools' is forecasting a net deficit for March 2023 of £2.4 million when all the individual school balances are combined (see section 9). The additional funding to support schools and maintained nurseries from 2023/24 in meeting these challenges is welcomed and work is underway to

improve school's financial health 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 existing properties.
- 3.29 The annual 2023/24 budget is expected to be £137.4 million (an increase of £10.1 million from 2022/23) and includes a rent increase of 7% for 2023/24. 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 2023/24 to 2032/33, which has a gross value of £1.5 billion and is fully funded using HRA revenue and reserves, external funding, capital receipts and prudential borrowing. At 1st April 2023 the HRA earmarked revenue reserves are estimated to amount to £90.7 million.
- 3.32 The proposals above all form the basis of the council's final HRA revenue and capital budget for 2023/24.

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 will lay 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 In the current financial climate, the approach to these needs to be considerate of budget pressure and funding availability, meaning a phased approach to change is needed to ensure services are both rightsized and sustainable and can plan appropriately for change. 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.
- 4.6 The Policy and Budget Framework provides the structure and process for budget decision making and the MTFP is a key financial planning document, covering a rolling five-year period, refreshed annually. It sets out the council's strategic approach to the management of its finances and provides a financial framework within which delivery of the council's priorities can be progressed.
- 4.7 The MTFP and Capital Strategy approved by Full Council, October 2022 outlined the national context, new legislative and policy change and the specific service and funding issues over the period. The budget strategy and reserve policy set out the main options for mitigating the financial impacts outlined, ensuring that our reserves are kept at an appropriate level to enable the council to be resilient to future shocks, stressors and emergency situations that we may encounter in the future, and to plan effectively for our known and potential one-off liabilities.
- 4.8 The economic uncertainty, cost of living crisis and inflationary pressures have meant the government has only provided 1 to 2 years of certainty on areas of funding in the financial settlement for local authorities, this leaves us with greater uncertainty in funding projections from 2025/26.

- 4.9 In December 2022 the Provisional Government Funding Settlement was announced. The provisional settlement funding for one year with some areas of assurance for the coming 12 to 24 months follows four one-year settlements, which continues to hamper financial planning and financial sustainability.
- 4.10 This has confirmed that councils in devolution deal areas are to remain in the 100% business rates retention pilot for a further year, outlined an increase of 1% to the Council Tax referendum threshold and a Social Care Precept of 2%. In addition, confirmation has been given to the cessation of the legacy New Homes Bonus (NHB) payments and of an additional one year only of new NHB; and additional social care grants for two years following deferment of social care reforms. There has been a new 3% funding guarantee to replace the lower tier services grant, which has resulted in a redistribution methodology change to a nil allocation for Bristol.
- 4.11 The continuance of limited funding periods, short term local government allocation and the scale of one-off grants allocated in the provisional 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% retention and wider reforms of the business rate system) will be introduced for 2025/26. 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 2022/23

- 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 2023/24 is based on the latest forecast outturn as at p8/Q3 2022/23.
- 5.2 During the year we have been reporting on a financial position which, in addition to setting out the post-pandemic impact, also describes the additional cost of living costs and demand pressures due to high inflation and the ramifications of war in Ukraine.
- 5.3 The current full year forecast position, based on known information at the end of November 2022 is a net £9.5 million (2.2%) overspend against the approved general fund budget before application of supplementary estimates. This pressure is predominately due to increases in service demand and market cost pressures within Adults and Children's Social Care and Home to School Transport services with the Education and Skills division for children with high needs.

- 5.4 For ring-fenced accounts, latest in-year forecasts report £8.0 million overspend for the HRA (7.1%), £18.8 million overspend for the DSG (4.5%) and a balanced position on the Public Health grant.
- 5.5 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.
- 5.6 The ongoing pressures that have been identified through budget monitoring have been taken into consideration in preparing both the Medium Term Financial Plan and budget 2023/24.
- 5.7 Further details of the forecast year end position can be found in the period 8/Quarter 3 2022/23 Financial Monitoring Report presented to Cabinet 24 January 2023.
- 5.8 Supplementary estimates are presented for approval as part of the Budget 2023/24 report to ensure needs led service can continue to be provided in the case that they are required to meet Q3 2022/23 full year forecast spending requirements (see Appendix 15: i, ii, iii).
- 5.9 In the more recent finance report (P9) further need and associated financial risk continues to emerge within Children and Families and Education and it is clear that challenges will remain in meeting childrens social care need within the revised funding envelope.
- 5.10 In the Final Local Government Finance Settlement the government announced the release of £100 million one-off from the Levy Account. The Secretary of State makes a judgement every year about the amount to distribute based on the levy payments received and safety net payments made. The last time that a surplus was distributed from the Levy Account was in respect of the 2019/20 surplus (£40m).
- 5.11 The surplus relates to 2022-23 and allocations from the Levy Account are distributed pro rata to Settlement Funding Assessment (SFA) and are outside Core Spending Power. As such it can be recognised in the 2022-23 accounts. The allocation for Bristol is £0.855 million.
- 5.12 Given the further non mitigated pressures emerging within childrens social care, it is proposed that this additional funding of £0.855 million is retained in 2022/23 to contribute to the further financial mitigations that will be required in 2022/23.

6. General Fund Revenue Budget 2023/24

- 6.1 Full details of the 2023/24 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 by far 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. Whilst not the most efficient mechanism, it is an approach that can be easily understood

publicly and applied consistently which 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 Octobers' MTFP, have been reflected in the funding position of this budget proposal. The council's revised 2023/24 budget gap stands at £20.3 million rising to £40.0 million in 2027/28. There is a steep incline in the gap at 2025/26 when a number of the funding streams are expected to cease, coinciding with the business rates revaluation exercise that is expected to reduce the council's funding significantly.
- 6.4 The proposed General Fund revenue budget for 2023/24 totals £483.5 million, a net increase of £52.5 million from the 2022/23 baseline budget (£431.0m which included £6m one off funding). The council consulted on possible options for savings and efficiencies amounting to a potential £45.7 million. After giving due consideration to the feedback from the consultation and further due diligence a number of proposals have been removed, revised or included, revising the overall total to £30.2 million (of which £16.2m is attributed to 2023/24).
- 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 £13.7 million (of which £9.9m is attributed to 2023/24).
- 6.6 The overarching savings figure built into the budget (net of any write off's) is therefore restated to £43.9 million of which £26.2 million is attributed to 2023/24. The table below provides a summary of the position.

Table 2: Summary of savings

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
Future Year Savings from 2022/23	(13.604)	(2.163)	(0.673)	(0.468)	-	(16.908)
Future Year Savings Written Off	4.005	0.350	-	-	-	4.355
Amendments to Future Year Savings	(0.395)	(0.237)	(0.501)	-	-	(1.133)
Subtotal 2022/23 Savings	(9.994)	(2.050)	(1.174)	(0.468)	-	(13.686)
New 2023/24 Proposals	(16.248)	(12.058)	(0.799)	(0.593)	(0.547)	(30.245)
TOTAL	(26.242)	(14.108)	(1.973)	(1.061)	(0.547)	(43.931)

- 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. Optimism bias is further applied totalling £3.7 million to support any further variations that may occur in relation to delivery and/or consultation.
- 6.8 The Final Local Government Finance settlement has been received and there are no material changes in the core funding settlement between the provisional

and final, although there are more upward revisions this year than is usual. There are grant increases at national level for Rural Services Delivery Grant (RSDG) (£10m), Services Grant (£19m), and New Homes Bonus (£0.6m); which result in reduced 3% Funding Guarantee payments for some authorities (minus £2.7m). No local authority has a lower CSP in the final settlement than it did in the provisional settlement.

6.9 Bristol Impact:

- Rural Services Delivery Grant – not eligible
- Services Grant £19 million – Bristol £0.163 million one-off
- New Homes Bonus – technical corrections only – no change
- 3% Funding Guarantee payments – not eligible

6.10 The Services Grant allocation was uplifted nationally by £19 million one-off and Bristol's allocation increased by £0.2 million (from £3.8m provisional to £4.1m). As the council does not have a balanced position without the use of reserves, it is proposed the additional £0.2 million will reduce the level of draw down from the resilience reserve in 2023/24 leaving the net general fund position unchanged.

6.11 The key components of the General Fund budget of £483.5 million are summarised in the table below. Significant investment is being 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. It is proposed that the new savings of £42.3 million between 2023/24 and 2025/26 are supplemented with up to £8.6 million potential draw down from the council's earmarked reserves. This will provide a cushion enabling a stable medium term position to 2025/26 and 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

22/23 £m	Item	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
388,795	Base budget Carried Forward	425.033	483.523	501.934	511.288	523.045
9,016	Pay Inflation	15.545	6.990	5.880	5.972	5.870
15,391	Non pay Inflation	28.043	18.964	2.288	4.146	5.665
(18,137)	Savings	(26.242)	(14.108)	(1.973)	(1.061)	(547)
	Optimism Bias	2.445	1.000	0.500	-	-
29,968	Service Investments	38.698	5.566	2.658	2.700	2.753
425,033	General fund budget	483.523	501.934	511.288	523.045	536.786
(243,198)	Council Tax	(258.801)	(274.188)	(281.927)	(289.785)	(302.148)
	Council Tax Second Home premium	-	(2.872)	(3.015)	(3.075)	(3.136)
(140,745)	Business Rates (NNDR)	(153.451)	(157.321)	(148.520)	(151.737)	(151.932)
(3,430)	New Homes Bonus	(1.599)	-	-	-	-
(45,302)	Social Care and other Grant's	(60.916)	(71.709)	(68.962)	(70.317)	(69.793)
(3,212)	Drawdown from General & Earmarked Reserve	(3.929)	4.155	(8.863)	-	-
10,854	Collection Fund (Surplus)/Deficit	(4.827)	-	-	-	-

(425,033)	Funding	(483,523)	(501,934)	(511,288)	(514,914)	(527,009)
-	Budget (Surplus)/Deficit	-	-	-	8.131	9.777

6.12 The following specific changes and key assumptions have been made in the development of the 2023/24 budget:

- Council Tax increase of 4.99% (including 2.99% for general purposes and 2% Adult Social Care Precept)
- Introduction of 100% council tax premium on second and empty homes subject to parliamentary approval
- 100% business rates retention for 2023/24 only and multiplier uplifted by CPI
- A pay award/NIC capped (£9,100) of c4% plus small contingency
- All Social Care grants - retained for the medium term and cash flat
- No general inflation uplift to be applied to service expenditure budgets
- Inflation uplift of 5% to be applied to all fees and charges
- Specific inflationary increases in Private Finance Initiative (PFI), social care and essential services eg such as utilities only
- Capital Financing – assumption that borrowing costs peak at 4.5% in 2023/24
- ASC reforms delayed 2 years - new burden fully contained within redistributed funding

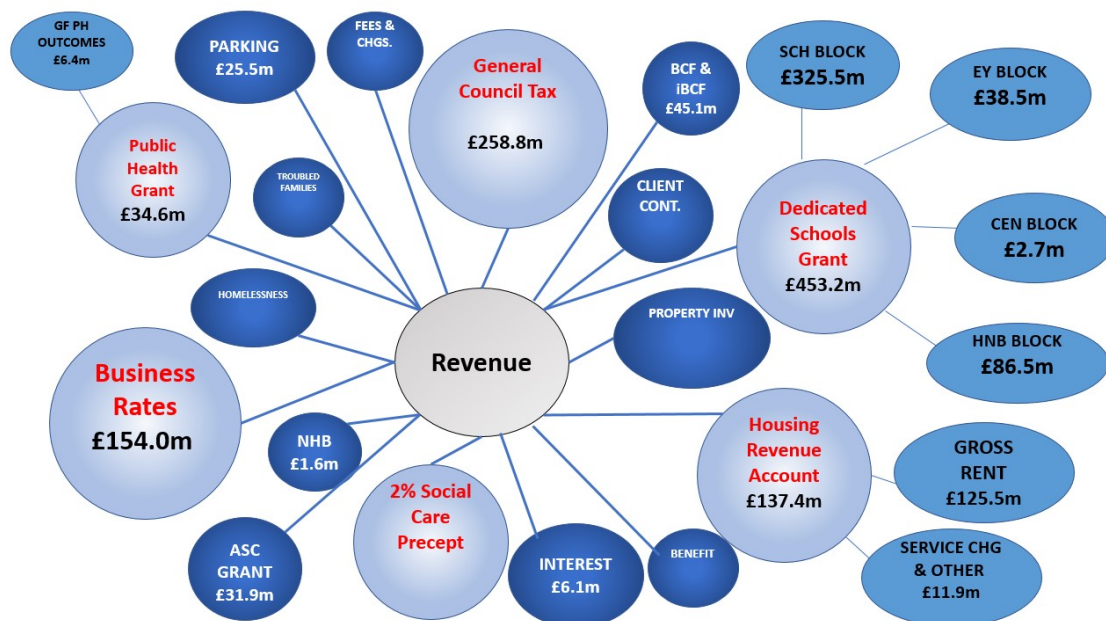
6.13 It is important that the council continues to plan and grow our local tax base which provides real additional resource that can assist with managing increases in service demand and changes in government funding.

6.14 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.

6.15 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.

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

Figure 1: Breakdown of total income 2023/24



- 6.17 In the Autumn Statement the government announced a Council Tax Reduction additional support scheme for 2023/24. For Bristol the award is £0.9 million to assist c13,500 households that are, or who may be, in receipt of partial CTR or potentially full CTR throughout the financial year 2023/24. The grant is in recognition of the impact of rising bills and to support economically vulnerable households in their area with council tax payments.
- 6.18 The scheme will apply to working and pension age households. A further round of Household Support Fund (HSF) was also announced, with an award of £8.0 million for 2023/24 to be used to support households in the most need, particularly those who may not be eligible for the other support government has recently made available but who are never less in need.
- 6.19 It was proposed in savings consultation to reduce the contribution to the Local Crisis Prevention Fund by £0.35 million, which would be replenished should funded welfare assistance grants be provided by government. The HSF grant criteria would meet the criteria for the LCPF top up and subject to final receipt of the guidance a proposal will be presented to Cabinet for the use of the funds and grant directed to the relevant service area for deployment.

Service and corporate pressures

- 6.20 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.

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

Table 4: Breakdown of baseline expenditure pressures and investments

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
Pay Inflation Pressures	15.545	6.990	5.880	5.972	5.870	40.257
Non-Pay inflation pressures	28.043	18.964	2.288	4.146	5.665	59.106
Total Service Pressures	38.698	5.566	2.658	2.700	2.753	52.375
Total Baseline Pressures	82.286	31.52	10.826	12.818	14.288	151.738

People

Adult Social Care & Communities and Public Health

6.22 Adult Social Care continues to face significant demand and resource challenges in meeting care and support needs with both provider sustainability issue from rising costs, significant inflationary pressures, and workforce pressures which continue to make this a difficult service context.

6.23 The intensifying recruitment and retention crisis due to low pay and high staff turnover in the social care sector, is a significant risk to the timely provision of care and support. Added to this challenge of ensuring timely hospital discharges, to free up hospital beds and reduce pressure on the NHS particularly with winter challenges and the need to reduce Covid-19 elective backlogs make this a perfect storm.

6.24 2022/23 has been a difficult year financially with significant budget pressures (as reported to Cabinet) and the service has found it challenging in the above context to deliver its savings. For 2023/24, there are a number of expenditure pressures and investments needed to support adult social care (as set out in Table 5). These include pressures for increased numbers and cost of young people transitioning from children to adult services and the pressure from the exempt accommodation subsidy loss.

6.25 Whilst additional funding for social care is welcome (in the form of social care grant and precept, market sustainability and discharge funding, see below) and will provide some measure of relief, the short-term nature of some of the funding, for example the discharge funding, does not provide any long term certainty to be able to plan and work effectively to improve service delivery and outcomes for people who rely on our help and support.

Table 5: Breakdown of baseline expenditure pressures and investments - Adult Social Care & Communities and Public Health

Description	23/24	24/25	25/26	26/27	27/28
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	£m	£m	£m	£m	£m
From 22/23: uplift - Demand/demographic growth	1.094	1.037	0.885	1.186	1.196
From 22/23: uplift: Extra Care Housing recommissioning	0.600	-	-	-	-
Prior Year Recurrent Service Pressures (mainly in relation to adult purchasing budgets)	2.064	-	-	-	-
Community safety pressure from HRA funding discontinuation	0.067	-	-	-	-
Communities and PH/Environmental Health/ Food Safety Inspections and Bristol Port	-	0.085	-	-	-
Preparing for Adulthood - cost of care	0.345	0.355	0.366	-	-
Exempt accommodation subsidy loss	0.700	-	-	-	-
Fair Cost of Care	1.369	-	-	-	-
New Burden: AS22 New Better Care Fund	1.259	2.095	-	-	-
Total	7.498	3.572	1.251	1.186	1.196

6.26 In addition, care provider contractual inflation uplifts for 2023/24 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 2023/24.

The Settlement - distribution of social care resources

The Local Government Finance Settlement set out proposals for social care services funding for 2023/2024. This included the following funding streams:

Social Care Grant £31.9 million

6.27 Social care grant (increase of £10m). It was announced in the Autumn Statement that adult social care charging reforms, due to be introduced from October 2023, will be postponed for 2 years. The associated funding that had been allocated by government for this is being repurposed and has been added to the social care grant and the former Independent Living Fund grant of £1.6 million has also been consolidated within the social care grant for 2023/24. The social care grant supports both adult and children's social care and will be used to support demand, inflation and other cost pressures and invest in service improvements.

Adult Social Care Market Sustainability and Improvement Fund (fair cost of care) £4.7 million (increase of £3.38m)

6.28 This funding is to assist with moving towards the fair cost of care and has been provided to assist with service demand, capacity issues and market sustainability issues.

Adult Social Care Discharge Fund £2.4 million

6.29 The Autumn Statement also announced £600 million of funding nationally, that would be split equally between councils and the NHS, to support hospital discharge. This funding is to allow people to be discharged more quickly and safely from hospital into the community, where they will receive the care they need to recover. This grant contains Bristol's allocation of c£2.4 million which must be pooled into the Better Care Fund with NHS partners.

Improved Better Care Fund

6.30 No change from 2022/23.

Children, Families and Safer Communities Teams

6.31 The 2022/23 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 bigger pressure on the unit cost of these placements due to local sufficiency challenges.

6.32 The number of Looked After Children grew by 11% in the year to January 23 and had grown significantly from 2020-21 from 20 per 10,000 to 31 per 10,000. Alongside this, children leaving care has slowed significantly down to 18 per 10,000 population creating a 13% differential in entrants/leaver.

6.33 Demand for provision for Post-16 young people with high support needs has increased by 52% in the last year adding further increase to externally provided placements. These placements have seen a 25% increase in costs over the past 12 months, reflecting the market cost increases and additional complexity in the young people.

6.34 Overall placement costs have on average risen by 10.6%.

Table 6: Breakdown of baseline expenditure pressures and investments - Children, Families and Safer Communities

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
From 22/23 uplift: benefit from invest to save Children's Placements demand and cost pressures	(0.994)	(1.195)	(0.671)	-	-
From 22/23 uplift: Bristol Children's home staffing and maintenance costs	0.300	0.250	-	-	-
Prior Year Recurrent Service Pressures	14.846	-	-	-	-
Placement costs - additional children from 2023/24	1.258	1.296	1.335	1.375	1.416

Additional social workers to support increasing in children's numbers	0.312	0.054	0.055	0.056	0.058
Phoenix court	0.065	(0.065)	-	-	-
Temporary accommodation / housing costs due to shortage of supply in Bristol	0.350	-	-	-	-
Staffing pressures	1.442	-	-	-	-
Additional staff to support service activity around missing children	0.126	-	-	-	-
Total Pressures	17.705	0.340	0.719	1.431	1.474

Education

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

6.36 The number of EHC plans issued has also seen significant in-year increase of 17.3%. Nationally, the total number of EHCPs increased by 544% from 2016 to 2022. Over the same period, the total number of EHCPs has increased by 513% in Bristol.

6.37 The Home to School Transport service has also seen 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 – Education

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
From 22/23 uplift: Home to School Transport Increased Demand	0.050	0.051	0.053	0.053	0.053
From 22/23 uplift – Special Educational Needs Support	-	0.385	-	-	-
Prior Year Recurrent Service Pressures	2.162	-	-	-	-
SENDIASS (SEND information support system)	0.043	-	-	-	-
SENDIASS - education contribution	0.055	-	-	-	-
Legal costs for tribunal cases	0.200	-	-	-	-
Edu psychologists training costs	0.020	-	-	-	-
SEN Staffing - current budget pressure	1.000	-	-	-	-
Increasing demand for annual reviews & assessments	0.862	-	-	-	-
Home to School Transport – price and volume	1.878	1.252	0.626	-	-

Total Pressures	6.270	1.688	0.679	0.053	0.053
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Growth and Regeneration

6.38 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

6.39 While the directorate has witnessed a significant bounce back in income since the pandemic, 2022/23 has still proved to be a challenging year with the increased demand for Temporary Accommodation, energy price increases due to the war in Ukraine, as well as the cost-of-living crisis. This has led to the need for corporate intervention to mitigate a significant proportion of in-year pressure. The table below outlines the emerging pressure that is now built into the base budget from 23/24 onwards.

6.40 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 2023/24.

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

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
Prior Year Recurrent Service Pressures	3.502	-	-	-	-
Exempt accommodation subsidy loss	0.400	-	-	-	-
Bristol Operation Centre 24/7 staffing cost	0.300	-	-	-	-
BWC - Transfer of additional waste efficiencies	0.717	0.029	0.029	0.030	0.030
BWC - FM - Net Annual Contractual Efficiencies / Uplift	0.042	(0.005)	(0.019)	-	-
FM - Re-aligned Annual Income Target	0.150	-	-	-	-
Total	5.111	0.024	0.010	0.030	0.030

Resources

6.41 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

Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m
Prior Year Recurrent Service Pressures	1.697	-	-	-	-
PSD Transformation, Restructure and Right-sizing linked to common activities	0.110	-	-	-	-
Legal/Mortuary & Coroner contract, backlog and staffing cost	0.194	(0.058)	-	-	-
Democratic Engagement - Members Allowances	0.113	-	-	-	-
Total	2.114	(0.058)	-	-	-

Corporate expenditure

6.42 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 in 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. In addition, in accordance with accounting requirements, central accounts include those costs which are defined as the Corporate and Democratic Core and Levies. Key areas of corporate expenditure include the following:

Pay awards

6.43 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 2023/24, a 4% plus contingency for pay award and NIC assumptions is 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. 2024/25 assumes a 3% pay award. 2025/26 onwards assumes 2.5%.

Contract Inflation

6.44 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. However, for fees and charges, general inflation has been assumed against all relevant budgets at 5% for 2023/24, 3% 2024/25 and at 2% from 2025/26 onwards. 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 adult and children social care, energy pricing, PFI contracts and waste contracts.

- 6.45 In addition to the above, the 9.7% increase in the National Living Wage to £10.42 and the Health and Social Care Levy National Insurance contribution of 1.25% applicable to the provider market both come into force from April 2023. These have further increased the pressures on inflation related budgets. Due to the significant uncertainty regarding current levels of inflation across a variety of goods and services, additional contract inflation contingency of £2 million provision has been included for any unexpected increases over the next financial year.

Table 10: Breakdown of corporate expenditure budgets

Corporate Expenditure	23/24 £m
Capital Financing	23.866
Corporate and Democratic Core and Levies	11.071
Other including Contract Inflation and pay awards	63.736
Total	98.673

Savings

- 6.46 The council continues to experience a period of sustained increase in demand resulting from current global market factors and for some of the key services it provides for the most vulnerable members of the community, particularly within adult and children’s social care. Following the announcement of government grant allocations and estimates of the council’s funding, a significant challenge remains in the council budgets which cannot be balanced, and service levels cannot be sustained in some key areas over the coming years without delivering efficiency savings.
- 6.47 In the last 12 years the council has identified over £300 million of savings. Of the savings identified last year there were £16.9 million identified as deliverable during the 23/24 to 26/27 period. These can be found in previous budget papers: [Budget Proposals \(bristol.gov.uk\)](https://www.bristol.gov.uk/budget-proposals)
- 6.48 The council has undertaken a review of service areas, including deep dive reviews into pressures in key areas of demand and funding shortfall, to identify options around efficiency, savings and transformation.
- 6.49 The options generated from these reviews identified the potential for savings, income generation, efficiencies and transformation amounting to £45.7 million that were consulted on during November and December 2022.
- 6.50 Following the consultation feedback and further due diligence, engagement, impact assessment and validation several proposals were removed or had change to their values. This was either because the consultation indicated a preference not to progress or, following due diligence, proposals were identified

as cost / growth avoidance, noting that the latter will still be developed but will not have a budgetary impact.

6.51 There were several new items proposed considering the reductions. The changes since consultation are detailed in the tables below.

Table 11: Savings removed following consultation

Name of Proposal	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
P12 Specialist Fostering Programmes**	0.800	2.600	-	-	-	3.400
P24 Support for Families and Special Guardians	0.120	-	-	-	-	0.120
P26 Homes for Children with Complex Needs	1.000	5.000	-	-	-	6.000
P14 Trauma-informed programme	0.750	0.750	-	-	-	1.500
GR011 Libraries*	(0.066)	1.450	-	-	-	1.384
GR012 A Parks Service*	(1.390)	2.890	-	-	-	1.500
GR009 Culture and Creative Industries funding*	0.150	0.250	0.250	-	-	0.650
TOTAL	1.364	12.940	0.250	-	-	14.554

Notes:

* Reflecting consultation feedback

** Replaced as part of alternative fostering proposal following due diligence

All others have been removed following due diligence as items that are cost avoidance in nature, rather than budgetary reductions

Table 12: Savings amended following consultation

Name of Proposal	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
P6 East Bristol Intermediate Care Centre	0.834	(0.334)	-	-	-	0.500
P11 Foster Carer Recruitment and Retention	0.427	(0.334)	(0.614)	(0.251)	(0.293)	(1.065)
P25 Bristol Children's Homes	0.300	(0.300)	-	-	-	-
GR007 Temporary Accommodation need	0.920	1.615	2.189	-	-	4.724
P1 Bristol Community Links Service	0.687	(0.687)	-	-	-	-
P7 Concord Lodge	0.104	(0.104)	-	-	-	-
P21 Home to Education Transport	0.632	(2.070)	(0.130)	(0.192)	(0.254)	(2.014)
P23 Early Help in communities, including Children's Centres & Family Hubs	-	(0.752)	-	-	-	(0.752)
GR002.1 City Transport discretionary activities	0.030	(0.030)	-	-	-	-

R20 Local council tax reduction scheme	0.025	(0.025)	-	-	-	-
P13 Keeping Families Together/Family Network	0.640	0.700	-	-	-	1.340
TOTAL	4.599	(2.321)	1.445	(0.443)	(0.547)	2.733

Table 13: New savings added

Name of Proposal	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
NEW1 S Bristol Rehab Centre	(0.144)	-	-	-	-	(0.144)
NEW2 Targeted Commissioning	(0.200)	(0.200)	-	-	-	(0.400)
NEW3 Short Breaks	-	(0.270)	-	-	-	(0.270)
NEW4 Pooled Budgets	(0.100)	0.100	-	-	-	-
NEW5 New Parking Charges	(0.150)	(0.150)	-	-	-	(0.300)
NEW6 Increase garden waste service charge	(0.144)	-	-	-	-	(0.144)
NEW7 Increase Chargeable Domestic Waste charges	(0.036)	-	-	-	-	(0.036)
NEW8 Bulky Waste - Upholstered Furniture Charge	(0.007)	-	-	-	-	(0.007)
NEW9 Replacement Bin Charge	(0.100)	-	-	-	-	(0.100)
NEW10 Charging for DIY waste at Recycling Centres	(0.300)	-	-	-	-	(0.300)
NEW11 Charging for processing and delivery of recycling containers	(0.100)	-	-	-	-	(0.100)
NEW12 Charging for collection Christmas Trees	(0.030)	-	-	-	-	(0.030)
TOTAL	(1.311)	(0.520)	-	-	-	(1.831)

6.52 The summary of the proposals put forward as part of this budget now amount to £16.2 million of savings in the 2023/24 financial year, and £14 million for future years (full details of the savings recommended for approval are set out in Appendix 8).

6.53 An optimism bias contingency for the new proposals of £3.7 million has been set aside, 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.

6.54 As part of Budget 23/24, previously approved budget savings of £4.0 million (£4.4m to 26/27) have been removed as these were items in their infancy and following due diligence and further assessment were established as being undeliverable in the manner originally planned. Offsetting this are changes to existing previously approved budget savings amounting to £0.395 million (£1.1m to 26/27). Giving a total adjustment to savings brought forward from previous years of £3.6 million (£3.2m to 26/27 years).

Table 14: List of prior year savings removed from budget 2023/24

Description	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27£m	Total £m
Discretionary Giving	0.050	0.100	-	-	-	0.150
Review special guardianship order arrangements	0.025	-	-	-	-	0.025
Improve Home to School Transport commissioning arrangements	0.284	-	-	-	-	0.284
Reprocure energy contracts	0.150	0.250	-	-	-	0.400
Review the Bristol Community Meals service delivery	-	0.110	-	-	-	0.110
Review Home Choice processes and criteria	-	3.150	-	-	-	3.150
Review our arrangements for trade unions	-	0.095	0.050	-	-	0.145
Centralised funding, bids, grants, sponsorship and acquisitions team	-	0.150	-	-	-	0.150
Carry out harbour review	-	0.150	0.300	-	-	0.450
Total	0.509	4.005	0.350	-	-	4.864

Table 15: List of prior year savings changed in budget 23/24

Description	23/24 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Review parking charges	-	(0.600)	0.040	-	-	(0.560)
Review of services grants & charges across the culture service	-	0.205	(0.277)	(0.501)	-	(0.573)
Total	-	(0.395)	(0.237)	(0.501)	-	(1.133)

Long Term Shareholdings and Other Investments

Shareholdings

6.55 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.

- 6.56 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.
- 6.57 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.
- 6.58 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 2023/24 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 the council on 10 January 2023 there is an estimated surplus on the Collection Fund for the year ending 31 March 2023 of £5.3 million of which the council's share is £4.8 million.

8. Council Tax 2023/24

Council tax precepts

- 8.1 The threshold for increasing the council tax for 2023/24 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 10 January 2023 Full Council approved the tax base for the year 2023/24 as 129,654. This represents an increase of 1.36% on the previous year's tax base (127,917).

Council Tax by band

8.3 It is recommended that the following amounts be submitted for agreement by Full Council for the year 2023/24:

- £258,801,053 being the sum to be met from council tax in 2023/24 for services provision (£243,198,359 in 2022/23)

Bristol City Council's share of council tax for the year 2023/24 for the services it provides for each category of dwelling is shown as follows:

Table 16: 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 £
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
2022/23 Council Tax	1,267.48	1,478.72	1,689.96	1,901.22	2,323.70	2,746.20	3,168.69	3,802.43
Percentage Increase	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%	4.99%
Annual Increase	63.27	73.80	84.35	94.87	115.98	137.05	158.14	189.77

Empty and second home premiums

8.4 The government has proposed a Levelling Up and Regeneration Bill that would introduce optional discretionary council tax premiums on both empty and second homes.

8.5 Full Council is asked to approve, subject to the Bill receiving Royal Assent, that the following council tax premiums be applied from 1 April 24, or as soon as possible thereafter, subject to the required legislation being in place:

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

8.6 Further details can be found at Appendix 12.

Energy Bill Support Scheme Alternative Funding Grant

8.7 The government has announced a new cost of living support scheme to support people living in domestic accommodation who fail to qualify for the Energy Bills Support Scheme. This will include, for example, many care home residents and people living in boats or caravans as their sole or main home. It will also include those who pay for their energy costs as part of their rent, eg residents of some sheltered housing flats, although not those who live in shared accommodation if the landlord has already received a payment from the EBSS.

8.8 New funding of £1.9 million will be provided to Bristol, and new burden funding is also anticipated to assist with increased administrative costs. Further details will be set out in due course and delegation will be sought to adjust the relevant budgets on receipt of the funds and develop and implement the policy to facilitate the administration of the scheme at the earliest possible opportunity.

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: [DSG 23-24 budget papers](#)

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 2023/24 DSG is £29.8 million (7.0%) giving a total DSG of £453.2 million.

9.3 The table below provides a high-level description for each block and shows the annual changes in funding. Please note this does not include Mainstream Schools Additional Grant (MSAG); which is part of the government’s £2 billion (£1.6 bn schools’) budget uplift announced in the Autumn Statement, where Bristol’s indicative allocation to schools’ is circa £10.7 million, further details on School Level Allocation will be available in Spring 2023. The additional High Need Block allocation (England total: £400m; Bristol allocation £3.3m) is already in the DSG block allocation summarised in the table below.

Table 17: DSG funding allocation by block

Block	Purpose	22/23 Allocation as at Nov22 £m	23/24 Allocation as at Dec22 £m	Increase (+) £m	Increase (+) %
Schools Block	For distribution through the formula for mainstream schools and academies and for growth in schools	306.192	325.478	19.287	6.3%
Central School Services Block	For local authority core functions, admissions, and historic commitments	2.742	2.717	(0.025)	(0.9%)
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	78.466	86.504	8.038	10.2%

Early Years Block	Funding for distribution to Early Years settings for 2-3 and 4 year old early years provision, with some provision for central oversight and co-ordination	35.987	38.526	2.539	7.1%
Total DSG Allocation		423.388	453.226	29.838	7.0%

Schools Block

- 9.4 The Schools Block total is £325.478 million and made up of the following:
- Pupil led DSG funding £312.4 million - this is the sum allocated to the LA based on the number of pupils recorded in the October 2022 census
 - Premises led funding £10.9 million - element of the Schools Block DSG that recognises costs not defined by NFF values
 - Growth Funding £2.2 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
 - This does not include Mainstream Schools Additional Grant (MSAG) where Bristol's indication allocation is £10.7 million as part of the government's £2 billion (£1.6bn) budget uplift announcement in the Autumn Statement to address cost of living pressures
- 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 2022 census had 35,001 primary pupils, a decrease of 359 (1.0%) from 35,360 in October 2021; with secondary pupil numbers increasing by 797.17 (3.9%) to 21,376.17. Of the 126 Bristol schools, 50 schools have a reduction in pupil numbers on roll (NOR) in 2023/24, whilst four are static and 72 have increased NOR. The Minimum per Pupil funding levels were made a mandatory item in the formula and the rates are dictated by the NFF. For 2022/23 the primary rate is £4,405 and £5,715 for secondary school pupils.
- 9.7 In developing the formula for 2023/24, 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 2023/24
 - The Minimum Funding Guarantee (MFG) to be set at +0.0%
 - The lump sum to be preserved at £126,627 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 £1.5 million - Schools Forum agreed to the transfer of 0.5% of the Schools Block to the High Needs Block at its meeting in November 2022 and the funding is to be earmarked to support the Education Transformation journey. 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 2022/23 is estimated at £1.2 million, leaving £0.8 million for new commitments that may arise during the admissions round.
- 9.10 Following the deduction of the two areas above the balance remaining for Mainstream Schools formula is £321.8 million, including the mandated elements of the formula.
- 9.11 The Minimum Funding Guarantee was set at +0.0% in line with prior year, 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.
- 9.12 Subject to approval of the draft formula by the ESFA, overall 105 of the 126 schools are set to receive an increase in cash funding in 2023/24, whilst 21 out of the 126 schools will receive less funding than in 2022/23. In all 21 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.
- 9.13 Full details of the Schools Block allocation and funding formula can be viewed by the hyperlink in paragraph 9.1 above.

High Needs Block

- 9.14 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 £44.5 million.
- 9.15 With agreement from the Schools Forum, £1.6 million (0.5%) is proposed for transfer from the Schools Block to the High Needs Block to support the Education Transformation Programme, with clear and transparent reporting to Schools Forum. This funding will not be used to support general High Needs activities or deficit but as agreed will be used to support the continuing work and aims of the Education transformation journey alongside the ESFA DBV programme, focused on the continuing improvement in SEND provision, sustainable school-led programmes and addressing the deficit in the High Needs Block. It is noteworthy that 2023/24 may be the last year that this flexibility will be allowed as the DfE has already consulted on the introduction of the Hard National Funding Formula from 2023/24 which would remove local flexibility.
- 9.16 After taking account of 0.5% block transfer and revised funding allocations for 2023/24 (including an additional allocation of £3.3 million for Bristol out of England’s total £400 million for High Needs as part of the government’s £2 billion schools’ budget uplift announced in the Autumn Statement), and latest forecast position reported in period 8, the funding for the High Needs Block is £79.997

million in 2022/23 increasing to £88.131 million in 2023/24. This is equivalent to an £8.1 million increase but still not sufficient to cover the in-year forecast deficit of £18.2 million, neither can it cover historic deficit carried forward.

- 9.17 It is anticipated that the High Needs block will continue to experience significant pressures as the council works through the DSG Management Plan (DSG MP) mitigation proposals which could, subject to approval, result in a potential reduction of spend of up to £12 million if implemented. As the DSG MP mitigations are currently still in co-development along with the ESFA DBV Programme (Delivering Better Value in SEND), no financial benefits have been assumed in the figures for 2023/24. Hence, the High Needs Block in year deficit is assumed to be circa £18.6 million based on current forecasted CYP needs.

Table 18: High Needs Block forecast

High Needs Block	Prior Years £m	22/23 £m	23/24 £m
Total Annual Funding (Incl. Block Transfers)		79.997	88.131
Estimated Budget Requirement		(98.912)	(106.752)
Net Annual HNB Deficit		(18.175)	(18.621)
Accumulated HNB Deficit	(25.618)	(44.533)	(63.154)

Early Years Block

- 9.18 The allocation for Early Years for 2023/24 is £38.5 million (7.1%, £2.5m more than prior year). This allocation is still indicative at this stage as the majority of the funding in this block is based on census data in January 2022 and January 2023, and the actual amount will be updated by ESFA once these census figures are known.

- 9.19 Following sector consultation, the funding allocation for the early years section is as below:

- The funding for 3 & 4 year olds increased by 6p (or 1.2%) at a rate £5.75 and this uplift will be passed on in full to providers. As a result the base rate to providers will increase by 6p to £4.94 in 2023/24. This is in effect a real terms cut for the sector which has experienced minimal support through the pandemic
- For 2 year olds, the rate has increased by 9p (or 1.5%) to £5.89, this increase will be passed on in full to providers (increase from £5.80 to £5.89). In line with the prior year, £0.03 will be retained for central administration
- The indicative Maintained Nursery School supplementary funding has increased by £1.5 million in 2023/24 due to the 243% rate uplift from 98p in 2022/23 to £2.38 in 2023/24 allocation

- 9.20 The authority has 60 maintained schools (Nurseries, Primary, PRU and Special). The proportion of maintained schools that reported a cumulative overall deficit in the year ending 31 March 2022 was 14 (23%) and totalled £5.8 million, with a cumulative net schools revenue balance of £3.1 million surplus for our 60

maintained schools. 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 costs, inflation and rising energy costs, the collective effect of which is having a significant impact.

9.21 Our assessment of schools' financial health reflects the post pandemic position and for the year ending 31 March 2023 is that 43 (72%) of maintained schools are forecasting an in-year deficit of £5.9 million overall (position as at Quarter 2). If this position materialises this would result in the total deficit rising to £8.3 million (18 (30%) schools) over that last year, indicating a rapid escalation of difficulties for the worst affected schools.

9.22 The council is therefore forecasting a net deficit of £2.4 million when all the individual school balances are combined.

Table 19: Bristol maintained schools 22/23 Q2 forecast position

Maintained School Type	2022/23 Opening balance as at 01.04.2022 £m	2022/23 In year forecast position (as at Q2) £m	2022/23 forecast closing balance as at 31.03.2023 £m	Total number of schools forecasting end of year cumulative deficit at 31.03.2023
Nursery	5.192	1.849	7.041	11 out of 12
Primary	(5.546)	2.375	(3.171)	5 out of 40
PRU / Special	(1.850)	0.909	(0.941)	2 out of 6
Secondary	(0.878)	0.340	(0.538)	0 out of 2
Total sum	(3.082)	5.473	2.391	

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

Central Services Block

9.24 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

9.25 The council has proposed a CSSB allocation for 2022/23 of £2.7 million which has been agreed by the Schools Forum, who is the decision maker in this regard. This total is composed of two distinct components:

- on-going functions £1.171 million which has increased by 2.8% from 2022/23 (£1.139m); and
- historic commitments £0.477 million, decrease of 20% from £0.596 million in 2022/23

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.

9.26 The overall CSSB allocation for 2022/23 has reduced by 0.9% or £0.030 million and as a result there will be no spare funding available for transfer into the High Needs Budget in 2022/23.

Overall DSG

9.27 The DSG is forecasted (period 8) to start the year with a brought forward deficit of £24.7 million and the key financial pressure within the DSG is in the High Needs Block. The overall DSG for 2022/23 is £423.3 million, with estimated 2022/23 spend of £442.2 million. The DSG cumulative deficit is forecast to reach £43.5 million by the end of 2022/23; including £24.7 million brought forward deficit balance from the previous year.

9.28 Under DSG regulations this will need to be “made good” in future years from the DSG allocations.

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

Table 20: Forecast block budgets after movement between blocks and carry forward amounts

DSG Block	Balance brought forward from 22/23 (forecast) £m	23/24 allocation @ Dec22 £m	Movement Between Blocks £m	Final DSG 23/24 Allocation £m	Estimated Spend 23/24 £m	C/Fwd Balance £m
Schools Block	(0.557)	(325.478)	1.627	(323.851)	323.851	(0.557)
Delegation	(0.504)	-	-	-	-	(0.504)
Central School Services Block	0.008	(2.717)	-	(2.717)	2.709	-
High Needs Block & Transformation	44.533	(86.504)	(1.627)	(88.131)	106.752	63.154
Early Years Block	(0.004)	(38.526)	-	(38.526)	38.743	0.213
Total DSG Allocation	43.468	(453.225)	-	(453.225)	472.056	62.306

- 9.30 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.
- 9.31 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.
- 9.32 The SI is time-limited and was due to end in March 2023 but has just been extended for a further three years to allow councils with the short-term flexibility needed to implement changes to move High Needs to a sustainable position. It should however be noted that there is no statutory undertaking to underwrite this deficit and no clarity has been provided by the DfE about how, when and if this 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
- 9.33 The DSG MP is a comprehensive tool that has been produced by the Department for Education to enable LAs to:
- Monitor how DSG funding is being spent
 - Compare data on high needs spend between LA's
 - Form evidence-based and strategic future plans for the provision of services for children and young people with SEND
- 9.34 It is an iterative document which could be subject to change and will set out how the deficit will be managed and reduced in the longer term. The plan will continue to be updated throughout 2023/24 and beyond, with updates presented to Schools Forum on a regular basis. A summary of the financial position is in the latest version (September 2022) of the DSG Management Plan, is available in the table below and can be accessed via link: [September 22 SF](#)

Table 21: DSG - summary of financial position

Overall DSG position (pre recoupment total) Income/surplus should be shown as negative	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£000	£000	£000	£000	£000	£000
Carried Forward Unmitigated deficit	£24,650	£44,556	£63,177	£80,871	£98,579	£114,732
Total expenditure	£443,435	£460,570	£464,887	£467,391	£468,399	£468,399
Total income	£423,529	£441,948	£447,193	£449,683	-£452,247	-£454,888
Funding Gap	£44,556	£63,177	£80,871	£98,579	£114,732	£128,242
Carried Forward Indicative proposals				-		
			-£3,075	£12,040	-£23,512	-£36,086
Annual Indicative Proposed Mitigations	£0	-£3,075	-£8,965	£11,473	-£12,574	-£12,574
Funding Gap after mitigations applied	£44,556	£66,251	£68,832	£75,067	£78,645	£79,582

- 9.35 In order to deliver, the service needs to be on a sustainable footing. Work and collaboration continues with the education transformation key stakeholders' working group in conjunction with the ESFA DBV programme, to finalise early mitigation proposals and interventions, which will be focused on the continuing improvement in SEND provision, with particular focus on sustainable school-led programmes, addressing the deficit in the High Needs Block through more inclusive mainstream provisions and improved collaboration with key stakeholders such as health, schools, providers, parents and carers etc. Proposals for these programmes will be presented for consideration by the Schools Forum in March 2023 and cabinet thereafter.
- 9.36 Whilst it is not expected that the programmes will have a material financial impact in 2023/24, it is important that the agreed transitional changes begin to be implemented at the earliest appropriate opportunity. Further work and engagement will be required thereafter, and where appropriate consultation on the co-design of these potential mitigations for development and implementation in subsequent years. The overview of the DSG mitigations and DBV programme were submitted to September 2022 and January 2023 Schools Forum and can be accessed via the following links: [September 2022 Schools Forum](#) and [January 2023 Schools Forum](#)
- 9.37 Whilst the council "carries" this deficit by means of a negative reserve it is a significant risk to both the council and to schools.
- 9.38 Schools Forum considered the proposals on the use and distribution of the available funding at its meeting on 12 January 2023, with final comments noted at Appendix 14.

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 for example, arising directly or indirectly from coronavirus (Covid-19).

10.2 As set out in the Director of Public Health annual report [Director of Public Health annual report 2022 \(bristol.gov.uk\)](#) 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 2022/23 was £34.6 million. The allocations for 2023/24 are yet to be announced, whilst there may be a small uplift planning assumptions at this stage indicate a cash flat position.

Table 22: Public Health budget 2023/24

Public Health Budget 2023/24	Total expenditure £m	Total Income £m	Net Current expenditure £m
Sexual health services - STI testing and treatment (prescribed functions)	5.08	(2.76)	2.32
Sexual health services - Contraception (prescribed functions)	3.66	(1.77)	1.89
Sexual health services - Promotion, prevention and advice (non-prescribed functions)	0.61	(0.03)	0.58
NHS health check programme (prescribed functions)	0.44	-	0.44
Health protection - Local authority role in health protection (prescribed functions)	0.47	-	0.47
National child measurement programme (prescribed functions)	0.23	(0.04)	0.20
Public health advice to NHS commissioners (prescribed functions)	0.11	-	0.11
Obesity - adults	0.11	-	0.11
Obesity - children	0.11	-	0.11
Physical activity - adults	0.61	(0.06)	0.54
Physical activity - children	0.61	(0.06)	0.54
Substance misuse - Treatment for drug misuse in adults	6.86	(0.03)	6.82
Substance misuse - Treatment for alcohol misuse in adults	2.57	(0.01)	2.55
Substance misuse - Preventing and reducing harm from drug misuse in adults	0.04	-	0.04
Substance misuse - Preventing and reducing harm from alcohol misuse in adults	0.12	-	0.12
Substance misuse - Specialist drug and alcohol misuse services for children and young people	0.17	-	0.17
Smoking and tobacco - Stop smoking services and interventions	0.40	-	0.40
Smoking and tobacco - Wider tobacco control	0.05	-	0.05
Children 5–19 public health programmes	1.99	(0.28)	1.71
Mandated 0-5 children's services (prescribed functions)	9.80	(1.55)	8.25
All Other 0-5 children's services (non-prescribed functions)	1.52	-	1.52
Public mental health	0.04	-	0.04
Miscellaneous public health services - other	5.55	-	5.55

Reserve	-	(0.01)	(0.01)
TOTAL PUBLIC HEALTH BUDGET	41.15	(6.61)	34.54

Note - indicative budget subject to final PH grant settlement and assumes that should additional funding not be received the PH reserve of £14,045 will be utilised to balance back to 2022/23 PH grant level .

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 the 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 £3.84 million as at 1 April 2022. 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 and consultation report can be accessed here: [HRA Cabinet and appendices](#).

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 £84.82, whereas the average social rent in England is £94.31. The 2023/24 budget proposes a rent increase of 7% instead of the previously assumed uplift of CPI + 1 (11.1%) in line with the Rent Standard. Due to the high level of inflation this year, the government went out to consultation to temporarily amend the CPI plus 1% policy in the autumn statement, announcing that rents would be capped at 7%. This means average weekly rents will rise to £90.76.

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 2023/24 the budget is £137.4 million (£10 million increase 2022/23), comprising of £125.5 million rental income (net, after allowing for rent loss for empty properties), £10.7 million service charges (based on actual costs, plus an inflationary uplift) and £1.2 million charges for other assets, including garages, shops, and interest on balances.

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 is significant inflationary uplift in costs, particularly for materials, utilities (gas and electricity) and for new contracts. This has particularly impacted budget requirements for repairing, maintaining and improving homes and blocks, including fire safety works. A drawdown from the HRA general reserves of £6.5 million will be required to cover the one-off fire safety (Waking Watch) cost.

11.9 The 2023/24 budget is outlined in the table below with a prior year comparator.

Table 23: HRA 2023/24 revenue budget summary and comparison to 22/23

Proposed 2023/24 HRA Budget Income and Expenditure	2022-23 Budget £000	2022-23 P8 Forecast £000	2023-24 Proposed Budget £000	Movement £'000
Dwelling rents	(118,262)	(117,822)	(127,153)	(9,331)
Voids	1,253	1,421	1,637	216
Non-dwelling rents	(1,219)	(1,013)	(1,115)	(102)
Charges for services and facilities	(9,823)	(9,847)	(10,735)	(888)
Contributions towards expenditure	0	(50)	0	50
TOTAL INCOME	(128,051)	(127,311)	(137,365)	(10,054)
Repairs & Maintenance	37,214	35,564	40,058	4,494
Supervision & Management	32,021	32,444	34,953	2,509
Special Services	11,518	14,958	16,431	1,473
Rents, rates, taxes and other charges	595	793	851	58
Depreciation & impairment of non-current assets	30,357	31,067	31,258	191
Debt management	41	41	41	0
Movement in doubtful debt provision	1,774	1,773	1,370	(403)
TOTAL EXPENDITURE - CORE SERVICES	113,520	116,640	124,962	8,323
NET COST OF CORE HRA SERVICES	(14,530)	(10,671)	(12,403)	(1,732)
Interest and investment income		(170)	(457)	(287)
Net interest payable, pension costs and other non operational charges	11,043	11,441	11,374	(68)
Capital expenditure funded from revenue	3,487	0	0	0
(Surplus) / Deficit for the year on HRA services	0	600	(1,486)	(2,086)
Waking Watch	0	4,085	8,000	3,915
Draw down from reserve		(4,685)	(6,514)	(1,828)
NET	0	0	0	0

11.10 The reasons for movement on the HRA budget between 2022/23 and 2023/24 are:

- Rents - the proposed budget assumes that rents are increased by 7%, generating an additional £9.3 million in income in 2023/24
- Net cost of HRA services – The authority is experiencing cost inflation of up to 20% for various services including utilities, materials and contractor costs. The increase in the budget for 2023/24 is due to the additional planned programmes in the Housing Investment Plan (HIP) which is funded via the revenue income generate and fire safety works
- 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 2023/24 to 2032/33 is £1,5 million. The full details can be accessed via the hyperlink to the Cabinet reports in section 11.1, the overview is provided in section 3 and 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 2022 and this report provides an update on the refreshed business plan, reflecting the delivery of the new build programme; current policy and finances (including the 7% cap on rent increases for 2023/24); increased borrowing costs & inflation. 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 1,715 new council homes to support city aspirations in delivering more affordable housing by 2027/28 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. This would include extending the bathroom replacement programme and increased investment in communal areas, blocks and estates beyond 2027.

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 and this would increase borrowing capacity. Similarly, increases in inflation and in particular rent inflation would add significantly 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 10.1% for April 2023, 5% for April 2024 and then 2.0% thereafter

- Rents increasing at 7% in April 2023, then CPI plus 1% between 2024/25 - 2027/28, and then CPI thereafter. All new 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 £2,066.2 million over the 30 years using the latest HIP figures
- £80 million of investment in energy efficiency over to bring properties up to EPC rating C by 2030
- £8.7 million of investment over 5 years for improvements to communal blocks and estates
- £12.5 million over the MTFP for a bathroom replacement programme in council homes by 2027
- £453 million from 2023/4 over 5 years - a range of new development schemes delivering a total of 1,715 of new council properties
- £2 billion invested into delivering new council homes over the lifetime of the plan
- The inclusion of loans directly attributable to the HRA totalling £244.6 million.

11.19 The HRA will require projected borrowing totalling £623.7 million 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 (£21m; being the equivalent of 3 months cashflow) and that newly arising debt has a provision modelled to repay over a timeframe and that this new borrowing is not refinanced.

HRA Reserves

11.20 As at the beginning of 2022/23 the HRA General Reserve balance was £102 million (estimated £80.8m, 1 April 2023) and the Unapplied Capital Reserves balance was £67.6 million. The 2023/24 budget proposal assumes that £54.2 million of the General HRA reserve (£6.5m to fund one-off revenue cost) and £24.6 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 £26.6 million as at 31 March 2024 and £59.1 million on the Capital Receipts reserve. The HRA will maintain a minimum level of reserves on the General Reserve at £21 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 (WECA)

12.1 The West of England Combined Authority was formed in 2017 by Bath and North East Somerset, Bristol and South Gloucestershire councils. Initial financial benefits were part of a devolution deal initially bringing £900 million of new

investment funding and significant powers into the region. Since its formation, over £1.7 billion of new funding has been secured for the region.

- 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 West of England Combined Authority has secured the following key additional investment for our region:
- £694 million for major transport schemes
 - £2.9 million emergency active travel funding (cycling and walking) additional to the Active Travel Fund of £5.8 million
 - £54 million for MetroWest Phase 1 and 2
 - £24 million for a Future Transport Zone
 - £4 million for the Multiply Programme
 - £10 million from the UK Shared Prosperity Fund
 - £95 million for Bristol Temple Quarter from Homes England
 - £75 million from our business rates retention*
 - Around £16 million per annum to invest in adult education
 - £8 million to help SMEs plan and support their current and future workforce
 - £81 million for Net Zero and Green Homes projects
 - £15 million for Business Skills and Delivery
 - £10 million for Skills Bootcamps
 - £5 million to run the Combined Authority

** 100% of business rates growth are kept in the region – 5% to the West of England Combined Authority. This figure is based on estimated activity.*

- 12.5 Operating the Combined Authority incurs no additional costs to our constituent councils, because it is entirely funded through government grants and a small element of regional business rates retention growth (which would not have been available without forming the Combined Authority).
- 12.6 The West of England is an economic leader and remains key to the UK's recovery from the impact of Covid-19. The Combined Authority continues to support our region's residents and businesses post Covid-19 and is taking action to help people and businesses affected. The West England Combined Authority is working with its constituent councils, other regional partners and government, to ensure people and businesses across the region are getting the support they need.

- 12.7 The West of England Combined Authority has five key mayoral priorities, which the budget will support as listed below:
- a. Create West of England Sustainable Transport
 - b. Tackle the climate & ecological emergency
 - c. Secure decent jobs and training
 - d. Increase the availability of affordable places to call home
 - e. Put the West of England on the map for national and global success
- 12.8 The Budget for the Combined Authority was set on 27 January 2023 by the West of England Combined Authority Committee –. The following elements of the West of England Combined Authority Budget and medium-term financial plan have therefore been incorporated within the council budget proposal:
- An annual revenue transport levy to reflect the cost of the core regional Integrated Transport services of:
 - Concessionary Travel
 - Real Time Information for bus services
 - Community Transport
 - Bus Strategy/integrated ticketing
 - Supported Bus Services (whilst remaining a joint function with the constituent councils)
 - TravelWest
 - Metrobus operations

Revenue Transport Levy (Transport Integration)

- 12.9 From 2020/21 the West of England Combined Authority took on responsibility for managing and delivering the operational transport functions, pooling the budget accumulated from the Unitary Authority levies, (and recharge from North Somerset Council). The 2022/23 principal transport operations budgets funded from the Transport Levy are currently forecasting an overall overspend, largely due to overspend on supported bus services offset by lower expenditure on concessionary travel. A transport smoothing reserve is available to help manage the peaks and troughs of regional service costs. The balance of the smoothing reserve is £0.6 million and this overspend is covered by the smoothing reserve.
- 12.10 The forecast underspend on concessionary travel reimbursement to operators is due to the pre-Covid decline in concessionary travel, and whilst the sector has been supported throughout the pandemic the current government guidance is to transition back to reimbursement for actual travel over the course of 2022-23. In April 2022, reimbursement was capped at 90% of pre-pandemic patronage and that percentage cap is reduced every two months until it reaches 65% in February 2023. From the point where actual use meets the declining percentage, reimbursement will revert to actual use.

Supported Bus Services Pressures

- 12.11 Pressures have emerged in supported bus services due largely to the need to maintain service levels on contracted services to meet government requirements whilst farebox revenue income has remained well below pre-Covid levels. Whilst the government has provided some support through a Covid Bus Service

Support Grant (CBSSG) and latterly the Bus Recovery Grant (BRG) this has not covered lost revenue or the full costs to the West of England Combined Authority of running contracted services.

- 12.12 The short-term situation is that several commercial bus services across the region require revenue support in order to continue, both within the current financial year and at the start of the 2023/24 financial year. This is in part due to continuing low levels of patronage and the fact that direct government support to bus operators through BRG for commercial services is expected to end on 31 March 2023.
- 12.13 The Combined Authority has provided support through the levy to 80 bus service contracts around the region which were not viable as commercial operations prior to the onset of the pandemic. These contracts were extended from the end of August 2022 through to the beginning of April 2023. Since the pandemic, several formerly commercial bus services have been cut due either to unsustainable loss of revenue or because of the chronic driver shortage which is affecting bus operators nationally.
- 12.14 Unitary Authority levies are pooled by the 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. It is recognised that supporting all the services is not achievable and, following detailed impact assessments, engagement across the region, and taking into account the context of regional bus network investment, primarily funded through the Bus Service Improvement Plan (BSIP), this has resulted in a long list of potential service options being considered in the letting of the contract. The list of supported services which were contracted in Bristol are outlined in the table below and the services highlighted in grey will continue in 2023.24. Overall 6 support bus services will not be financially supported in the city by the Transport Levy.

Table 24: Bristol Supported Bus Services

Bristol Supported Bus Routes	
10/11	Southmead Hospital – Avonmouth
13	Bristol City Centre - Shirehampton
17	Kingswood - Southmead Hospital (evenings)
52	Bristol City Centre - Hengrove
505	Long Ashton Park & Ride Site - Southmead Hospital
506	Bristol City Centre - Southmead Hospital
511	Bedminster - Hengrove
512	Totterdown - Bristol City Centre
513/514	Knowle - Brislington
515	Stockwood - Hartcliffe
BRIS	Brislington Park & Ride
PORT	Portway Park & Ride

12.15 In addition to the above, WECA also tendered for the following services, that were emergency contract awards in the last 6 months as a result of commercial withdrawals:

Table 25: Bristol emergency contract awards

Other Bus Routes	
5	Bristol - Fishponds - Downend - Emersons Green
516	Knowle - Hengrove Park

12.16 Given the uncertainty that will continue into the 2023/24 financial year, and the anticipated increases in costs, it is essential to continue to hold and maintain a sufficient transport smoothing reserve. In light of holding this reserve, along with current year underspending in Concessionary Services and the indicated funding positions of the Unitary Authorities, no uplift in the levy is proposed for 2023/24 for the core service requirements. The levy charge for 2023/24 remains unchanged at £19.5 million of which £10.2 million is attributed to Bristol. This represents a real terms reduction in funding of 11% when inflationary pressures are taken into account.

12.17 The 2032/24 levy and Bristol City Council's annual contribution is detailed in the table below.

Table 26: Revenue transport levy 2023/24

Services	Total Levy	Bristol
	2023/24 £m	2023/24 £m
Integrated Transport Team	0.856	0.456
Concessionary Travel	13.018	7.18
Bus Services Real Time Information (RTI)	0.579	0.269
Community Transport	1.653	0.841
Supported Bus Services	3.059	1.323
Metrobus operations	0.073	0.045
TravelWest	0.014	0.007
Bus Strategy / Integrated Ticketing	0.216	0.114
Total Transport Levy	19.468	10.235

12.18 The region secured significant funding through BSIP. This enables change and a move from traditional to transformative solutions for the region. Solutions which our residents are asking for. Solutions which provide a platform to deliver our vision of future transport for the West of England. The digitisation of transport services provides incredible opportunities to effectively bring new modes into the transport system and gives choice and control over transport options to the customer. BSIP and Future Transport Zone (FTZ) combines funding to enable new and more responsive services such as Demand Responsive Transport (DRT), as well as more flexible modes of personal transport through micro-mobility, and other measures. This funding presents a significant opportunity for the region; however government retains its position that the new Bus Transformation Fund - to which we have received revenue funding to deliver our

Bus Service Improvement Plan – may not be used to maintain existing bus services that are at risk.

- 12.19 The WECA report from the 18 January 2023, sets out the overall approach to buses, and more specifically supported bus services, funded by the Transport Levy: [Bus Services Paper](#)

City Region Sustainable Transport Programme

- 12.20 Within the City Region Sustainable Transport Programme, the 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. The council's share is £9.272 million for 2023/24.
- 12.21 The published West of England Combined Authority investment programme will continue to support a number of projects and initiatives for our Unitary Authority throughout 2023/24 including:
- Bristol City Centre & High Streets
 - WE Work for Everyone
 - Reboot West
 - Bristol High Streets - Bedminster
 - South Bristol Enterprise Support
 - Realising Talent [NEET]
 - Local CEIAG Action Research
 - High Street regeneration
 - Other Transport schemes, include CRSTS
- 12.22 These are funded from the additional investment funds received by the West of England Combined Authority as part of the devolution arrangements and reflected accordingly with the councils' revenue and capital budget proposals. Further bids for infrastructure funding may be made in line with the Combined Authority's Strategy and Local Growth Assurance Framework and may come forward for inclusion in the capital programme in line with future delivery arrangements.
- 12.23 Alongside specific projects, West of England Combined Authority will continue to develop, and progress, key longer term strategic initiatives including mass transit options, strategic rail investment and spatial planning to enable clean and green sustainable growth.
- 12.24 The Combined Authority is not currently permitted to raise council tax to fund any of its activity and therefore no precept will be requested.
- 12.25 Full details of the West of England Combined Authority Budget proposals are available at www.westofengland-ca.gov.uk

13. Capital Programme 2023/24 to 2032/33

- 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 post Covid-19 world where the cost of living crisis is impacting many residents and businesses.

- 13.2 The council's capital strategy which was approved in November 2022 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 particularly in line with the development of an asset management strategy, which will outline the approach to capital investment, ensuring 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 latest update to the council's capital strategy included strict criteria and affordability ratios which have been adhered to in developing the draft 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 (an interest cover ratio of at least 1.25) and loan exposure to the council's subsidiaries
 - 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 The development of the capital programme for 2023/24 to 2032/33 has been within the parameters of the capital strategy and guided by the following approach set out in the approval of the MTFP by Council in October 2022:
- No additional revenue resources are available to finance new borrowing
 - Under the current capital programme the council is forecast to have 9.9% of the revenue budget allocated for capital financing by 2027/28 which leaves little room for contingencies as the council has committed to no more than 10% of the revenue budget to be allocated for capital financing (mentioned previously). As a result there is limited scope to borrow additional money to fund additional capital expenditure.
- 13.6 In addition to this there are a number of pressures on the existing capital programme. These include service pressures from Bristol Beacon and Youth Zones schemes as well as a general inflationary pressure due to the economic

environment, particularly in relation to infrastructure investments. These pressures amount to £60.5m over the life of the capital programme. As a result of this, a re-profiling of the existing capital programme has been undertaken to create headroom and fund the additional pressures given that there is limited scope to borrow to fund the pressure.

- 13.7 A thorough review of the existing capital programme has been undertaken to identify headroom for re-direction of council funding into the contingencies and managing risk in the capital programme. The review consisted of workshops and subsequent follow up sessions with capital scheme managers.
- 13.8 A robust and rigorous review was undertaken to re-profile the capital spending across financial years on all schemes in the capital programme based on a realistic assessment of expected project delivery/implementation timescales taking into account known risks. This review resulted in £26.6 million of spend in future financial years being re-profiled, reduced or alternative funding being explored. The list of amendments as a result of the reprioritisation exercise are shown below:

Table 27: Capital reprioritisation results

Programme Reference	Scheme / Programme	Budget £m	Amount released £m	Reduce/Alternative funding/Stop
External funding identified				
GR01	Station Approach	4.250	4.250	External funding identified.
PL32	Western Harbour Development	0.480	0.200	External funding identified.
Alternative funding				
PE06	Switch of Funding of Children Centres and Adult Social Care better lives at homes programme to invest to save	5.960	5.960	Alternative funding-borrowing substituted with invest to save revenue payback.
PI35	Switch of funding to invest to Save - harbour infrastructure	0.892	0.892	Alternative funding-borrowing substituted with invest to save revenue payback.
Scheme Complete				
NH04	Third Household Waste Recycling and Re-use Centre	1.561	0.130	Scheme complete and funds released
PL30	BCC Enabling Role (support disposal of land for delivery of self-build housing)	0.921	0.090	Scheme complete and funds released
Historic Scheme with no mandate				
NH03	Cemeteries & Crematoria	4.300	4.300	Historic pending schemes with no mandate/business case

PL15	Environmental Programmes	0.330	0.330	Historic pending schemes with no mandate/business case
Reprofile Schemes				
PL21	Property Maintenance*	9.500	3.500	Reduced budget to reflect smaller estate.
NH02	Investment in parks and green spaces*	6.210	1.000	Reprofile spend
PL30	Hengrove Park - £2m Enabling, Design & Planning Stage	1.965	0.700	Reprofile based on lower estimate
PL30	Hengrove Park	0.668	0.300	Reprofile based on lower estimate
PL30	Gainsborough Square	0.212	0.212	Reprofile based on lower estimate
PL30	BCC Registered Provider Grants	17.886	2.349	Reprofile based on lower estimates/commitments
CP05	Decarbonisation Fund	19.000	2.000	Holding fund. Reprofile unallocated fund
RE01	ICT Refresh Programme	2.826	0.350	Rescope programme of works
Total		76.961	26.563	

*These proposals will be subject to EQIA's which will be available ahead of the Cabinet and Full Council meetings

13.9 The £26.6 million released will be added to corporate contingency and schemes will be able to utilise this if they have demonstrated that they have utilised their own contingencies first and attempted to value engineer schemes to come in on budget. This reprofiling exercise will result in a contingency of £62.4 million (13.7%) over the 10 year life of the general fund capital programme. If all currently known pressures were to materialise the remaining contingency would be £15.9 million (3.5%) over this period.

13.10 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 the size and complexity the council has, 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.

13.11 In addition to the above a 10% slippage has been applied to the capital programme in each year. This reflects historic optimism bias in the delivery of

programmes and assists in alleviating the pressure in the capital financing budget.

13.12 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.

13.13 The most significant investment schemes in the capital programme 2023/24 to 2032/33 are:

- Investment in the council's housing stock through the Housing Revenue Account (HRA) (£1.5 billion)
- Highways and traffic infrastructure (£52.6 million)
- Housing delivery programme delivered through Goram Homes (£32 million)
- Temple Meads Development (£39 million)
- Bristol Avon Flood Strategy & Investment (£20.4 million)

13.14 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 28: Community Infrastructure Levy (CIL) approved schemes

Strategic CIL Summary	Totals £m
Formally Allocated	
GR08 Bedminster Green Regeneration (£0.4m 2021/22)	(5.605)
PL30 Southmead/Glencoyne Regeneration	(7.000)
PL34 Lawrence Weston Community Hub	(1.000)
NEW Bristol Avon Flood Strategy (BAFS)	(20.395)
Full Council 2022/23 Budget Report 02/03/22 - Approved Schemes	
PL09A Transport Cumberland Rd Stabilisation (Flood Defences) - (£4.8m 2021/22)	(3.200)
CRF2 Youth Zones	(3.600)
Full Council 2022/23 Budget Report 02/03/22 - Awaiting Approval of Business Case	
Cribbs/Patchway New Neighbourhood Development (CPNN) - Transport mitigations	(1.000)
Improvements to Local Centres	(1.500)
Invest in Parks Sports Outdoor Equipment & Facilities	(1.500)
Total allocated	44.800

HRA Capital Programme

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

Table 29: HRA capital budget summary

Reference	Descriptions	2022/23 @ P8	2023/24	2024/25	2025/26	2026/27	2027/28 to 2032/33	TOTAL
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA1	Planned Programme - Major Works	40,877	69,756	92,626	99,185	81,077	364,716	707,360
HRA2	New Build & Land Enabling	25,080	61,738	126,256	118,113	45,712	449,935	801,755
HRA3	HRA Infrastructure	604	1,789	1,302	478	0	0	3,568
	GROSS HRA CAPITAL	66,561	133,283	220,184	217,776	126,789	814,651	1,512,683
	CAPITAL FINANCING							
	Capital Receipts	(11,445)	(24,633)	(29,883)	(32,328)	(13,413)	(56,496)	(156,753)
	Capital Grants	(3,914)	(27,174)	(10,593)	(5,840)	(22,790)	(156,050)	(222,448)
	Prudential Borrowing	0	0	(136,505)	(127,466)	(50,089)	(309,630)	(623,690)
	Major Repair Reserve	(33,969)	(31,258)	(33,196)	(34,444)	(35,419)	(238,087)	(372,404)
	Other Contributions	(1,117)	(2,537)	0	0	0	0	(2,537)
	Reserve & Revenue Contributions	(16,116)	(47,681)	(10,007)	(17,698)	(5,077)	(54,388)	(134,851)
	TOTAL FINANCING	(66,561)	(133,283)	(220,184)	(217,776)	(126,789)	(814,651)	(1,512,683)
	NET HRA CAPITAL PROGRAMME	0	0	0	0	0	0	0

13.16 The HRA development programme (2023/24 to 2027/28) aims to deliver 1,715 council homes, requiring £453 million investment. This rolling programme will see:

- Approximately 1,515 new homes delivered by 2026
- A further 200 are anticipated to 2027

13.17 The 2023/24 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).

13.18 Capital receipts are from the sale of council homes under the Right to Buy (RTB) scheme to sitting tenants at a discount. Sales for 2023/24 are forecast to be 109, with an average sale price after discount of £125,000. The receipts will be reinvested to build new council homes, enabling a greater percentage to be retained.

General Fund Capital Programme

13.19 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.

13.20 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.

13.21 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.

13.22 The table and graphs below summarise our current capital spending plans for the next ten years that total £1,968 million. The detailed draft programme and its financing are set out in Appendix 2.

Table 30: Capital programme summary

22/23 £m	Description	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 to 31/32 £m	Total £m
21.275	People	25.080	32.615	11.534	8,129	0.000	77.418
128.699	Growth & Regeneration	109.965	68.417	31.787	25.994	28.272	264.436
1.771	Resources	3.494	0.150	0.000	0.000	0.000	3.644
11.196	Corporate	9.282	18.211	20.310	10.713	3.950	62.466
0.444	Pending Schemes	17.026	14.111	6.998	6.800	3.000	47.935
69.702	Housing Revenue Account	133.283	220.184	217.776	126.789	814.651	1,512.683
233.087	Total	298.130	353.689	288.465	178.426	849.873	1,968.583
	Financed by:						
34.337	Prudential Borrowing	36.911	48.414	26.914	16.724	4.950	133.913
62.866	Grant	50.052	24.672	12.823	13.116	3.500	113.583
14.318	Capital Receipts (GF)	24.628	13.836	10.750	6.000	0.000	55.214
7.003	Developer Contributions	14.327	7.190	6.150	7.025	18.000	52.691
2.634	Revenue/Reserves (GF)	-	-	-	-	-	0.000
42.226	WECA/Economic Development Fund	38.929	39.394	14.052	8.772	8.772	109.919
69.702	Housing Revenue Account	133.283	220.184	217.776	126.789	814.651	1,512.683
233.087	Total	298.130	353.689	288.465	178.426	849.873	1,968.583

Figure 2: Analysis of capital programme by investment principle

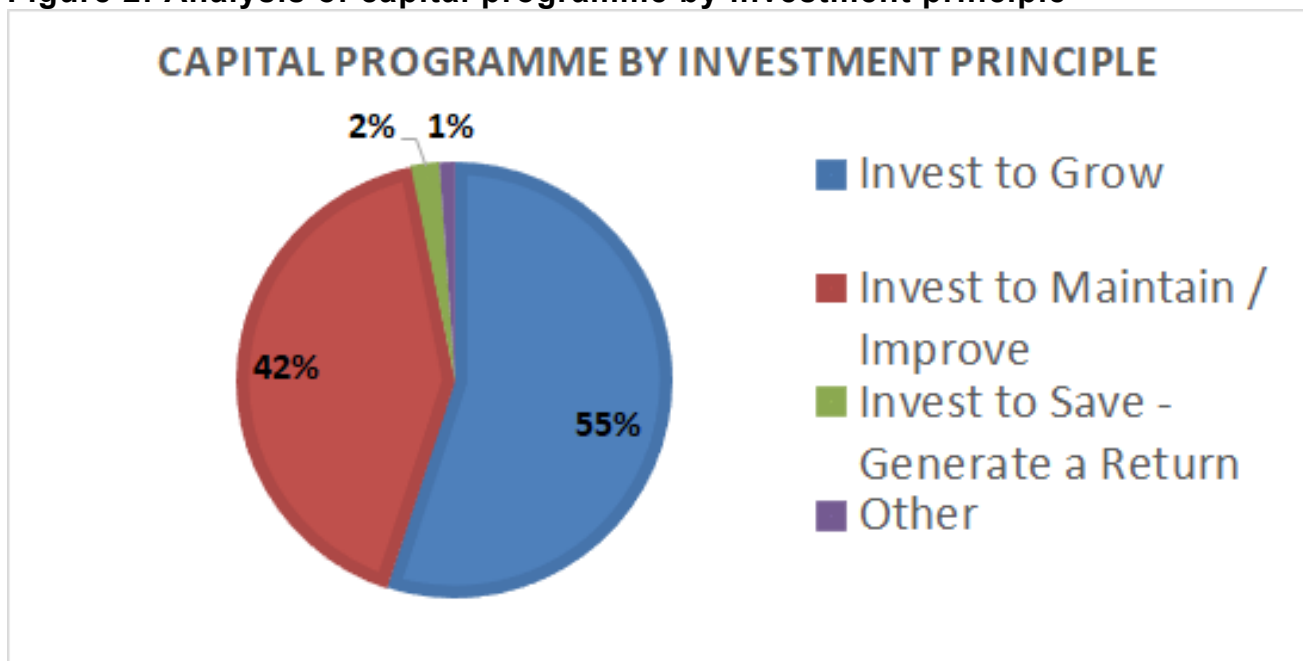
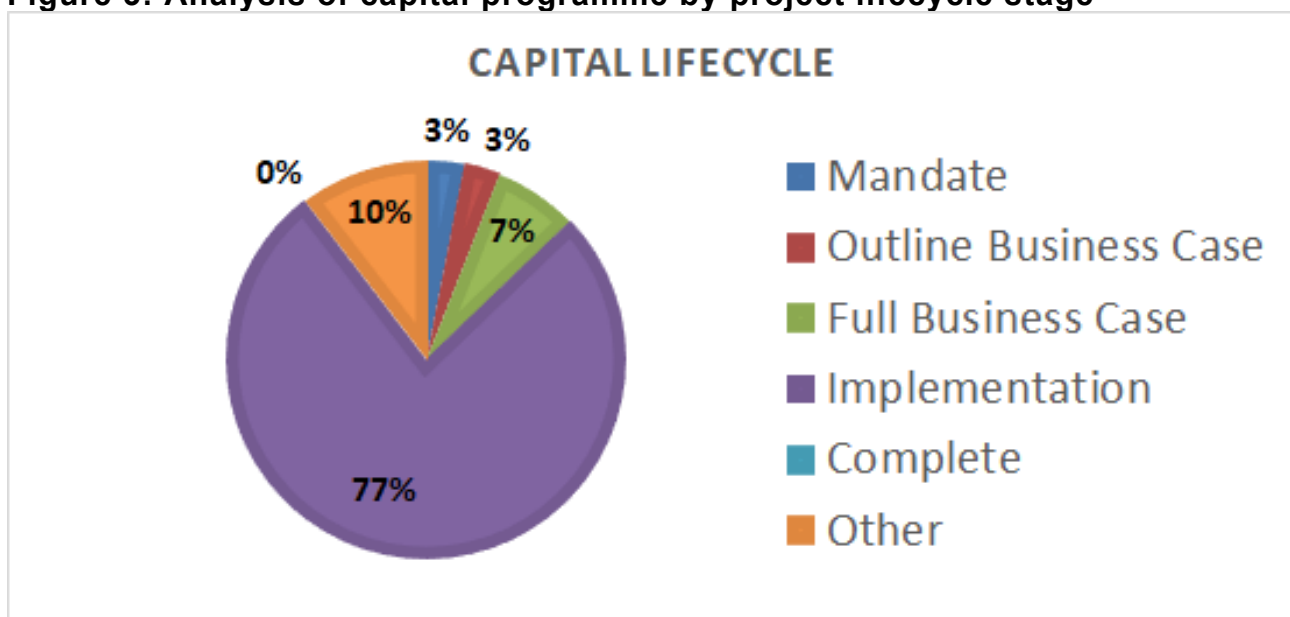


Figure 3: Analysis of capital programme by project lifecycle stage

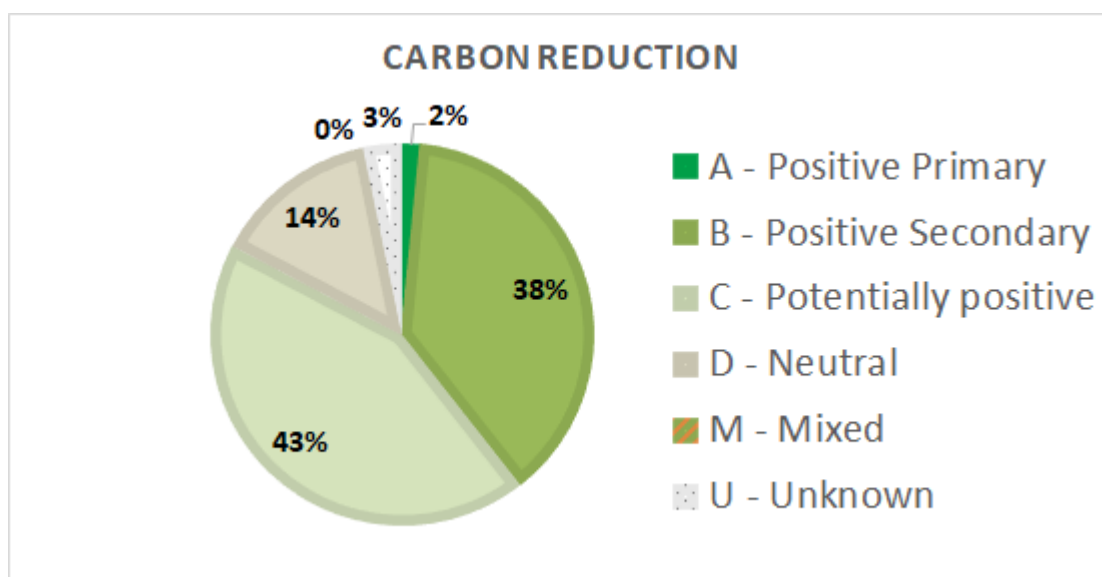


13.23 The council is committed to reducing its carbon footprint. The chart below analyses the schemes in the Capital Programme according to their level of contribution to carbon reduction (analysis based on existing approved Capital Programme plus proposed De-Carbonisation Fund).

13.24 The analysis shows that 83% of the capital programme, by cost of scheme, is making a positive contribution towards carbon reduction. The 83% is broken down as schemes where the primary objective has a positive carbon impact (2%), schemes where the key objective is service delivery but has a positive carbon impact as a secondary objective (38%) and schemes where the primary objectives is service delivery but also have a potentially positive carbon impact (43%). 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 4: Contribution to carbon reduction



Levelling Up Fund - Round 2

13.25 The £4.8 billion Levelling Up Fund contributes to the levelling up agenda by investing in infrastructure that improves everyday life across the UK, including regenerating town centre and high streets, upgrading local transport, and investing in cultural and heritage assets.

13.26 Round 2 of the Levelling Up Fund is valued at £2.1 billion for 2023, split into three different categories:

- £672 million to improve transport links
- £821 million to kick-start community regeneration
- £594 million to restore local heritage sites

13.27 Government recently announced that a total of 111 areas have been awarded a share of £2.1 billion including Bristol's award of £14.5 million to help transform Filwood Broadway, provide new high quality housing, community and business space. This programme is not currently reflected in the capital programme and following the necessary internal governance processes will be reflected in the programme in 2023/24.

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 new Ethical & Equitable Investment Policy approved by Cabinet on 16 January 2022.

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 described below and reflects the guidance previously provided by the Audit Commission, in respect of the appropriate level of general reserves.
- 15.3 Additionally, some specific earmarked reserves are set aside to manage timing differences between the receipt of income and expenditure being incurred, in accordance with accounting rules.

General Reserve

- 15.4 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.
- 15.5 Our General Reserve Policy is that an unallocated general reserve will be retained of at least 5-6% of the net revenue budget.
- 15.6 The balance of the General Fund Reserve at 31 March 2023 is anticipated to be £28.36 million (5.9% of net revenue budget).

Earmarked Reserves

- 15.7 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.
- 15.8 The opening balance in earmarked reserves on 1 April 2022 was £180.086 million. Draw down in 2022/23 is expected to be £79.379 million, this is predominantly driven by business rates grants, agreed company loans, service and project resources.
- 15.9 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.
- 15.10 The council’s controllable reserves will be held corporately and the use of 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.

15.11 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 whose balances have not moved over a twelve-month period.

15.12 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.

Table 31: Summary of budgeted movement in reserves

	Estimate 31 March 2022/23 £m	Estimate 31 March 2023/24 £m	Estimate 31 March 2024/25 £m	Estimate 31 March 2025/26 £m	Estimate 31 March 2026/27 £m	Estimate 31 March 2027/28 £m
Earmarked Reserves	(100.707)	(75.238)	(60.465)	(57.371)	(57.371)	(57.371)
General Reserves	(28.360)	(28.360)	(28.360)	(28.360)	(28.360)	(28.360)
Total General Fund	(129.067)	(103.598)	(88.825)	(85.731)	(85.731)	(85.731)
Trading with Schools	(0.506)	(0.356)	(0.356)	(0.356)	(0.356)	(0.356)
Capital Reserves	(3.554)	(3.554)	(3.554)	(3.554)	(3.554)	(3.554)
DSG Reserve	43.475	63.187	80.871	98.579	114.732	128.242
Schools Balances	2.391	(2.391)	(2.391)	(2.391)	(2.391)	(2.391)
Total Schools Reserves	41.806	56.886	74.570	92.278	108.431	121.941
HRA Major Repairs Reserve	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)	(10.000)
HRA General Reserve	(80.774)	(26.505)	(27.894)	(21.997)	(22.437)	(22.886)
Total HRA Reserves	(90.774)	(36.505)	(37.894)	(31.997)	(32.437)	(32.886)
Total All Funds	(178.035)	(83.217)	(52.149)	(25.450)	(9.737)	3.324

Table 32: General Fund earmarked reserves summary by type

Reserve Type	Opening Balance 01.04.2022 £m	Net Movement £m	Forecast Closing Balance at 31.03.2023 £m	Forecast Movement £m	Closing Balance at 31.03.2024 £m
Statutory/Ring-Fenced	(49.299)	10.032	(39.267)	11.390	(27.877)
Capital Investment	(41.308)	6.274	(35.034)	5.133	(29.901)
Financing	(4.248)	3.534	(0.713)	0.580	(0.133)
Risk and Legal	(53.161)	38.126	(15.036)	2.332	(12.704)
Service	(32.069)	21.413	(10.656)	6.033	(4.623)
Earmarked Reserve Total	(180.086)	79.379	(100.707)	25.468	(75.238)

General Reserves	(36.899)	8.539	(28.360)	0.000	(28.360)
Total General Fund	(216.985)	87.918	(129.067)	25.468	(103.598)

Table 33: Reserve types

Reserve type	Description
Capital Investment	The capital reserve is maintained to provide funding for the council's capital and commercial investments.
Risk and Legal	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	Amounts required by statute or accounting code of practice to be set aside and ring-fenced for specific purposes, eg. Public Health Reserve, City Deal Business Rate Pooling.
Financing	Includes PFI sinking fund, grant income carried forward in accordance with accounting regulations.
Service	Amounts set aside to finance specific projects or to meet known expenditure plans, for example election reserve for local elections.

15.13 In accordance with the policy on reserves, all forecasted balances to 31 March 2023 have been reviewed for their continuing need, alignment with council priorities and a risk assessment considering internal and external factors has been undertaken. Following the review, the resilience reserve was created to provide transitional relief for the long awaited changes in local government funding. It is proposed this will be utilised as a smoothing reserve over the next 3 years to ensure key services can be maintained whilst the organisation transforms, and greater certainty is provided in terms of current economic climate and in relation to local government funding.

15.14 It is proposed that the first £0.25 million draw down will be redirected to increase our legal fund which supports the council in any litigation.

Table 3434: Earmarked reserves redirected

	2022	2023
Redirected From:		
Resilience Reserve	0.250	(5.750)
Total	0.250	(5.750)
Redirected To:		
Legal Reserve	(0.250)	(0.303)
Total	(0.250)	(0.303)

15.15 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.

15.16 The following reserves have been reviewed and are no longer required. These funds to be permanently released total £1.9 million. In line with the resilience reserve will smooth the funding volatility over the 3 year period.

Based on current estimates this will leave £1.8 million in the resilience reserve to manage any unforeseen movements in the position outlined given the sensitivity to inflation and interest rates.

Table 35: Earmarked reserves released

Name	Amount £m	Residual £m
Permanent Release:		
Resilience Reserve	3.834	(1.826)
	3.834	(1.826)
Capital Feasibility Fund	0.763	(0.500)
Bristol Family Cycling Centre	0.100	0.000
Development Fund	0.030	0.000
Future City Demonstrator	0.053	0.000
Hartcliffe Recycling Centre	0.075	0.000
Housing Delivery Enabling Fees	0.431	0.000
Project Management (G&R)	0.139	0.000
Bristol Legacy Community Repair Fund	0.125	0.000
Project Management Office	0.200	0.000
	1.916	(0.500)
Total Released	5.750	(2.326)

Total Earmarked Reserves Released	6.000	
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15.17 In addition to the areas above a further £2.8 million will be released from the business rates volatility reserve to support the anticipated loss of income following the business rates reset in 2025/26.

15.18 In summary, the council's position as outlined in section 3 assumes £8.6 million would be required and this would comprise of £2.8 million to support business rates loss of income and a further £5.8 million from the reserves as outlined above, will be redirected to support the position set out in 15.13 above.

16 Financial Health Indicators

16.1 In developing the budget strategy for 2023/24, and the medium term, the council has been reflective of the outcomes of the CIPFA Financial Resilience Index and other financial benchmarking. In determining the medium term budget strategy it is essential to ensure the council manages its financial resilience to meet unforeseen demands on services.

16.2 The council's benchmarking was adverse in the three areas below:

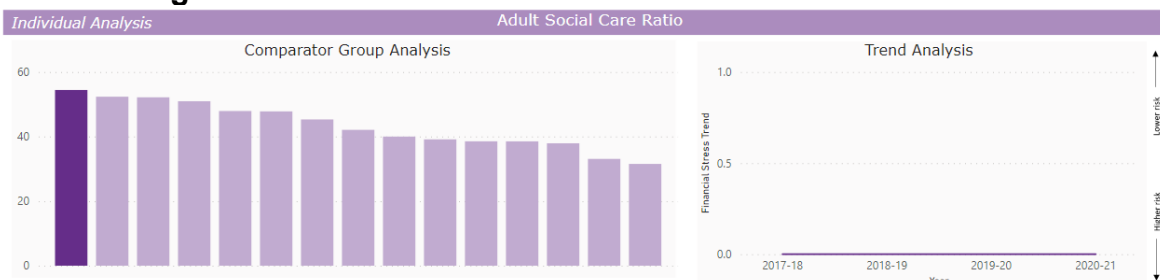
- Adult Social Care Ratio - proportion of budget spent on adult social care services and challenging nature of cost permanence impacting financial resilience

- Gross External Debt – indicative of affordability and exposure to external markets
- Level of Reserves – assessment of net revenue expenditure and reserves levels to inform resilience

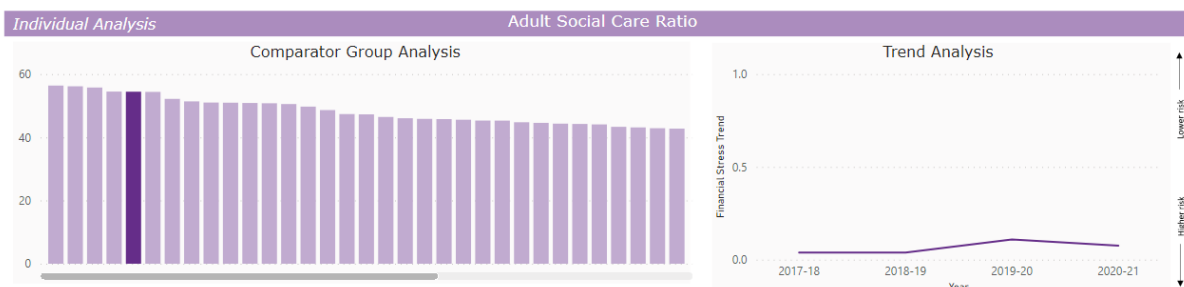
16.3 It was particularly pertinent in relation to adult social care, which has been a trend over recent years.

Adult Social Care Ratio

Nearest Neighbours



Unitary Authorities



16.4 The highest area of risk to the financial resilience of the council compared to other similar authorities is the proportion of budget spent on adult social care services as this is seen as an inflexible cost which is difficult to reduce over short term and impacts on the council’s ability to respond with agility to changing demands.

16.5 This indicator is extremely important in terms of the council’s ability to respond to extreme shocks, such as that recently experienced in relation to the pandemic and cost of living crisis.

16.6 The council’s need for greater resilience to risk that may emerging from the budget, need to be considered and addressed over the medium term.

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 is that 'the budget report must include a statement by the Chief Financial Officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves. The 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 and give reassurance that the authority's financial management processes and procedures are able to manage those risks.

17.3 While the statutory local authority 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.

17.4 This statement considers key medium-term issues faced by the council and all associated funds. The importance of this overall approach and need for prudent and realistic levels of reserves and provisions has been brought sharply into focus by the impact of pandemic and more recently the cost of living crisis on both the finances and operations of the local government sector since 2020/21 and within this budget.

Assurance Statement

Key medium-term issues faced by the council and all associated funds

17.5 In relation to the 2023/24 General Fund Revenue budget, it relies on £43.9 million of savings and income targets, which are at different degree of development / complexity. Some are considered low risk or already certain and the remaining are considered challenging, but in my opinion achievable. The assessment of this is reflected in the size of the contingency for optimism bias along with the risks that propositions may be subject to change and or removed following consultation.

17.6 The HRA budget has similarly identified 3% efficiency programme and supporting the DSG deficit to sustainability relies on the further development and delivery of the mitigation proposals currently estimated to build up to £12.0 million (subject to a subsequent approval) .

- 17.7 Should senior management not meet these targets to a value exceeding contingency earmarked, it will be necessary for the council to draw on its reserves to balance the budget as it closes the 2023/24 year. Thus, it will be important for a rigorous ongoing programme of management, monitoring and, where necessary, intervention to be in place to ensure delivery of the more challenging targets. Good management and the sound monitoring of performance and budgets will be essential. The governance in this area will need to be strengthened and I am satisfied that this is under review and sufficient management processes will be implemented and collective action taken across the council to deliver this budget and to identify and deal with any problems which may arise unexpectedly during the year.

Adult Social Care

- 17.8 Delaying the rollout of adult social care charging reform from October 2023 to October 2025 enabled funds to be repurposed in the Autumn Statement to support social care. The new funding to Bristol for adult and children social care totalled £20.7 million in 2023/24 rising to £31.2 million (excluding ILF) in 2024/25. No certainty was provided in relation to the position from 2025/26 and beyond and how this funding would entwine with the delayed reforms. However, the planning assumption is that the fund will remain with the council cash flat for the later years of the plan with the potential that new responsibilities in relation to the social care charging reforms may follow. The adult social care element of the grant (£8.1m and £13.7m 23/24 and 24/25 respectively) will be distributed via DLUHC and the DHSC. The government expects this new grant funding to enable local authorities to make tangible improvements to adult social care, in particular to address discharge delays, social care waiting times, low fee rates and workforce pressures in the adult social care sector. The grant conditions are not yet confirmed and could present a risk to the service of greater than anticipated new burdens. The risk will need to be tracked and managed more broadly by the council.
- 17.9 The flexibility within the budget as it pertains to social care and capital interest rates has reduced particularly as a result of the pandemic, cost of living, energy inflation and interest payments. Budgeting for the increased need and responding to market conditions has unavoidably increased the ratio of relatively fixed social care spend and the revenue impact of capital financing. Less flexibility equates to reduced delivery and more risk. It is recognised that transforming for improved outcomes at best value may require investment and time and this budget seeks to achieve this by the flexible use of the resilience reserve. It should be noted however that if the council fails to transform key services such as social care and High Needs in the 3 year window provided by the budget and the statutory override for DSG deficits, it will have difficulty in meeting future budget constraints. These transformation programmes will require close monitoring, oversight and commissioning control by senior officers and involve multi-disciplinary teams to improve performance and ensure spend controls are in place where it is appropriate to do so.

Children's Social Care

17.10 The council has faced unprecedented price, demand and workforce pressures in the current year and the ongoing impact of this and other pressures have been included within the proposed target budgets. The trends and benchmarking indicate that there are huge financial pressures nationally, however children's social care does not receive the same level of attention or reference as adult social care by government; investments of this level locally are not sustainable in the long term. Reform and investment to improve people's lives and make the system sustainable for the future must be planned.

DSG High Needs Deficit

17.11 The challenges in the SEND system within Bristol are significant. Demand to meet SEND requirements continues to increase at a faster rate than change can be implemented. Fundamental transformation is needed within the SEND system to deliver the scale of change required. The DSG MP is currently forecasting a deficit position by 31 March 2028 of c£128.2 million. This position is currently being reviewed in conjunction with the DBV programme and as a result it is likely to be subject to variation. The DBV programme provides an opportunity, with the right ambition, for the council to make meaningful inroads to the overspend alongside addressing increasing demand, adhering to statutory duties. However, given the scale of the forecasted financial challenge this will likely fall short of closing the annual gap over the three year period, meaning cumulative deficits being carried forward into future years unless significant alternative funding is received.

17.12 A Statutory Instrument (SI) establishing new accounting practices in relation to the treatment of local authorities' DSG budget deficits aimed to facilitate the carry forward of deficits to allow local authorities to implement the changes required to bring the DSG to a sustainable footing. The SI has been extended for a further three years, and now expires March 2026 by which point a permanent resolution will be required to be in place for the deficit. Further explanatory detail is outlined in Section 9 of this report.

Early Years

17.13 The challenges facing the early years sector include the fact that the DfE funding rates are lower than the cost of delivering funded places, increases in staffing costs, difficulties in recruiting and retaining staff and the 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. 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 not sufficient to ensure sustainability and a transformation programme is being developed which should seek to address this wide ranging set of issues to ensure sustainability of the sector. The school's reserves are now estimated to be in a net deficit position of £2.4 million and a significant contributor to this is the financial position within our maintained nursery schools. Further explanatory detail is outlined in Section 9 of this report. Urgent action will be required to ensure this forecast does not materialise, Schools Forum has agreed additional funding to support the transformation programme and addressing these deficits will also need to be given a clear focus within the transformation programme being developed.

Housing Revenue Account

17.14 The council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in the context of long-term impact and the business plan. However, the risks are the implications of new legislation / regulation or housing policy change (or lack of) which could negatively impact decisions taken at a local level. As is often noted additional government funding is not identified to meet the new burden costs associated with changes in statutory requirements for the HRA. Whilst these are largely external factors strong representation needs to be made to DLUHC and other national bodies where statutory requirements carry excessive cost and could destabilise the plan.

Capital

17.15 Key risks for the capital programme could be considered to be. Arrangements for improvement plans were implemented in 22/23, however we recognise that further work needs to be done in this regard to prevent risk within the council's internal control being implemented:

- Delays in the delivery of the Capital Programme and capital receipts targets
- Potential risk of overspends on major capital projects due to poor project management, delays and/or impact of global material, labour shortages and supply chain issues
- Interest rates exposure

Pay Awards

17.16 The NJC unions (GMB, UNISON and Unite) have now presented their joint pay claim for 2023/24 to the National Employers , which amongst a range of improved terms and conditions and allowances is seeking a RPI + 2% on all pay points. The Retail Prices Index (RPI) figure for December that was published on 18 January 2023 was 13.4% and the Treasury's annual forecast for RPI for 2023 is currently 10.7. It is however very clear that neither a 12.7% or 15.4% uplift to the pay bill would be affordable. Pay sensitivity is outlined in the table at Section 17.29 and should be viewed in the context of the 4% + small contingency for pay and NIC which we have reflected within our 2023/24 planning assumption. This is now the most significant emerging risk in the 2023/24 budget indicating the need to ensure reserves are retained at an appropriate level.

Investment

17.17 In considering the council's investments, and given current market conditions and volatility, it is good practice to recommend regular review in relation to the following risk:

- 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

17.18 These have been reviewed for Bristol's investments and regular reviews are undertaken.

Assessment

- 17.19 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.
- 17.20 The council has adopted key prudence principles with target thresholds to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures, these are closely monitored.
- 17.21 Appendix 3 – Budget Risk Matrix contains a summary of selected key strategic risks, causes, impacts, and mitigating actions and provides an indicative assessment of how the risks identified in the CRR could be managed should they be realised during this medium term.
- 17.22 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 the Chief Finance Officer is confident that overall the budget position of the council can be sustained within the overall level of resources available.
- 17.23 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.
- 17.24 Where unavoidable pressures are identified 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. To the degree that the budget savings are not achieved in a timely manner and reserves are called on to achieve a balanced position, further savings will need to be identified and implemented in order to ensure the council's future financial stability is maintained.

General

- 17.25 The uncertainty regarding future funding for local authorities and inflationary risks makes a robust and evidenced assessment of financial governance and future resilience critical and in considering the robustness of any estimates, the following criteria has been assessed:

- 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?
- Are arrangements for monitoring and reporting performance against the savings plans robust?
- The reasonableness of the underlying budget assumptions based on information available
- The alignment of resources with the council's service and organisational priorities
- A review of the major risks associated with the budget
- The availability of un-earmarked reserves to meet unforeseen cost pressures
- Have realistic income targets been set and 'at risk' external funding been identified?
- Has a reasonable estimate of cost pressures been made?
- Are arrangements for monitoring and reporting performance against the budget robust?
- Is there a reasonable contingency available to cover the financial risks faced by the council?
- Is there a reasonable level of reserves which could be used to mitigate any issues arising and are they reducing as the risks decrease?
- The strength of the financial management function and reporting arrangements
- Has there been quality of engagement with colleagues and councillors in the process to develop and construct the budget?

17.26 Responses to the above are outlined in the section below. In addition, sensitivity analysis has been carried out in relation to the major assumptions used within the budget to ascertain the levels of potential financial risk in the assumptions being used.

Table 36: Assessment of robustness of any 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	Post Pandemic and cost of living crisis has had a significant impact, increasing the demand for many council services, particularly social care, homelessness and welfare support and coupled with a loss of income has led to higher than budget assumptions across the council. The uncertainty and volatility 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. It is anticipated that this will be addressed within performance frameworks.

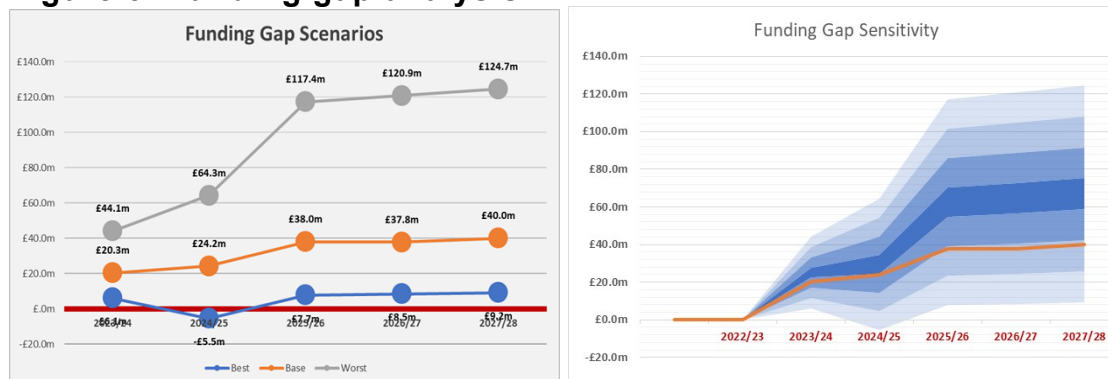
The reasonableness of the underlying budget assumptions	Y	The major assumptions used in the budget calculation have been examined, where practical benchmarked, associated risks assessed, and impact of sensitivity assessment reported in table 33.
The alignment of resources with the council's service and organisational priorities	Y	The corporate strategy has been refreshed and service planning exercise underway for 2023/24 budget has resource permitting aligned plans and available resources to the corporate strategy priorities.
A review of the major risks associated with the budget	Y	The council and its subsidiary companies corporate and other risk 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 minimum policy level of 5-6% net revenue budget over the 5 year period; resilience reserve is being applied across the 3 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; however should this be insufficient; as a short-term emergency measure longer term earmarked reserve 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.
Has a reasonable estimate of demand cost pressures been made?	Y	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.
Have one-off cost pressures been identified?	Y	Yes see above. In addition, risks and pressures are identified, provisions made where evidence and or mitigating opportunities explored, unavoidable pressures and service improvements investments are outlined within the appendix A to this report.
Has a reasonable estimate of future income been made?	Y	Yes, for income streams material to the council's financial position, subject to significant volatility and a small change could have a material impact e.g. 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	Closure reports are provided for Delivery Executive, transformation programmes and key projects which include lessons learnt and embedded assurance is also provided by the 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 will form part of the outturn report.

		<p>Delivery capacity to support transformation may present a challenge in a leaner environment and this will need to be closely monitored. Arrangements for monitoring revenue are robust to enable early corrective action to be taken.</p> <p>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 fund established for proposition at early development stage prior to full entry to the capital programme. Time is required to embed this new way of working and see tangible changes in the delivery of capital projects.</p>
Is there a reasonable contingency available to cover the financial risks faced by the council?	Y	Risk reserves are outlined in Sections 15 & 17, 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 23/24 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 release where no longer required or increased as necessary. Request 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 strengthen 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 such as greater transparency in public reporting and business case 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.

17.27 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 in more depth within the MTFP.

17.28 In relation to the General Fund the scenarios indicate that under the worst case scenario the funding gap rises from £40.0 million 2023/24 to £124.7 million by 2027/28. The key variation in this model is driven by Inflation. The key financial planning risks that may affect the projections over the medium term and delivery of a balanced budget are summarised in the relevant sections and below:

Figure 5: Funding gap analysis



17.29 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 37: Sensitivity analysis of key budget assumptions

Description	£m
Income	
Change in Council Tax Collection Rates by 1%	3.0
Change in Business Rates Collection by 1%	2.4
Change in Council Tax Growth by 1%	2.5
Changes in Government Funding Settlement by 1%	4.6
Expenditure	
Change in Pay Award by 1%	2.0
Change in General Contract Inflation by 1%	2.9

17.30 Other considerations include:

- uncertainty in relation to the prolonged cost of living crisis, energy costs, Inflation and interest rates, its severity and the impact on economic recovery and increase service need
- future local government finance framework including fair funding review for the allocation of government funding and reset of business rates retention to redistribute growth
- ongoing demand and cost of social care for both adults and children.
- achievement of the council's current and future year's budget savings in both their timing and income target
- income projections built into the budget may not be achievable due to factors outside of the council's control, for example a worsening economic outlook and or reduction in investment yields

Reserves

- 17.31 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 risk assessments undertaken, I believe that the council still retains an adequate level of reserves as outlined in section 15.
- 17.32 Earmarked reserves is forecasted to total £100.7 million by 31 March 2023 (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. In a worst case scenario the combined earmark and general reserves (£129 million) would represent 27% of the 2023/24 net revenue budget.
- 17.33 Within the General Fund earmarked reserves, Public Health retain a reserve of £3.5 million, which represents approximately 10% of the annual grant and could provide transitional support should the grant be unexpectedly reduced, unfunded new burdens materialise or pay awards exceed expectation.
- 17.34 The HRA minimum reserve is £21 million and is forecasted at £80 million by 31 March 2023 (this excludes HRA major repairs reserve) with an interest cover ratio of 1:25 which whilst underpinning the 30 year business plan 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 threshold set.
- 17.35 Schools, like many businesses / organisations are experiencing the squeeze in relation to post pandemic, cost of living, inflation, energy, pay awards, recruitment and retention rises. The forecast reserve for 31 March 2023 reflects a worrying picture with a high volume of schools forecasting an in year deficit for 2022/23. Whilst school block funding in the DSG has increased by 6.3% with an additional grant to support the pressures in individual settings, this may not be sufficient. The net forecast reserves balance for LA maintained schools is envisaged to slide into deficit of circa £2.4 million at the end of 2022/23; indicating the need for close monitoring and increased number of licensed deficits to ensure this is appropriately managed.

General points

- 17.36 There are serious exceptional risks which, if 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 and cyber security.
 - The financial implications from the Care Act, adult social care and other welfare reform changes or other associated housing legislation
 - The risk surrounding the non-delivery of savings planned for 2023/24.
 - The financial uncertainty for the public sector arising from the prevailing and continuing national and local conditions
 - Fire safety and insurance risk

- Risk of exposure of any major legal claims against the council
- The risk of further significant reductions in income and government grant funding, particularly in relation to:
 - Growth and decline in the council's tax base and business rates base
 - Business Rates appeals from the 2017 revaluation
 - School conversions to academies with deficit balances that revert to the council
 - The Local Council Tax Support Scheme with further reduction in subsidy funding and no protection for caseload increases
 - Further changes to the way in which local government is financed given the government's intended local government reform as part of its 'Levelling Up' agenda and potential redistribution of existing funding levels to other local authority areas from 2024/25
 - Future government changes in policy and funding for local government, particularly the unknown impact of the next Spending Round in 2024
 - The need to address the country's ongoing Public Sector Borrowing Requirement (PSBR) and the structural financial deficit and potential for a further round of austerity measures

17.37 In the context of the above, the Chief Finance Officer considers the proposed budget for 2023/24 is robust and that the level of reserves is adequate for all funds, given a clear understanding by members and senior management of the following:

- The need to strengthen the accountability and performance framework in relation to delivering projects, proposals and services against budget targets
- Directors and other budget holders accept their budget responsibilities, and accept the subsequent accountability for all savings associated or inherited within the budget
- The level of reserves and contingencies is in line with the risk matrix, but their enhancement will be a prime consideration for the use of any fortuitous in-year saving
- Risk based budget monitoring and scrutiny arrangements need to be in place and must include arrangements for the identification of remedial action
- Budget risks are identified and recorded at the earliest opportunity and will be subject to focused control and management
- Earmarked reserves will be operated in line with reserve policy agreed within the MTFP and directorates are required to have in place a clear plan for the draw-down of the reserves in line with the profile
- Effective governance arrangements at a service, divisional, directorate and subsequently at corporate level, to monitor the overall delivery of the 2023/24 budget, plus regular finance monitoring reports to Cabinet and Scrutiny Commissions
- Organisation wide and Schools Forum buy-in and strong leadership support to deliver a robust DSG deficit recovery plan as developed in conjunction with the DfE DBV programme, which can place the High Needs budget on a sustainable footing

- There is a clear understanding of the duties of the council's statutory finance officer and that the service implications of them being exercised are fully understood

Conclusion

17.38 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 risk to which I believe the council is exposed. A culture of collective leadership is required, with clear accountability for the matters for which we can control. This will ensure that key issues are successfully addressed and that we are aware of and effectively manage external factors that can be outside our control risk. Given the above and work undertaken across the council and by members over last 6 months I, as the council's Section 151 Officer, consider the estimates for 2023/24 to be sufficiently robust and recommend for approval by Council. I am also able to advise the council that the level of reserves, whilst reducing, remain adequate providing a long term solution is identified for the DSG deficit, good governance prevails, risk is managed and agreed savings are delivered.

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 2022 to January 2023. The Resources Scrutiny commission plan to consider the budget proposals at meetings on 31 January 2023 and 2 February 2023.
- 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 2023/24 budget was open for six weeks from 11 November 2022 until 23 December 2022. The consultation sought views on 49 savings proposals as well as alternative options for the level of Council Tax increase and Social Care Precept in 2023/24, before decisions on the 2023/24 budget are made by Full Council in February 2023.
- 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 de-delegation. This consultation was open for six weeks from 4 October 2022 until 14 November 2022. It was communicated to schools through the Service Director for Education & Skills' regular newsletter, email and through school forum members. This consultation sought school stakeholder views on the de-delegation of funding from mainstream schools for specific services, it was open to maintained mainstream schools only to respond. Details are as reported under Item 8 of the following document pack: [Schools Forum](#)

Consultation principles for new proposals

18.8 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.

18.9 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 on new proposals (para 20.9). For these proposals an Equalities Impact Assessment (Appendix 7) will be undertaken to inform Cabinet when making that decision.

Proposed Budget 2023/24 - Full Council Summary by Division (General Fund)

Division	2023/24 Budget - Proposed							Notional	
	Base Budget 2023 / 24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023 / 24 Budget	Pay Award	Inflation
	£000							£000s	
People									
14 Adult Social Care	169,780	0	1,384	(1,344)	5,737	(6,445)	169,111	2,502	17,120
15 Children and Families Services	71,712	0	1,303	(60)	18,399	(2,304)	89,051	2,560	1,256
16 Educational Improvement	15,692	0	214	(110)	6,220	417	22,433	888	396
18 Management - People	0	0	0	0	1,050	0	1,050	0	0
34 Public Health Grant	0	0	0	0	0	0	0	0	0
36 Communities and Public Health - General Fund	5,858	0	95	(9)	67	(62)	5,948	289	372
People	263,042	0	2,997	(1,524)	31,473	(8,394)	287,594	6,240	19,143
Resources									
21 Digital Transformation	13,773	0	1,222	(20)	1,697	(556)	16,116	905	0
22 Legal and Democratic Services	14,457	0	940	(157)	307	(1,670)	13,878	1,444	0
24 Finance	8,464	0	(854)	(216)	0	(1,553)	5,841	939	0
25 HR, Workplace & Organisational Design	4,086	0	(98)	(51)	0	(782)	3,155	633	0
26 Management - Resources	(1,875)	0	5,557	0	0	0	3,681	0	0
28 Policy, Strategy & Partnerships	4,783	0	195	(8)	110	(190)	4,891	457	0
Resources	43,689	0	6,962	(452)	2,114	(4,751)	47,563	4,377	0
Growth & Regeneration									
37 Housing & Landlord Services	19,443	0	371	(76)	2,762	(1,941)	20,559	955	385
46 Economy of Place	4,536	0	254	(97)	0	(1,386)	3,307	1,826	0
47 Management of Place	(131)	0	1,364	(294)	750	(2,403)	(714)	1,775	0
4A Management - G&R	(140)	0	(939)	0	909	(1,150)	(1,320)	0	0
4B Property, Assets and Infrastructure	41,021	0	136	(1,201)	690	(717)	39,929	373	4,551
Growth & Regeneration	64,729	0	1,187	(1,668)	5,111	(7,597)	61,761	4,928	4,936
Corporate Funding & Expenditure									
X2 Levies	10,866	0	0	0	0	204	11,071	0	0
X3 Corporate Expenditure	11,844	0	(14,056)	3,644	22,969	17,828	42,229	(15,545)	(24,079)
X4 Capital Financing	22,495	0	0	0	1,371	0	23,866	0	0
X8 Corporate Revenue Funding	(420,028)	0	(307)	0	(63,038)	(150)	(483,523)	0	0
X9 Corporate Allowances	3,363	0	3,217	0	0	2,860	9,440	0	0
Corporate Funding & Expenditure	(371,460)	0	(11,146)	3,644	(38,698)	20,742	(396,917)	(15,545)	(24,079)
General Fund Total	0	0	0	(0)	0	0	0	0	0

Proposed Budget 2023/24 - Directorate summary with savings

Directorate: People

Summary by Division		2023/24 Budget						
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget
		£000	£000	£000	£000	£000	£000	£000
14	Adult Social Care	169,780	0	1,384	(1,344)	5,737	(6,445)	169,111
15	Children and Families Services	71,712	0	1,303	(60)	18,399	(2,304)	89,051
16	Educational Improvement	15,692	0	214	(110)	6,220	417	22,433
18	Management - People	0	0	0	0	1,050	0	1,050
34	Public Health Grant	0	0	0	0	0	0	0
36	Communities and Public Health - General Fund	5,858	0	95	(9)	67	(62)	5,948
Total People		263,042	0	2,997	(1,524)	31,473	(8,394)	287,594

Notional	
Pay Award	Inflation
£000s	
2,502	17,120
2,560	1,256
888	396
0	0
0	0
289	372
6,240	19,143

Summary by CIPFA group (Account Type)		2023/24 Budget						
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget
		£000						
1	Employees	90,861	0	4,157	0	3,129	(5,234)	92,913
2	Premises-Related Expenditure	1,059	0	(32)	0	0	0	1,026
3	Transport-Related Expenditure	7,731	0	0	0	2,400	(368)	9,763
4	Supplies & Services	13,141	0	(2,277)	0	3,673	(325)	14,213
5	Third Party Payments	273,050	0	87	0	21,221	(219)	294,139
6	Transfer Payments	18,032	0	0	0	0	(394)	17,638
7	Support Services	9,611	0	403	0	0	0	10,014
Expenditure		413,484	0	2,339	0	30,423	(6,540)	439,706
9A	Income - Government Grants	(49,334)	0	(655)	0	0	0	(49,989)
9B	Income - Other Grants/Reimbursements and Contributions	(58,719)	0	(173)	(1,434)	0	(926)	(61,251)
9C	Income - Customer and Client Receipts	(2,199)	0	264	(48)	0	0	(1,983)
9E	Income - Recharges	(38,347)	0	119	(42)	0	0	(38,270)
Income		(148,599)	0	(445)	(1,524)	0	(926)	(151,494)
N	Income & Expenditure outside of Net Cost of Service	(4)	0	(723)	0	1,050	(928)	(604)
Other items outside of the Net Cost of Service		(4)	0	(723)	0	1,050	(928)	(604)
R	Transfer to \ from Reserves	(1,840)	0	1,826	0	0	0	(14)
Transfer to \ from reserves		(1,840)	0	1,826	0	0	0	(14)
NET Expenditure		263,042	0	2,997	(1,524)	31,473	(8,394)	287,594

Notional	
Pay Award	Inflation
£000s	
6,240	
	19,143
6,240	19,143
0	0
0	0
0	0
6,240	19,143

Savings proposals within People Directorate

Saving Name	Description	Savings £000	Cost to deliver	Net Savings £000	Savings Reference
Previous MTFP					
Review local Section 117 funding arrangements for care and support services under the Mental Health Act 1983	This proposal involves reviewing after care arrangements for people who have been detained under the Mental Health Act, where their care is jointly funded by the local authority and the clinical commissioning group. A saving should come from more efficient commissioning and better use of resources.	(250)		(250)	ASC10
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)		(500)	ASC7
Reduce spend by securing better value from services commissioned for Children and Young People	Improve commissioning arrangements for a range of high value contracts for children and young people to deliver improved outcomes and value for money.	(300)		(300)	CF1
Reduce contractual value of the council's commissioned youth services	We aim to make sure we maximise other sources of funding so that youth services can continue for children and young people in the city. This includes statutory parts of the service such as the post-16 education and training guarantee and young carer assessments.	(200)		(200)	CF10
Review Early Help and Family Hub offer	Undertake a review of Early Help funding to support our development of a Family Hub approach and integrated working in localities. This will include an assessment of other areas of funding and community capacity that can contribute in future to an integrated 'place based' approach, developing a service profile that makes best use of available assets across partner agencies.	(200)		(200)	CF2
Review special guardianship order arrangements	Improve special guardianship arrangements to ensure payments are aligned with national guidance.	(461)		(461)	CF6
Reduce spend on commissioning of external safeguarding reviewers	Since the implementation of Working Together 2018 and the introduction of rapid reviews prior to child safeguarding practice reviews, there has been a reducing demand for external reviewers as more review work is undertaken in-house. Therefore, the council, as largest contributor, is reducing its proposed contribution to the Keep Bristol Safe Partnership to reflect this change.	(10)		(10)	CF3
Current MTFP					
S Bristol Rehab Centre Targeted	Balance of saving from 22/23 when centre closed	(144)		(144)	2324N1
Pooled Budgets	Review and reduce spend on direct commissioning for Mentoring/Youth services, Enable a one-off refund of pooled budgets.	(200)		(200)	2324N2
Bristol Community Adult Social Care	Strengthening the Council's governance of third party spend (where we pay external Foster Carer)	(100)		(100)	2324N4
Keeping Families	We will continue to make efficiencies in the delivery of our community and day	(2,165)	2,352	187	2324P1
Early Years: Family Communities and Home to Education	Supporting Fostering Services to recruit and retain foster carers, with innovative	(4,000)		(4,000)	2324P10
Early Help in	Redesigning the service to provide a more efficient Needs-led Statutory Home to	(173)		(173)	2324P11
Bristol Children's Redfield Lodge	We will redesign our services to focus on providing greater support to families in	(60)		(60)	2324P13
East Bristol Concord Lodge	Reprocurement of the Family Information Service Website has resulted in a further	(15)		(15)	2324P17
	Reduction in Community Development Activity, to be achieved by not recruiting to a	(62)		(62)	2324P20
	Redesigning the service to provide a more efficient Needs-led Statutory Home to	(368)	800	432	2324P21
	We are proposing to review how we provide Early Help in communities, including	(300)		(300)	2324P23
	We will increase our available capacity of Council run children's homes. The	(300)		(300)	2324P25
	To review and develop a more efficient and effective delivery model for Redfield	(676)		(676)	2324P5
	Following a recent review it is proposed to offer East Bristol Intermediate Care	(138)	572	434	2324P6
	To review and develop a more efficient and effective delivery model at Concord	(725)	729	4	2324P7

Adult Social Care	Reduce workforce costs in Adult Social Care to focus capacity in statutory areas.	(1,500)		(1,500)	2324P9
Total savings proposals		(12,847)	4,453	(8,394)	

Investments proposals within People Directorate	
Service Pressures	Investment
Legacy inflation Adult Social Care - demand/demographic growth	1,094
Legacy inflation Adult Social Care - Extra care housing recommissioning	600
Adult Social Care service pressure - Prior Year Recurrent Service Pressures (mainly in relation to adult purchasing budgets)	2,064
Adult Social Care service pressure - Preparing for Adulthood - cost of care	345
Adult Social Care service pressure - Exempt accommodation subsidy loss	700
Adult Social Care service pressure - Fair cost of care	1,369
Adult Social Care service pressure - New Burden: AS22 New Better Care Fund	1,259
Legacy inflation Children's and Families - Brought forward Inflation Pressures (from 22/23) – Children's Placements demand and cost	-994
Legacy inflation Children's and Families - Brought forward Inflation Pressures (from 22/23) – Children's Placements demand and cost	300
Children's and Families service pressure - Prior Year Recurrent Service Pressures	14,846
Children's and Families service pressure - Placement costs - additional children from 2023/24	1,258
Children's and Families service pressure - Additional social workers to support increasing in children's numbers	312
Children's and Families service pressure - Phoenix court	65
Children's and Families service pressure - Temporary accommodation / housing costs due to shortage of supply in Bristol	350
Children's and Families service pressure - Staffing pressures	1442
Children's and Families service pressure -	126
Legacy inflation Education - Brought forward Inflation Pressures (from 22/23) – Home to School Transport Increased Demand	50
Educational Improvement service pressure - Prior Year Recurrent Service Pressures	2,162
Educational Improvement service pressure - SENDIASS (SEND information support system)	43
Educational Improvement service pressure - SENDIASS - education contribution	55
Educational Improvement service pressure - Legal costs for tribunal cases	200
Educational Improvement service pressure - Edu psychologists training costs	20
Educational Improvement service pressure - SEN Staffing - current budget pressure	1,000
Educational Improvement service pressure - Increasing demand for annual reviews & assessments	862
Educational Improvement service pressure - Home to School Transport	1,878
Public Health service pressure - Community safety pressure from HRA funding discontinuation	67
Total Investment	31,473

Proposed Budget 2023/24 - Divisional summary with savings

Division: Adult Social Care

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
111	Joint Commissioning (Adults)	2,238	0	(165)	(1)	0	0	2,073
142	Hospitals and Front Door	5	0	0	0	0	0	5
145	Reablement, Intermediate Care & Regulated Services	12,221	0	735	(12)	0	(695)	12,249
147	Head of Service – Senior Professional Lead	(4,540)	0	(14)	(8)	5,737	0	1,175
148	Contracts & Quality Assurance	8,342	0	112	(8)	0	0	8,446
14A	Localities North and West	45,734	0	187	(431)	0	(620)	44,870
14B	Localities Inner City and East	43,627	0	254	(436)	0	(2,047)	41,398
14C	Localities South	52,383	0	275	(434)	0	(3,083)	49,141
152	0-25 Integrated Service	9,769	0	0	(15)	0	0	9,754
Total Adult Social Care		169,780	0	1,384	(1,344)	5,737	(6,445)	169,111

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	35,972	0	1,399	0	0	(1,519)	35,851
2	Premises-Related Expenditure	375	0	0	0	0	0	375
3	Transport-Related Expenditure	119	0	0	0	0	0	119
4	Supplies & Services	3,321	0	(15)	0	3,673	0	6,980
5	Third Party Payments	180,420	0	0	0	2,064	(3,606)	178,878
6	Transfer Payments	17,482	0	0	0	0	(394)	17,088
7	Support Services	447	0	0	0	0	0	447
Expenditure		238,136	0	1,384	0	5,737	(5,519)	239,738
9A	Income - Government Grants	(3,862)	0	0	0	0	0	(3,862)
9B	Income - Other Grants/Reimbursements and Contributions	(50,331)	0	0	(1,323)	0	(926)	(52,580)
9C	Income - Customer and Client Receipts	(1,071)	0	0	(22)	0	0	(1,093)
9E	Income - Recharges	(13,088)	0	0	0	0	0	(13,088)
Income		(68,353)	0	0	(1,344)	0	(926)	(70,623)
N	Income & Expenditure outside of Net Cost of Service	(4)	0	0	0	0	0	(4)
Other items outside of the Net Cost of Service		(4)	0	0	0	0	0	(4)
NET Expenditure		169,780	0	1,384	(1,344)	5,737	(6,445)	169,111

Savings proposals within Adult Social Care

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Review local Section 117 funding arrangements for care and support services under the Mental Health	This proposal involves reviewing after care arrangements for people who have been detained under the Mental Health Act, where their care is jointly funded by the local authority and the clinical commissioning group. A saving should come from more efficient commissioning and better use of resources.	(250)	ASC10
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			
S Bristol Rehab Centre	Balance of saving from 22/23 when centre closed	(144)	2324N1
Bristol Community Links Service	We will continue to make efficiencies in the delivery of our community and day services for adults.	187	2324P1
Adult Social Care Purchasing Budget	Strengthening the Council's governance of third party spend (where we pay external organisations to provide care services on our behalf) to ensure the services we provide are fair, affordable and represent good value. This better management of our expenditure will enable us to spend less and also ensure we achieve best value.	(4,000)	2324P10
Redfield Lodge	To review and develop a more efficient and effective delivery model for Redfield Lodge.	(676)	2324P5
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.	434	2324P6
Concord Lodge	To review and develop a more efficient and effective delivery model at Concord Lodge.	4	2324P7
Adult Social Care Staffing Budget	Reduce workforce costs in Adult Social Care to focus capacity in statutory areas. This could include reducing use of agency staff and management restructures. These measures will reduce our overall capacity to deliver discretionary services and will change how we resource the delivery of statutory services.	(1,500)	2324P9
Total savings proposals		(6,445)	

Investments proposals within Adult Social Care

Adult Social Care service pressure - Prior Year Recurrent Service Pressures (mainly in relation to adult purchasing budgets)	2,064
Adult Social Care service pressure - Preparing for Adulthood - cost of care	345
Adult Social Care service pressure - Exempt accommodation subsidy loss	700
Adult Social Care service pressure - Fair cost of care	1,369
Adult Social Care service pressure - New Burden: AS22 New Better Care Fund	1,259
Total Investment	5,737

Proposed Budget 2023/24 - Divisional summary with savings

Division: Children and Families Services

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
112	Joint Commissioning (Children)	4,660	0	29	(32)	0	(100)	4,558
113	Targeted Support	8,942	0	266	(18)	0	(600)	8,590
153	Quality Assurance, BSCB	1,870	0	64	(7)	0	(10)	1,916
154	Area Social Work (North)	2,351	0	145	0	0	0	2,496
155	Area Social Work (East/Central)	3,750	0	174	0	625	0	4,549
156	Area Social Work (South)	2,833	0	183	0	0	0	3,016
157	Children & Aftercare teams	8,515	0	446	(3)	0	0	8,958
158	Internal & External Placements	31,803	0	167	0	14,592	(761)	45,801
159	Children & Family Support - Management	2,644	0	(562)	0	3,182	(833)	4,431
15A	Safeguarding and Area Services	1,757	0	123	0	0	0	1,881
15B	Specialist Services	2,279	0	234	0	0	0	2,512
15C	Community Safety	309	0	34	0	0	0	343
Total Children and Families Services		71,712	0	1,303	(60)	18,399	(2,304)	89,051

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	31,917	0	1,780	0	0	0	33,697
2	Premises-Related Expenditure	313	0	(33)	0	0	0	280
3	Transport-Related Expenditure	376	0	0	0	0	0	376
4	Supplies & Services	2,270	0	38	0	0	(310)	1,998
5	Third Party Payments	44,457	0	303	0	18,399	(1,161)	61,998
6	Transfer Payments	550	0	0	0	0	0	550
7	Support Services	4,875	0	(104)	0	0	0	4,771
Expenditure		84,758	0	1,984	0	18,399	(1,471)	103,670
9A	Income - Government Grants	(2,908)	0	(414)	0	0	0	(3,322)
9B	Income - Other Grants/Reimbursements and Contributions	(1,421)	0	114	(59)	0	0	(1,366)
9C	Income - Customer and Client Receipts	(14)	0	208	(1)	0	0	193
9E	Income - Recharges	(8,704)	0	(70)	0	0	0	(8,774)
Income		(13,046)	0	(163)	(60)	0	0	(13,269)
N	Income & Expenditure outside of Net Cost of Service	0	0	(517)	0	0	(833)	(1,350)
Other items outside of the Net Cost of Service		0	0	(517)	0	0	(833)	(1,350)
NET Expenditure		71,712	0	1,303	(60)	18,399	(2,304)	89,051

Savings proposals within Children and Families Services

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Reduce spend by securing better value from services commissioned for Children and Young People	Improve commissioning arrangements for a range of high value contracts for children and young people to deliver improved outcomes and value for money.	(300)	CF1
Reduce contractual value of the council's commissioned youth services	We aim to make sure we maximise other sources of funding so that youth services can continue for children and young people in the city. This includes statutory parts of the service such as the post-16 education and training guarantee and young carer assessments.	(200)	CF10
Review Early Help and Family Hub offer	Undertake a review of Early Help funding to support our development of a Family Hub approach and integrated working in localities. This will include an assessment of other areas of funding and community capacity that can contribute in future to an integrated 'place based' approach, developing a service profile that makes best use of available assets across partner agencies.	(200)	CF2
Review special guardianship order arrangements	Improve special guardianship arrangements to ensure payments are aligned with national guidance.	(461)	CF6
Reduce spend on commissioning of external safeguarding reviewers	Since the implementation of Working Together 2018 and the introduction of rapid reviews prior to child safeguarding practice reviews, there has been a reducing demand for external reviewers as more review work is undertaken in-house. Therefore, the council, as largest contributor, is reducing its proposed contribution to the Keep Bristol Safe Partnership to reflect this change.	(10)	CF3
Current 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
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	(173)	2324P11
Keeping Families Together/Family Network	We will redesign our services to focus on providing greater support to families in crisis, which would result in better outcomes and also reduced costs through reaching families quicker and identifying appropriate support quicker reducing the likelihood of escalation of needs. This will be done via service redesign, the review of third party contracts and explore providing specific services in house.	(60)	2324P13
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.	(300)	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
Total savings proposals		(2,304)	

Investments proposals within Children and Families Services

Children's and Families service pressure - Prior Year Recurrent Service Pressures	14,846
Children's and Families service pressure - Placement costs - additional children from 2023/24	1,258
Children's and Families service pressure - Additional social workers to support increasing in children's numbers	312
Children's and Families service pressure - Phoenix court	65
Children's and Families service pressure - Temporary accommodation / housing costs due to shortage of supply in Bristol	350
Children's and Families service pressure - Staffing pressures	1442
Children's and Families service pressure -	126
Total Investment	18,399

Proposed Budget 2023/24 - Divisional summary with savings

Division: Educational Improvement

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
162	Learning City for All	740	0	1	(19)	0	(15)	707
163	Education Management	3,643	0	(144)	(2)	2,820	0	6,317
164	Additional Learning Needs	8,197	0	200	(9)	2,400	432	11,219
165	Employment, Skills & Learning	619	0	61	0	0	0	679
166	Trading with Schools	(419)	0	2	0	0	0	(417)
168	Inclusive City	282	0	9	(10)	0	0	280
169	Accessible City	2,631	0	85	(69)	1,000	0	3,646
Total Educational Improvement		15,692	0	214	(110)	6,220	417	22,433

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	16,412	0	615	0	3,062	0	20,089
2	Premises-Related Expenditure	362	0	(1)	0	0	0	361
3	Transport-Related Expenditure	7,228	0	0	0	2,400	432	10,060
4	Supplies & Services	2,162	0	3	0	0	(15)	2,150
5	Third Party Payments	4,849	0	(84)	0	758	0	5,523
7	Support Services	3,017	0	(65)	0	0	0	2,953
Expenditure		34,030	0	468	0	6,220	417	41,135
9A	Income - Government Grants	(4,109)	0	0	0	0	0	(4,109)
9B	Income - Other Grants/Reimbursements and Contributions	(2,349)	0	(65)	(51)	0	0	(2,465)
9C	Income - Customer and Client Receipts	(818)	0	0	(17)	0	0	(835)
9E	Income - Recharges	(11,062)	0	(10)	(42)	0	0	(11,114)
Income		(18,338)	0	(74)	(110)	0	0	(18,522)
N	Income & Expenditure outside of Net Cost of Service	0	0	(180)	0	0	0	(180)
Other items outside of the Net Cost of Service		0	0	(180)	0	0	0	(180)
NET Expenditure		15,692	0	214	(110)	6,220	417	22,433

Savings proposals within Educational Improvement

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
Early Years: Family Information Website	Reprocurement of the Family Information Service Website has resulted in a further saving. This will result in no change of service.	(15)	2324P17
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.	432	2324P21
Total savings proposals		417	

Investments proposals within Educational Improvement

Educational Improvement service pressure - Prior Year Recurrent Service Pressures	2,162
Educational Improvement service pressure - SENDIASS (SEND information support system)	43
Educational Improvement service pressure - SENDIASS - education contribution	55
Educational Improvement service pressure - Legal costs for tribunal cases	200
Educational Improvement service pressure - Edu psychologists training costs	20
Educational Improvement service pressure - SEN Staffing - current budget pressure	1,000
Educational Improvement service pressure - Increasing demand for annual reviews & assessments	862
Educational Improvement service pressure - Home to School Transport	1,878
Total Investment	6,220

Proposed Budget 2023/24 - Divisional summary with savings

Division: Management - People

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
181	Management - People	0	0	0	0	1,050	0	1,050
Total Management - People		0	0	0	0	1,050	0	1,050

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
N	Income & Expenditure outside of Net Cost of Service	0	0	0	0	1,050	0	1,050
Other items outside of the Net Cost of Service		0	0	0	0	1,050	0	1,050
NET Expenditure		0	0	0	0	1,050	0	1,050

Investments proposals within Management - People

Legacy inflation Adult Social Care - demand/demographic growth	1,094
Legacy inflation Adult Social Care - Extra care housing recommissioning	600
Legacy inflation Children's and Families - Brought forward Inflation Pressures (from 22/23) – Children's Placements demand and cost pressures	-994
Legacy inflation Children's and Families - Brought forward Inflation Pressures (from 22/23) – Children's Placements demand and cost pressures	300
Legacy inflation Education - Brought forward Inflation Pressures (from 22/23) – Home to School Transport Increased Demand	50
Total Investment	1,050

Proposed Budget 2023/24 - Divisional summary with savings

Division: Public Health Grant

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	3,294	0	14	0	0	3,308	
3	Transport-Related Expenditure	2	0	(2)	0	0	0	
4	Supplies & Services	4,135	0	(1,358)	0	0	2,777	
5	Third Party Payments	34,427	0	(1,021)	0	0	33,405	
7	Support Services	1,144	0	567	0	0	1,711	
Expenditure		43,002	0	(1,800)	0	0	41,202	
9A	Income - Government Grants	(34,588)	0	0	0	0	(34,588)	
9B	Income - Other Grants/Reimbursements and Contributions	(4,570)	0	(39)	0	0	(4,609)	
9C	Income - Customer and Client Receipts	(6)	0	(1)	0	0	(6)	
9E	Income - Recharges	(1,999)	0	15	0	0	(1,985)	
Income		(41,163)	0	(25)	0	0	(41,188)	
R	Transfer to \ from Reserves	(1,840)	0	1,826	0	0	(14)	
Transfer to \ from reserves		(1,840)	0	1,826	0	0	(14)	
NET Expenditure		0	0	0	0	0	0	

Savings proposals within Public Health Grant

Saving Name	Description	Net Savings £000	Savings Reference

Proposed Budget 2023/24 - Divisional summary with savings

Division: Communities and Public Health - General Fund

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
331	Neighbourhoods and Communities	317	0	53	(1)	0	(62)	307
336	Community Resources	3,118	0	0	0	0	0	3,118
337	Environmental Health	1,374	0	39	(9)	67	0	1,471
342	Leisure Services and Domestic Abuse	1,049	0	3	0	0	0	1,052
Total Communities and Public Health - General Fund		5,858	0	95	(9)	67	(62)	5,948

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	3,266	0	350	0	67	(62)	3,620
2	Premises-Related Expenditure	9	0	1	0	0	0	11
3	Transport-Related Expenditure	6	0	2	0	0	0	8
4	Supplies & Services	1,252	0	(944)	0	0	0	308
5	Third Party Payments	8,897	0	890	0	0	0	9,787
7	Support Services	127	0	5	0	0	0	133
Expenditure		13,558	0	304	0	67	(62)	13,866
9A	Income - Government Grants	(3,868)	0	(241)	0	0	0	(4,109)
9B	Income - Other Grants/Reimbursements and Contributions	(49)	0	(182)	(1)	0	0	(232)
9C	Income - Customer and Client Receipts	(290)	0	57	(9)	0	0	(242)
9E	Income - Recharges	(3,493)	0	184	0	0	0	(3,309)
Income		(7,700)	0	(183)	(9)	0	0	(7,892)
N	Income & Expenditure outside of Net Cost of Service	0	0	(26)	0	0	0	(26)
Other items outside of the Net Cost of Service		0	0	(26)	0	0	0	(26)
NET Expenditure		5,858	0	95	(9)	67	(62)	5,948

Savings proposals within Communities and Public Health - General Fund

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
Communities and Neighbourhoods team	Reduction in Community Development Activity, to be achieved by not recruiting to a number of existing vacancies.	(62)	2324P20
Total savings proposals		(62)	

Investments proposals within Communities and Public Health - General Fund

Public Health service pressure - Community safety pressure from HRA funding discontinuation	67
Total Investment	67

Proposed Budget 2023/24 - Directorate summary with savings

Directorate: Resources

Summary by Division		2023/24 Budget							Notional	
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget	Pay Award	Inflation
		£000	£000	£000	£000	£000	£000	£000	£000s	
21	Digital Transformation	13,773	0	1,222	(20)	1,697	(556)	16,116	905	0
22	Legal and Democratic Services	14,457	0	940	(157)	307	(1,670)	13,878	1,444	0
24	Finance	8,464	0	(854)	(216)	0	(1,553)	5,841	939	0
25	HR, Workplace & Organisational Design	4,086	0	(98)	(51)	0	(782)	3,155	633	0
26	Management - Resources	(1,875)	0	5,557	0	0	0	3,681	0	0
28	Policy, Strategy & Partnerships	4,783	0	195	(8)	110	(190)	4,891	457	0
Total Resources		43,689	0	6,962	(452)	2,114	(4,751)	47,563	4,377	0

Summary by CIPFA group (Account Type)		2023/24 Budget							Notional	
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget	Pay Award	Inflation
		£000							£000s	
1	Employees	55,844	0	2,273	0	0	(3,112)	55,005	4,377	
2	Premises-Related Expenditure	1,550	0	0	0	0	0	1,550		
3	Transport-Related Expenditure	579	0	0	0	42	(3)	618		
4	Supplies & Services	17,709	0	(151)	0	375	0	17,933		
5	Third Party Payments	117	0	0	0	0	0	117		0
6	Transfer Payments	132,771	0	0	0	0	0	132,771		
7	Support Services	823	0	(80)	0	0	0	743		
Expenditure		209,392	0	2,042	0	417	(3,115)	208,736	4,377	0
9A	Income - Government Grants	(134,458)	0	724	0	0	0	(133,734)		
9B	Income - Other Grants/Reimbursements and Contributions	(5,430)	0	(560)	(127)	0	0	(6,117)		
9C	Income - Customer and Client Receipts	(3,937)	0	66	(294)	0	32	(4,133)		
9E	Income - Recharges	(16,846)	0	(1,293)	(31)	0	(156)	(18,326)		
Income		(160,672)	0	(1,063)	(452)	0	(124)	(162,311)	0	0
N	Income & Expenditure outside of Net Cost of Service	(3,984)	0	5,983	0	1,697	(1,512)	2,184		
Other items outside of the Net Cost of Service		(3,984)	0	5,983	0	1,697	(1,512)	2,184	0	0
R	Transfer to \ from Reserves	(1,047)	0	0	0	0	0	(1,047)		
Transfer to \ from reserves		(1,047)	0	0	0	0	0	(1,047)	0	0
NET Expenditure		43,689	0	6,962	(452)	2,114	(4,751)	47,563	4,377	0

Savings proposals within Resources Directorate

Saving Name	Description	Savings £000	Cost to deliver	Net Savings £000	Savings Reference
Previous MTFP					
Review static debt management and duplicate payment processes	Trace and collect money owed from hard-to-reach debtors who have left the area with no forwarding contact information, identify, overpayments, duplicate invoices, unclaimed credits and then manage the recovery process.	50		50	R17
Review democratic engagement to modernise service delivery	Conduct a review of Democratic Engagement to modernise ways of working and improve efficiencies. This may require some outlay in year one for new technology (to be met from underspend elsewhere) but should be a recurring saving thereafter.	(15)		(15)	R8
Mayor's Office	Reduction in funding to the Mayor's Office (Discretionary & Non Staff Related Funding) to be reinstated should surplus funds materialise.	(205)		(205)	2223 R30
Insurance	Improve insurance claims processing and reduce level of provision required (one-off) as calculated by Actuary.	100		100	2223-R13
Identify treasury management and legacy pension fund savings	By reviewing treasury management and pension fund savings options we could increase income from Treasury management activity and from the release of historic pension funds no longer required.	(100)		(100)	R14
Current MTFP					
Company governance arrangements	Change the governance arrangements for companies owned by Bristol City Council, moving the cost of administration to the companies themselves whilst ensuring the necessary oversight of council spend and governance remains	(50)		(50)	2324R1
City Innovation Team	Cease all activities and delete the City Innovation Team (which focuses on discretionary projects such as digital and smart city innovations)	(6)		(6)	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.	(100)		(100)	2324R12
Marketing, communications, design, web and consultation	Reduce spending on marketing, communications, design, web and consultation by council teams.	(130)		(130)	2324R14
Learning and Development	Reduce discretionary spend on learning and development. Prioritise funding for statutory and mandatory training and training that is in direct support of organisational priorities	(200)		(200)	2324R17
Workforce and Change service	Restructure the Council's HR, Change and Learning & Development functions to support a smaller organisation, with a further redesign in 26/27 following the implementation of the council's change programme	(582)		(582)	2324R18
Local Crisis Prevention Fund	Reduce contributions by 50% to the local crisis prevention fund, which provides discretionary emergency payments for essentials and household goods for individuals in financial hardship. We will refer unsuccessful claimants to other services such as money or debt advice and top up the fund should additional external funding such as the Governments Household Support Fund which supports low income households be received.	(350)		(350)	2324R21
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)	2324R22

Unified Financial Assessments	Externally commission or joining up pockets of the same or similar functions across the council that carry out citizens financial assessments (e.g. to determine eligibility for services, exemptions and discounts). This will reduce duplication of application for the customer, improve response time and achieve cost reductions. This area of activity has the potential to significantly increase should the adult social care charging reforms be rolled out as planned and as a result achieve greater future year efficiencies.	(30)		(30)	2324R23
Legal & Democratic Services	Reduce the cost of Legal and Democratic Services.	(900)		(900)	2324R24
Restructure Finance Division	Undertake a review of the structures within the Finance division to support a smaller organisation.	(998)		(998)	2324R27
Equality and Inclusion	Reduce spending within the Equality and Inclusion service by deleting vacancies and prioritising the role of the service in supporting the Council to meet its statutory duties. This would reduce our resource for supporting the wider Council and reduce initiatives to attract and develop a diverse workforce that represents the city we serve.	(60)		(60)	2324R28
Lord Mayor's Chapel	Transfer management of the Lord Mayor's chapel to Bristol Cathedral.	(60)		(60)	2324R3
Member Development	Reduce the amount of money we spend on discretionary and external training and support for Councillors and seek to maximise the support for entities such as the Local Government Association.	(65)		(65)	23244.1
Executive Office	Reduce the amount of money we spend on staff whose role is to provide administrative support to Executive Directors and Directors	(150)		(150)	2324R6
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	(75)		(75)	2324R7
Review of legal services budgets to reflect corporate priorities	Save money by reducing the amount of non-essential Legal work undertaken, avoid duplication and prioritise areas where legal input is required	(150)		(150)	2324R8
IT Service	Reduce the amount of money we spend on staff by restructuring and reducing our internal ICT service.	(450)		(450)	2324R9
Local Council Tax Reduction Scheme	Design and implement a more targeted local council tax reduction scheme. This could include the introduction of a flat rate 10% - 20% reduction in support for working age households or the introduction of a banding scheme with targeted 100% protection to some working age households. This would align Bristol more closely with the provision made by other local authorities. The figure in this table provides an illustration only of the potential cost reduction from a 10% flat rate reduction.		25	25	2324R20
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%.	(150)		(150)	2324R29
Total savings proposals		(4,776)	25	(4,751)	

Investments proposals within Resources Directorate	
Service Pressures	Investment
Digital Transformation prior year recurrent service pressure	1,697
PSD service net pressure	110
Legal and Democratic service net pressure	307
Total Investment	2,114

Proposed Budget 2023/24 - Divisional summary with savings

Division: Digital Transformation

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
212	Service Operations	9,477	0	(35)	0	1,697	(550)	10,589
213	Applications & Digital	2,685	0	820	0	0	0	3,505
21A	Digital Transformation	(1,639)	0	8	0	0	0	(1,631)
21D	Enterprise Architecture	68	0	13	0	0	0	81
21E	Service Improvement & Performance	24	0	(43)	(1)	0	0	(20)
21G	City Innovation Team	78	0	3	0	0	(6)	74
232	Citizen Services	3,080	0	457	(20)	0	0	3,518
Total Digital Transformation		13,773	0	1,222	(20)	1,697	(556)	16,116

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	11,527	0	1,430	0	0	(6)	12,951
2	Premises-Related Expenditure	30	0	0	0	0	0	30
3	Transport-Related Expenditure	7	0	0	0	0	0	7
4	Supplies & Services	10,122	0	(387)	0	0	(100)	9,634
7	Support Services	68	0	(51)	0	0	0	16
Expenditure		21,754	0	991	0	0	(106)	22,639
9A	Income - Government Grants	(724)	0	724	0	0	0	0
9B	Income - Other Grants/Reimbursements and Contributions	300	0	(300)	0	0	0	0
9C	Income - Customer and Client Receipts	(391)	0	(1)	(20)	0	0	(412)
9E	Income - Recharges	(5,081)	0	(310)	0	0	0	(5,391)
Income		(5,897)	0	114	(20)	0	0	(5,803)
N	Income & Expenditure outside of Net Cost of Service	(1,859)	0	117	0	1,697	(450)	(495)
Other items outside of the Net Cost of Service		(1,859)	0	117	0	1,697	(450)	(495)
R	Transfer to \ from Reserves	(225)	0	0	0	0	0	(225)
Transfer to \ from reserves		(225)	0	0	0	0	0	(225)
NET Expenditure		13,773	0	1,222	(20)	1,697	(556)	16,116

Savings proposals within Digital Transformation

Saving Name	Description	Net Savings £000	Savings Reference
Current 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)	(6)	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.	(100)	2324R12
IT Service	Reduce the amount of money we spend on staff by restructuring and reducing our internal ICT service.	(450)	2324R9
Total savings proposals		(556)	

Investments proposals within Digital Transformation

Digital Transformation prior year recurrent service pressure	1,697
Total Investment	1,697

Proposed Budget 2023/24 - Divisional summary with savings

Division: Legal and Democratic Services

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
221	Legal Services	2,726	0	161	0	0	(250)	2,638
222	Democratic Services	2,758	0	82	(3)	113	(140)	2,811
225	Statutory Registration	224	0	48	(151)	194	(88)	226
226	Information Governance Service	854	0	461	(2)	0	(110)	1,203
245	Companies Lead	303	0	2	0	0	(50)	254
253	Admin Business Support	4,153	0	274	0	0	(582)	3,845
291	Electoral Services	1,200	0	37	(0)	0	(20)	1,216
541	Executive Office	642	0	(47)	0	0	(75)	520
542	Senior Leadership Team	1,597	0	(78)	(0)	0	(150)	1,369
Total Legal and Democratic Services		14,457	0	940	(157)	307	(1,465)	14,083

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	17,695	0	950	0	0	(692)	17,953
2	Premises-Related Expenditure	143	0	0	0	0	0	143
3	Transport-Related Expenditure	204	0	(0)	0	42	(3)	243
4	Supplies & Services	3,865	0	244	0	265	(117)	4,257
5	Third Party Payments	7	0	0	0	0	0	7
7	Support Services	302	0	(1)	0	0	0	301
Expenditure		22,217	0	1,193	0	307	(812)	22,905
9A	Income - Government Grants	(95)	0	0	0	0	0	(95)
9B	Income - Other Grants/Reimbursements and Contributions	(1,816)	0	(260)	(63)	0	0	(2,138)
9C	Income - Customer and Client Receipts	(1,824)	0	0	(94)	0	(18)	(1,936)
9E	Income - Recharges	(3,822)	0	(330)	0	0	0	(4,153)
Income		(7,557)	0	(590)	(157)	0	(18)	(8,322)
N	Income & Expenditure outside of Net Cost of Service	(125)	0	338	0	0	(635)	(422)
Other items outside of the Net Cost of Service		(125)	0	338	0	0	(635)	(422)
R	Transfer to \ from Reserves	(77)	0	0	0	0	0	(77)
Transfer to \ from reserves		(77)	0	0	0	0	0	(77)
NET Expenditure		14,457	0	940	(157)	307	(1,465)	14,083

Savings proposals within Legal and Democratic Services

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Review democratic engagement to modernise service delivery	Conduct a review of Democratic Engagement to modernise ways of working and improve efficiencies. This may require some outlay in year one for new technology (to be met from underspend elsewhere) but should be a recurring saving thereafter.	(15)	R8
Current MTFP			
Company governance arrangements	Change the governance arrangements for companies owned by Bristol City Council, moving the cost of administration to the companies themselves whilst ensuring the necessary oversight of council spend and governance remains	(50)	2324R1
Legal & Democratic	Reduce the cost of Legal and Democratic Services.	(900)	2324R24
Lord Mayor's Chapel	Transfer management of the Lord Mayor's chapel to Bristol Cathedral.	(60)	2324R3
Member Development	Reduce the amount of money we spend on discretionary and external training and support for Councillors and seek to maximise the support for entities such as the Local Government Association.	(65)	2324R4.1
Executive Office	Reduce the amount of money we spend on staff whose role is to provide administrative support to Executive Directors and Directors	(150)	2324R6
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	(75)	2324R7
Review of legal services budgets to reflect	Save money by reducing the amount of non-essential Legal work undertaken, avoid duplication and prioritise areas where legal input is required	(150)	2324R8
Total savings proposals		(1,465)	

Investments proposals within Legal and Democratic Services

Legal and Democratic service net pressure	307
Total Investment	307

Proposed Budget 2023/24 - Divisional summary with savings

Division: Finance

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
231	Benefits	3,144	0	(250)	0	0	(694)	2,200
242	Corporate Finance	3,451	0	(227)	(8)	0	(126)	3,090
243	Chief Internal Auditor	1,051	0	36	(3)	0	(79)	1,005
244	Procurement & Contract Management Service	1,517	0	(19)	0	0	(109)	1,389
246	Revenue – (Local Tax)	(698)	0	(395)	(118)	0	(320)	(1,531)
Total Finance		8,464	0	(854)	(129)	0	(1,328)	6,153

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	14,103	0	(377)	0	0	(1,028)	12,698
2	Premises-Related Expenditure	1,360	0	0	0	0	0	1,360
3	Transport-Related Expenditure	355	0	0	0	0	0	355
4	Supplies & Services	2,191	0	14	0	0	0	2,206
6	Transfer Payments	132,771	0	0	0	0	0	132,771
7	Support Services	351	0	(27)	0	0	0	324
Expenditure		151,132	0	(390)	0	0	(1,028)	149,714
9A	Income - Government Grants	(133,619)	0	0	0	0	0	(133,619)
9B	Income - Other Grants/Reimbursements and Contributions	(3,257)	0	0	(55)	0	0	(3,311)
9C	Income - Customer and Client Receipts	(1,383)	0	67	(75)	0	50	(1,341)
9E	Income - Recharges	(4,208)	0	(532)	0	0	(350)	(5,090)
Income		(142,468)	0	(465)	(129)	0	(300)	(143,362)
R	Transfer to \ from Reserves	(200)	0	0	0	0	0	(200)
Transfer to \ from reserves		(200)	0	0	0	0	0	(200)
NET Expenditure		8,464	0	(854)	(129)	0	(1,328)	6,153

Savings proposals within Finance

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Review insurance administration processes and required insurance provision	Improve insurance claims processing and reduce level of provision required (one-off) as calculated by Actuary.	100	R13
Review static debt management and duplicate payment processes	Trace and collect money owed from hard-to-reach debtors who have left the area with no forwarding contact information, identify, overpayments, duplicate invoices, unclaimed credits and then manage the recovery process.	50	R17
Current MTFP			
Local Crisis Prevention Fund	Reduce contributions by 50% to the local crisis prevention fund, which provides discretionary emergency payments for essentials and household goods for individuals in financial hardship. We will refer unsuccessful claimants to other services such as money or debt advice and top up the fund should additional external funding such as the Governments Household Support Fund which supports low income households be received.	(350)	2324R21
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
Unified Financial Assessments	Externally commission or joining up pockets of the same or similar functions across the council that carry out citizens financial assessments (e.g. to determine eligibility for services, exemptions and discounts). This will reduce duplication of application for the customer, improve response time and achieve cost reductions. This area of activity has the potential to significantly increase should the adult social care charging reforms be rolled out as planned and as a result achieve greater future year efficiencies.	(30)	2324R23
Restructure Finance Division	Undertake a review of the structures within the Finance division to support a smaller organisation.	(998)	2324R27
Total savings proposals		(1,328)	

Proposed Budget 2023/24 - Divisional summary with savings

Division: HR, Workplace & Organisational Design

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
251	People Operations	1,237	0	(36)	(50)	0	(297)	853
252	Learning & Organisational Development	1,721	0	(127)	(1)	0	(306)	1,286
271	Change Services	1,129	0	66	0	0	(179)	1,015
Total HR, Workplace & Organisational Design		4,086	0	(98)	(51)	0	(782)	3,155

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	6,630	0	(15)	0	0	(379)	6,237
3	Transport-Related Expenditure	3	0	0	0	0	0	3
4	Supplies & Services	736	0	0	0	0	0	736
7	Support Services	91	0	0	0	0	0	91
Expenditure		7,461	0	(15)	0	0	(379)	7,067
9A	Income - Government Grants	(20)	0	0	0	0	0	(20)
9B	Income - Other Grants/Reimbursements and Contributions	(512)	0	0	(4)	0	0	(516)
9C	Income - Customer and Client Receipts	(323)	0	0	(17)	0	0	(340)
9E	Income - Recharges	(1,974)	0	(22)	(31)	0	(106)	(2,133)
Income		(2,829)	0	(22)	(51)	0	(106)	(3,009)
N	Income & Expenditure outside of Net Cost of Service	0	0	(61)	0	0	(297)	(358)
Other items outside of the Net Cost of Service		0	0	(61)	0	0	(297)	(358)
R	Transfer to \ from Reserves	(545)	0	0	0	0	0	(545)
Transfer to \ from reserves		(545)	0	0	0	0	0	(545)
NET Expenditure		4,086	0	(98)	(51)	0	(782)	3,155

Savings proposals within HR, Workplace & Organisational Design

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
Learning and Development	Reduce discretionary spend on learning and development. Prioritise funding for statutory and mandatory training and training that is in direct support of organisational priorities	(200)	2324R17
Workforce and Change service	Restructure the Council's HR, Change and Learning & Development functions to support a smaller organisation, with a further redesign in 26/27 following the implementation of the council's change programme	(582)	2324R18
Total savings proposals		(782)	

Proposed Budget 2023/24 - Divisional summary with savings

Division: Management - Resources

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
261	Management - Resources	(2,000)	0	5,681	0	0	(430)	3,251
381	Commercialisation	125	0	(125)	0	0	0	0
Total Management - Resources		(1,875)	0	5,557	0	0	(430)	3,251

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	118	0	(118)	0	0	0	0
4	Supplies & Services	7	0	(7)	0	0	0	0
Expenditure		125	0	(125)	0	0	0	0
N	Income & Expenditure outside of Net Cost of Service	(2,000)	0	5,681	0	0	(430)	3,251
Other items outside of the Net Cost of Service		(2,000)	0	5,681	0	0	(430)	3,251
NET Expenditure		(1,875)	0	5,557	0	0	(430)	3,251

Savings proposals within Management - Resources

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Identify treasury management and legacy pension fund savings	By reviewing treasury management and pension fund savings options we could increase income from Treasury management activity and from the release of historic pension funds no longer required.	(100)	R14
Mayor's Office	Reduction in funding to the Mayor's Office (Discretionary & Non Staff Related Funding) to be reinstated should surplus funds materialise.	(205)	2223 R30
Current MTFP			
Local Council Tax	Design and implement a more targeted local council tax reduction scheme. This could	25	2324R20
Discretionary Rate	Suspend the Council's discretionary rate relief scheme and the discretion to 'top-up'	(150)	2324R29
Total savings proposals		(430)	

Proposed Budget 2023/24 - Divisional summary with savings

Division: Policy, Strategy & Partnerships

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
282	External Communications and Consultation	1,282	0	(28)	(2)	0	(130)	1,122
284	Insight, Performance & Intelligence	1,873	0	123	0	110	0	2,107
285	Policy and Public Affairs	776	0	71	0	0	0	848
288	Equality and Inclusion	512	0	23	0	0	(60)	475
512	International Affairs	273	0	(5)	(5)	0	0	263
543	City Office	66	0	11	(0)	0	0	77
Total Policy, Strategy & Partnerships		4,783	0	195	(8)	110	(190)	4,891

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	5,771	0	403	0	0	(57)	6,117
2	Premises-Related Expenditure	16	0	0	0	0	0	16
3	Transport-Related Expenditure	8	0	0	0	0	0	8
4	Supplies & Services	788	0	(16)	0	110	(3)	879
5	Third Party Payments	110	0	0	0	0	0	110
7	Support Services	11	0	0	0	0	0	11
Expenditure		6,704	0	387	0	110	(60)	7,142
9B	Income - Other Grants/Reimbursements and Contributions	(145)	0	0	(6)	0	0	(151)
9C	Income - Customer and Client Receipts	(16)	0	0	(1)	0	0	(17)
9E	Income - Recharges	(1,760)	0	(100)	0	0	0	(1,859)
Income		(1,921)	0	(100)	(8)	0	0	(2,028)
N	Income & Expenditure outside of Net Cost of Service	0	0	(92)	0	0	(130)	(222)
Other items outside of the Net Cost of Service		0	0	(92)	0	0	(130)	(222)
NET Expenditure		4,783	0	195	(8)	110	(190)	4,891

Savings proposals within Policy, Strategy & Partnerships

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
Marketing, communications, design,	Reduce spending on marketing, communications, design, web and consultation by council teams.	(130)	2324R14
Equality and Inclusion	Reduce spending within the Equality and Inclusion service by deleting vacancies and prioritising the role of the service in supporting the Council to meet its statutory duties. This would reduce our resource for supporting the wider Council and reduce initiatives to attract and develop a diverse workforce that represents the city we serve.	(60)	2324R28
Total savings proposals		(190)	

Investments proposals within Policy, Strategy & Partnerships

PSD service net pressure	110
Total Investment	110

Proposed Budget 2023/24 - Directorate summary with savings

Directorate: Growth & Regeneration

Summary by Division		2023/24 Budget							Notional	
Division		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget	Pay Award	Inflation
		£000	£000	£000	£000	£000	£000	£000	£000s	
37	Housing & Landlord Services	19,443	0	371	(76)	2,762	(1,941)	20,559	955	385
46	Economy of Place	4,536	0	254	(97)	0	(1,386)	3,307	1,826	0
47	Management of Place	(131)	0	1,364	(294)	750	(2,403)	(714)	1,775	0
4A	Management - G&R	(140)	0	(939)	0	909	(1,150)	(1,320)	0	0
4B	Property, Assets and Infrastructure	41,021	0	136	(1,201)	690	(717)	39,929	373	4,551
Total Growth & Regeneration		64,729	0	1,187	(1,668)	5,111	(7,597)	61,761	4,928	4,936

Summary by CIPFA group (Account Type)		2023/24 Budget							Notional	
CIPFA description		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget	Pay Award	Inflation
		£000	£000	£000	£000	£000	£000	£000	£000s	
1	Employees	67,048	0	842	0	300	(172)	68,018	4,928	
2	Premises-Related Expenditure	18,110	0	2,225	0	1,140	(60)	21,415		
3	Transport-Related Expenditure	2,165	0	(1)	0	0	0	2,164		
4	Supplies & Services	12,700	0	41	0	0	(435)	12,305		
5	Third Party Payments	77,016	0	(2,765)	0	0	(1,058)	73,193		4,936
6	Transfer Payments	6,113	0	0	0	2,762	(1,714)	7,161		
7	Support Services	10,394	0	(68)	0	0	(32)	10,293		
8	Depreciation and Impairment Losses	(206)	0	(200)	(24)	0	(50)	(481)		
X	Capital Financing Costs	744	0	0	0	0	0	744		
Expenditure		194,082	0	73	(24)	4,202	(3,521)	194,812	4,928	4,936
9A	Income - Government Grants	(10,870)	0	108	0	0	0	(10,762)		
9B	Income - Other Grants/Reimbursements and Contributions	(3,620)	0	249	(102)	0	(100)	(3,573)		
9C	Income - Customer and Client Receipts	(77,212)	0	210	(1,541)	0	(3,536)	(82,078)		
9E	Income - Recharges	(37,475)	0	1,483	(1)	0	(88)	(36,081)		
Income		(129,176)	0	2,051	(1,644)	0	(3,724)	(132,494)	0	0
N	Income & Expenditure outside of Net Cost of Service	(40)	0	(939)	0	909	(352)	(422)		
Other items outside of the Net Cost of Service		(40)	0	(939)	0	909	(352)	(422)	0	0
R	Transfer to \ from Reserves	(137)	0	1	0	0	0	(136)		
Transfer to \ from reserves		(137)	0	1	0	0	0	(136)	0	0
NET Expenditure		64,729	0	1,187	(1,668)	5,111	(7,597)	61,761	4,928	4,936

Savings proposals within Growth & Regeneration Directorate

Saving Name	Description	Savings £000	Cost to deliver	Net Savings £000	Savings Reference
Previous MTFP					
Increase revenue through bus shelter advertising	A new contract has been let via a procurement process, aiming to increase revenue from bus shelter advertising.	(300)		(300)	GR001
Review charges at all off-street car parks and on-street parking spaces	A review will be undertaken of current charges across all council owned off-street car parks and on-street parking bays.	(1,400)		(1,400)	GR011
Standardise all allotment fees	Set agreed and consistent rate for allotment tenants, fixed for three years, to ensure sustainability of allotment service.	(55)		(55)	GR016
Allocation from Community Infrastructure Levy to support Parks and Green Spaces	Review the allocation criteria to release additional funding for Parks and Green Spaces.	(100)		(100)	GR017
Secure new commercial opportunities through the Bristol Future Parks approach	The conclusion of the Future Parks approach will secure new commercial opportunities for parks and green spaces.	(25)		(25)	GR021
Review Museums and Archive Service	Review of the Museums and Archive Service in order to deliver the Corporate Strategy and to deliver savings.	(178)		(178)	GR028
Increase fees for Pay and Display parking bays within Residents Parking Schemes for the period after the first 30 minutes	Increase fees for Pay and Display parking bays within Residents Parking Schemes for the period after the first 30 minutes, by 15% (approx. £0.20 p/hr) based on local transport policy to encourage modal shift to sustainable modes of transport.	(350)		(350)	GR055
Establish a new Resident Parking Scheme	Establish at least one new Resident Parking Scheme.	(75)		(75)	GR056
Maximise commercial opportunities for catering outlets within parks	Explore opportunities to maximise commercial growth in relation to catering outlets in Bristol's parks and green spaces.	(25)		(25)	GR022
Continue with the enforcement of the Bristol Bridge restrictions	Continue with the enforcement of the Bristol Bridge restrictions which will generate Penalty Charge Notices whilst encouraging motorists to move towards compliance	200		200	GR013
Review the Pest Control Service	The council provides a discretionary Pest Control Service. The review will consider different ways to deliver the service across the city.	(95)		(95)	GR051
Current 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.	(1,000)		(1,000)	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.	(940)	30	(910)	2324 GR2.1
Economic Development Service	We will review the Economic Development Service and functions to deliver a service to businesses in Bristol which runs at a lower cost.	(190)		(190)	2324GR4
Sustainable City and Climate Change	Reduce the cost of running our Sustainable City and Climate Change services, and secure longer term external funding so that we do not impact on the delivery of our Climate and Carbon neutral ambitions	(286)		(286)	2324GR5
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.	(1,941)		(1,941)	2324GR7
Charging for DIY waste at Recycling Centres	Introduction of DIY waste charges as follows:£2.9per sack of rubble, £4.50 per sheet of bag of plasterboard, £11 per bag/sheet of asbestos.	(300)		(300)	2324N10
Charging for processing and delivery of recycling containers	Introduce charge for the processing and delivery of recycling containers. Charge will be up to £2.50 per container. Approx. 105k containers delivered and assumed some drop off in orders.	(100)		(100)	2324N11
Charging for collection Christmas Trees	Charge residents up to £5 for the collection of Christmas trees after Christmas. Free collection for residents with garden waste service subscription.	(30)		(30)	2324N12
New Parking Charges	New Charges for Small district Car Parks	(150)		(150)	2324N5
Increase garden waste service charge	Increase annual subscription to £50 annual payments, £47 direct debit payments and £24 for benefits payments. Currently 28k subscribers and assumes 10% reduction. (previously £32 annual, £29 DD, £14 benefits)	(144)		(144)	2324N6
Increase Chargeable Domestic Waste charges	Increase the unit rates for the chargeable domestic waste service(Charge to schools universities community groups and religious establishments), so they are just below commercial waste market rates. There are approx. 10 different rates.	(36)		(36)	2324N7
Bulky Waste - Upholstered Furniture Charge	New regulations by EA are increasing cost of disposing of upholstered furniture due Persistent Organic Retardants used as fire retardants. 10,000 collections a year and assumes 10% padded furniture. Charges to be £25 per sofa, £50 for three piece suite. (current chrges 3 items at £25 and 6 at £50 which would not change for non padded furniture as admin pledge to reduce cost)	(7)		(7)	2324N8
Replacement Bin Charge	To introduce a charge for the replacement bins, £28 per bin or £14 for benefits. Applies to black bins and garden waste bins. Annually 5,400 bins replaced at cost of £28.	(100)		(100)	2324N9
Total savings proposals		(7,627)	30	(7,597)	

Investment proposals within Growth & Regeneration Directorate	
Service Pressures	Investment
Homelessness service pressure	400
Management of Place service pressure	300
BWC - Transfer of additional waste efficiencies	717
BWC - FM - Net Annual Contractual Efficiencies / Uplift	42
FM - Re-aligned Annual Income Target	150
Prior year recurrent Housing and Landlord services service pressure	2,362
Prior year recurrent Management service pressure	1,140
Total Investment	5,111

Proposed Budget 2023/24 - Divisional summary with savings

Division: Housing & Landlord Services

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
131	Housing Options	17,175	0	277	(74)	2,762	(1,941)	18,199
132	GF - Private Housing & Accessible Homes	1,270	0	98	(3)	0	0	1,366
135	Housing Solutions	131	0	1	0	0	0	132
426	Housing Delivery	866	0	(4)	0	0	0	862
Total Housing & Landlord Services		19,443	0	371	(76)	2,762	(1,941)	20,559

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1	Employees	12,070	0	433	0	0	0	12,503
2	Premises-Related Expenditure	170	0	0	0	0	0	170
3	Transport-Related Expenditure	19	0	0	0	0	0	19
4	Supplies & Services	1,845	0	(1)	0	0	0	1,844
5	Third Party Payments	18,051	0	0	0	0	0	18,051
6	Transfer Payments	5,775	0	0	0	2,762	(1,941)	6,596
7	Support Services	3,983	0	0	0	0	0	3,983
Expenditure		41,912	0	432	0	2,762	(1,941)	43,165
9A	Income - Government Grants	(6,240)	0	0	0	0	0	(6,240)
9C	Income - Customer and Client Receipts	(2,938)	0	0	(76)	0	0	(3,015)
9E	Income - Recharges	(13,191)	0	(61)	0	0	0	(13,251)
Income		(22,369)	0	(61)	(76)	0	0	(22,506)
R	Transfer to \ from Reserves	(100)	0	0	0	0	0	(100)
Transfer to \ from reserves		(100)	0	0	0	0	0	(100)
NET Expenditure		19,443	0	371	(76)	2,762	(1,941)	20,559

Savings proposals within Housing & Landlord Services

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
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.	(1,941)	2324GR7
Total savings proposals		(1,941)	

Investments proposals within Housing & Landlord Services

Homelessness service pressure	400
Prior year recurrent Housing and Landlord services service pressure	2,362
Total Investment	2,762

Proposed Budget 2023/24 - Divisional summary with savings

Division: Economy of Place

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
Service		£000						
421	Strategic City Planning	632	0	29	(12)	0	0	649
422	City Design	(366)	0	(118)	(12)	0	0	(496)
425	Development Management	(525)	0	99	(12)	0	0	(438)
433	Strategic City Transport	2,530	0	136	(1)	0	(342)	2,322
434	Local & Sustainable Transport	(900)	0	54	(60)	0	(468)	(1,374)
443	Economic Development	803	0	38	0	0	(190)	651
445	Directors Office	468	0	0	0	0	0	468
452	Regeneration	766	0	22	0	0	0	788
453	Divisional Director	132	0	3	0	0	0	134
511	Sustainable City & Climate Change	997	0	(9)	(0)	0	(286)	702
Total Economy of Place		4,536	0	254	(97)	0	(1,286)	3,407

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
CIPFA description		£000						
1	Employees	14,296	0	416	0	0	(172)	14,540
2	Premises-Related Expenditure	508	0	0	0	0	(60)	448
3	Transport-Related Expenditure	19	0	0	0	0	0	19
4	Supplies & Services	3,075	0	134	0	0	(257)	2,952
5	Third Party Payments	511	0	0	0	0	(58)	453
6	Transfer Payments	175	0	0	0	0	(60)	115
7	Support Services	1,031	0	20	0	0	(32)	1,019
8	Depreciation and Impairment Losses	265	0	(200)	0	0	(50)	15
Expenditure		19,879	0	370	0	0	(689)	19,560
9A	Income - Government Grants	(1,772)	0	0	0	0	0	(1,772)
9B	Income - Other Grants/Reimbursements and Contributions	(904)	0	0	(34)	0	0	(938)
9C	Income - Customer and Client Receipts	(6,603)	0	0	(63)	0	(509)	(7,175)
9E	Income - Recharges	(6,130)	0	(116)	0	0	(88)	(6,334)
Income		(15,409)	0	(116)	(97)	0	(597)	(16,219)
N	Income & Expenditure outside of Net Cost of Service	100	0	0	0	0	0	100
Other items outside of the Net Cost of Service		100	0	0	0	0	0	100
R	Transfer to \ from Reserves	(34)	0	0	0	0	0	(34)
Transfer to \ from reserves		(34)	0	0	0	0	0	(34)
NET Expenditure		4,536	0	254	(97)	0	(1,286)	3,407

Savings proposals within Economy of Place

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Increase revenue through bus shelter advertising	A new contract has been let via a procurement process, aiming to increase revenue from bus shelter advertising.	(300)	GR001
Current MTFP			
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.	(510)	2324GR2.1
Economic Development Service	We will review the Economic Development Service and functions to deliver a service to businesses in Bristol which runs at a lower cost.	(190)	2324GR4
Sustainable City and Climate Change	Reduce the cost of running our Sustainable City and Climate Change services, and secure longer term external funding so that we do not impact on the delivery of our Climate and Carbon neutral ambitions	(286)	2324GR5
Total savings proposals		(1,286)	

Proposed Budget 2023/24 - Divisional summary with savings

Division: Management of Place

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
Service		£000						
133	Bristol Operations Centre	(90)	0	70	(81)	300	0	200
332	Library Services	4,563	0	230	(15)	0	0	4,778
333	Regulatory Services	490	0	3	(1)	0	0	492
335	Parks and Green Spaces	1,309	0	581	(90)	0	(205)	1,594
382	Harbour Service	555	0	61	0	0	0	616
432	Traffic & Highways maintenance	(10,797)	0	242	0	450	(3,175)	(13,280)
441	Culture Services	3,034	0	143	(108)	0	(178)	2,890
442	Cultural Development	805	0	35	0	0	0	840
Total Management of Place		(131)	0	1,364	(294)	750	(3,558)	(1,869)

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
CIPFA description		£000						
1	Employees	30,637	0	1,435	0	300	0	32,372
2	Premises-Related Expenditure	4,166	0	2,300	0	450	0	6,916
3	Transport-Related Expenditure	101	0	(1)	0	0	0	100
4	Supplies & Services	6,272	0	(86)	0	0	(178)	6,008
5	Third Party Payments	10,397	0	(2,572)	0	0	(1,000)	6,825
6	Transfer Payments	94	0	0	0	0	0	94
7	Support Services	4,737	0	11	0	0	0	4,748
Expenditure		56,404	0	1,088	0	750	(1,178)	57,064
9A	Income - Government Grants	(2,691)	0	108	0	0	0	(2,583)
9B	Income - Other Grants/Reimbursements and Contributions	(2,386)	0	(6)	(65)	0	(100)	(2,557)
9C	Income - Customer and Client Receipts	(44,825)	0	(10)	(229)	0	(2,280)	(47,344)
9E	Income - Recharges	(6,629)	0	182	0	0	0	(6,447)
Income		(56,532)	0	275	(294)	0	(2,380)	(58,931)
R	Transfer to \ from Reserves	(3)	0	1	0	0	0	(2)
Transfer to \ from reserves		(3)	0	1	0	0	0	(2)
NET Expenditure		(131)	0	1,364	(294)	750	(3,558)	(1,869)

Savings proposals within Management of Place

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Review charges at all off-street car parks and on-street parking spaces	A review will be undertaken of current charges across all council owned off-street car parks and on-street parking bays.	(1,400)	GR011
Standardise all allotment fees	Set agreed and consistent rate for allotment tenants, fixed for three years, to ensure sustainability of allotment service.	(55)	GR016
Allocation from Community Infrastructure Levy to support Parks and Green Spaces	Review the allocation criteria to release additional funding for Parks and Green Spaces.	(100)	GR017
Secure new commercial opportunities through the Bristol Future Parks approach	The conclusion of the Future Parks approach will secure new commercial opportunities for parks and green spaces.	(25)	GR021
Review Museums and Archive Service	Review of the Museums and Archive Service in order to deliver the Corporate Strategy and to deliver savings.	(178)	GR028
Increase fees for Pay and Display parking bays within Residents Parking Schemes for the period after the first 30 minutes	Increase fees for Pay and Display parking bays within Residents Parking Schemes for the period after the first 30 minutes, by 15% (approx. £0.20 p/hr) based on local transport policy to encourage modal shift to sustainable modes of transport.	(350)	GR055
Establish a new Resident	Establish at least one new Resident Parking Scheme.	(75)	GR056
Maximise commercial opportunities for catering outlets within parks	Explore opportunities to maximise commercial growth in relation to catering outlets in Bristol's parks and green spaces.	(25)	GR022
Continue with the enforcement of the Bristol Bridge restrictions	Continue with the enforcement of the Bristol Bridge restrictions which will generate Penalty Charge Notices whilst encouraging motorists to move towards sustainable modes of transport.	200	GR013

Current 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.	(1,000)	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.	(400)	2324GR2.1
New Parking Charges	New Charges for Small district Car Parks	(150)	2324N5
Total savings proposals		(3,558)	

Investments proposals within Management of Place			
Prior year recurrent Management service pressure			750
Total Investment			750

Proposed Budget 2023/24 - Divisional summary with savings

Division: Management - G&R

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
Service		£000						
4A1	Management - G&R	(140)	0	(939)	0	909	(95)	(265)
Total Management - G&R		(140)	0	(939)	0	909	(95)	(265)

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
CIPFA description		£000						
N	Income & Expenditure outside of Net Cost of Service	(140)	0	(939)	0	909	(95)	(265)
Other items outside of the Net Cost of Service		(140)	0	(939)	0	909	(95)	(265)
NET Expenditure		(140)	0	(939)	0	909	(95)	(265)

Savings proposals within Management - G&R

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Review the Pest Control Service	The council provides a discretionary Pest Control Service. The review will consider different ways to deliver the service across the city.	(95)	GR051
Total savings proposals		(95)	

Investments proposals within Management - G&R

BWC - Transfer of additional waste efficiencies	717
BWC - FM - Net Annual Contractual Efficiencies / Uplift	42
FM - Re-aligned Annual Income Target	150
Total Investment	909

Proposed Budget 2023/24 - Divisional summary with savings

Division: Property, Assets and Infrastructure

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
2B1	FM Services	7,277	0	3	(84)	0	0	7,196
311	Waste	39,577	0	63	(95)	0	(717)	38,827
412	Asset Strategy	4,642	0	(22)	(92)	0	0	4,528
413	Property Management	(11,918)	0	25	(621)	0	0	(12,515)
444	Major Projects	307	0	2	0	0	0	309
531	Energy Programme Manager (Corporate)	1,137	0	65	(227)	690	0	1,665
Total Property, Assets and Infrastructure		41,021	0	136	(1,119)	690	(717)	40,011

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	
		£000						
1	Employees	10,045	0	(1,443)	0	0	0	8,602
2	Premises-Related Expenditure	13,266	0	(75)	0	690	0	13,881
3	Transport-Related Expenditure	2,026	0	0	0	0	0	2,026
4	Supplies & Services	1,509	0	(6)	0	0	0	1,502
5	Third Party Payments	48,058	0	(193)	0	0	0	47,865
6	Transfer Payments	68	0	0	0	0	0	68
7	Support Services	643	0	(100)	0	0	0	543
8	Depreciation and Impairment Losses	(471)	0	0	(24)	0	0	(496)
X	Capital Financing Costs	744	0	0	0	0	0	744
Expenditure		75,887	0	(1,816)	(24)	690	0	74,737
9A	Income - Government Grants	(166)	0	0	0	0	0	(166)
9B	Income - Other Grants/Reimbursements and Contributions	(330)	0	255	(3)	0	0	(78)
9C	Income - Customer and Client Receipts	(22,845)	0	220	(1,091)	0	(717)	(24,432)
9E	Income - Recharges	(11,526)	0	1,478	(1)	0	0	(10,049)
Income		(34,867)	0	1,953	(1,095)	0	(717)	(34,726)
NET Expenditure		41,021	0	136	(1,119)	690	(717)	40,011

Savings proposals within Property, Assets and Infrastructure

Saving Name	Description	Net Savings £000	Savings Reference
Current MTFP			
Charging for DIY waste at Recycling Centres	Introduction of DIY waste charges as follows:£2.9per sack of rubble, £4.50 per sheet of bag of plasterboard, £11 per bag/sheet of asbestos.	(300)	2324N10
Charging for processing and delivery of recycling containers	Introduce charge for the processing and delivery of recycling containers. Charge will be up to £2.50 per container. Approx. 105k containers delivered and assumed some drop off in orders.	(100)	2324N11
Charging for collection Christmas Trees	Charge residents up to £5 for the collection of Christmas trees after Christmas. Free collection for residents with garden waste service subscription.	(30)	2324N12
Increase garden waste service charge	Increase annual subscription to £50 annual payments, £47 direct debit payments and £24 for benefits payments. Currently 28k subscribers and assumes 10% reduction. (previously £32 annuak, £29 DD, £14 benefits)	(144)	2324N6
Increase Chargeable Domestic Waste charges	Increase the unit rates for the chargeable domestic waste service(charge to schools universities community groups and religious establishments), so they are just below commercial waste market rates. There are approx. 10 different rates.	(36)	2324N7
Bulky Waste - Upholstered Furniture Charge	New regulations by EA are increasing cost of disposing of upholstered furniture due Persistent Organic Retardants used as fire retardants. 10,000 collections a year and assumes 10% padded furniture. Charges to be £25 per sofa, £50 for three piece suite. (current chrges 3 items at £25 and 6 at £50 which would not change for non padded furniture as admin pledge to reduce cost)	(7)	2324N8
Replacement Bin Charge	To introduce a charge for the replacement bins, £28 per bin or £14 for benefits. Applies to black bins and garden waste bins. Annually 5,400 bins replaced at cost of £28.	(100)	2324N9
Total savings proposals		(717)	

Investments proposals within Property, Assets and Infrastructure

Prior year recurrent service pressure	690
Total Investment	690

Proposed Budget 2023/24 - Directorate summary with savings

Directorate: Corporate Funding & Expenditure

Summary by Division		2023/24 Budget							Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	£000	
		£000	£000	£000	£000	£000	£000	£000	
X2	Levies	10,866	0	0	0	0	204	11,071	
X3	Corporate Expenditure	11,844	0	(14,056)	3,644	22,969	17,828	42,229	
X4	Capital Financing	22,495	0	0	0	1,371	0	23,866	
X8	Corporate Revenue Funding	(420,028)	0	(307)	0	(63,038)	(150)	(483,523)	
X9	Corporate Allowances	3,363	0	3,217	0	0	2,860	9,440	
Total Corporate Funding & Expenditure		(371,460)	0	(11,146)	3,644	(38,698)	20,742	(396,917)	

Notional	
Pay Award	Inflation
£000s	
0	0
(15,545)	(24,079)
0	0
0	0
0	0
(15,545)	(24,079)

Summary by CIPFA group (Account Type)		2023/24 Budget							Proposed 2023/24 Budget
		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	£000	
		£000	£000	£000	£000	£000	£000	£000	
1	Employees	2,490	0	0	0	0	(3,600)	(1,110)	
4	Supplies & Services	2,166	0	4,183	0	0	0	6,349	
5	Third Party Payments	14,062	29,756	(2,243)	(20)	0	(4,053)	37,502	
X	Capital Financing Costs	10,301	0	0	0	0	0	10,301	
Expenditure		29,019	29,756	1,940	(20)	0	(7,653)	53,041	
9A	Income - Government Grants	0	0	0	0	(7,032)	0	(7,032)	
9B	Income - Other Grants/Reimbursements and Contributions	(3,410)	0	0	0	0	0	(3,410)	
9D	Income - Interest	(3,150)	0	0	0	0	0	(3,150)	
Income		(6,560)	0	0	0	(7,032)	0	(13,592)	
NET Expenditure		(371,460)	0	(11,146)	3,644	(38,698)	20,742	(396,917)	

Notional	
Pay Award	Inflation
£000s	
(15,545)	
	(24,079)
(15,545)	(24,079)
0	0
0	0
(15,545)	(24,079)

Savings proposals within Corporate Funding & Expenditure

Saving Name	Description	Savings £000	Cost to deliver	Net Savings £000	Savings Reference
Previous MTFP					
Management and capacity review	Reduce workforce costs and ensure we prioritise our organisational capacity on Corporate Strategy goals. Measures include: a review of the senior leadership structure; offering a succession planning scheme for managers to apply to leave the council; a review of some council teams; and deleting budgeted vacancies, to ensure we retain capacity in priority areas and reduce the impact on employees. These measures will reduce our overall capacity and mean we will focus on our core priorities. Where any jobs are subject to change appropriate staff consultation will take place, and where any roles are at risk, we will make use of our redeployment scheme, which matches employees to other opportunities in the council.	(3,500)		(3,500)	CEN01
Reduce council-owned property	In light of new ways of working following COVID-19, review the number of buildings we use for office space. Aim to reduce our office floor space by at least 50 per cent, whilst making sure we have the right amount and quality of workspaces, reducing our carbon footprint.	(2,000)		(2,000)	CEN03
Streamline strategic support services	Joining up pockets of the same or similar, strategic professional support services (common activities) to reduce costs, provide better coordination of our work and better prioritisation of our resources.	(100)		(100)	CEN04
Strategic Business Review of Fees and Charges	A strategic review of fees and charges to identify new charging areas, ensure charging opportunities for all relevant goods or services are levied and reflect market rates. This would mean the removal of some subsidies and will include the development and testing of a full cost recovery model and calculator.	(250)		(250)	CEN05
Review addressable spend / third party savings	To maximise benefit for public money through our addressable third party spend which will seek to deliver procurement, contract, and commercial interventions in a range of categories of third party and service activity in order to improve cashable and non-cashable value generated.	350		350	CEN02
Total savings proposals		(5,500)	0	(5,500)	

Proposed Budget 2023/24 - Divisional summary with savings

Division: Levies

Summary by Service		2023/24 Budget						
Service		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget
		£000						
X20	Levies	10,866	0	0	0	0	204	11,071
Total Levies		10,866	0	0	0	0	204	11,071

Summary by CIPFA group (Account Type)		2023/24 Budget						
CIPFA description		Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies	Proposed 2023/24 Budget
		£000						
5	Third Party Payments	10,866	0	0	0	0	204	11,071
Expenditure		10,866	0	0	0	0	204	11,071
NET Expenditure		10,866	0	0	0	0	204	11,071

Savings proposals within Levies				
Saving Name	Description	Savings £000	Savings Reference	

Proposed Budget 2023/24 - Divisional summary with savings

Division: Corporate Expenditure

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
X30 Corporate Expenditure	11,844	(0)	(14,056)	3,644	22,969	17,828	42,229	
Total Corporate Expenditure	11,844	(0)	(14,056)	3,644	22,969	17,828	42,229	

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
1 Employees	2,490	0	0	0	0	(3,600)	(1,110)	
4 Supplies & Services	2,014	0	4,183	0	0	0	6,196	
5 Third Party Payments	3,196	29,756	(2,243)	(20)	0	(4,257)	26,432	
Expenditure	7,700	29,756	1,940	(20)	0	(7,857)	31,518	
N Income & Expenditure outside of Net Cost of Service	5,200	10,711	(5,200)	0	0	0	10,711	
Other items outside of the Net Cost of Service	5,200	10,711	(5,200)	0	0	0	10,711	
R Transfer to \ from Reserves	(1,056)	(40,467)	(10,795)	3,664	22,969	25,685	0	
Transfer to \ from reserves	(1,056)	(40,467)	(10,795)	3,664	22,969	25,685	0	
NET Expenditure	11,844	0	(14,056)	3,644	22,969	17,828	42,229	

Savings proposals within Corporate Expenditure

Saving Name	Description	Savings £000	Savings Reference

Proposed Budget 2023/24 - Divisional summary with savings

Division: Capital Financing

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
	£000							
X40	Capital Financing	22,495	0	0	0	1,371	0	23,866
Total Capital Financing		22,495	0	0	0	1,371	0	23,866

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
	£000							
4	Supplies & Services	152	0	0	0	0	0	152
X	Capital Financing Costs	10,301	0	0	0	0	0	10,301
Expenditure		10,453	0	0	0	0	0	10,453
9B	Income - Other Grants/Reimbursements and Contributions	(3,410)	0	0	0	0	0	(3,410)
9D	Income - Interest	(3,150)	0	0	0	0	0	(3,150)
Income		(6,560)	0	0	0	0	0	(6,560)
N	Income & Expenditure outside of Net Cost of Service	18,603	0	0	0	1,371	0	19,974
Other items outside of the Net Cost of Service		18,603	0	0	0	1,371	0	19,974
NET Expenditure		22,495	0	0	0	1,371	0	23,866

Savings proposals within Capital Financing

Saving Name	Description	Savings £000	Savings Reference

Proposed Budget 2023/24 - Divisional summary with savings

Division: Corporate Revenue Funding

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
X80 Corporate Revenue Funding	(420,028)	0	(307)	0	(63,038)	(150)	(483,523)	
Total Corporate Revenue Funding	(420,028)	0	(307)	0	(63,038)	(150)	(483,523)	

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
9A Income - Government Grants	0	0	0	0	(7,032)	0	(7,032)	
Income	0	0	0	0	(7,032)	0	(7,032)	
N Income & Expenditure outside of Net Cost of Service	(420,028)	0	3,785	0	(56,006)	(150)	(472,399)	
Other items outside of the Net Cost of Service	(420,028)	0	3,785	0	(56,006)	(150)	(472,399)	
R Transfer to \ from Reserves	0	0	(4,092)	0	0	0	(4,092)	
Transfer to \ from reserves	0	0	(4,092)	0	0	0	(4,092)	
NET Expenditure	(420,028)	0	(307)	0	(63,038)	(150)	(483,523)	

Savings proposals within Corporate Revenue Funding

Saving Name	Description	Savings £000	Savings Reference

Proposed Budget 2023/24 - Divisional summary with savings

Division: Corporate Allowances

Summary by Service		2023/24 Budget						Proposed 2023/24 Budget
Service	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
X90 Corporate Allowances	3,363	0	3,217	0	0	2,860	9,440	
Total Corporate Allowances	3,363	0	3,217	0	0	2,860	9,440	

Summary by CIPFA group (Account Type)		2023/24 Budget						Proposed 2023/24 Budget
CIPFA description	Base Budget 2023/24	Pay & Inflation	Virements	Fees & Charges	Growth	Savings and Efficiencies		
£000								
N Income & Expenditure outside of Net Cost of Service	3,363	0	3,217	0	0	2,860	9,440	
Other items outside of the Net Cost of Service	3,363	0	3,217	0	0	2,860	9,440	
NET Expenditure	3,363	0	3,217	0	0	2,860	9,440	

Savings proposals within Corporate Allowances

Saving Name	Description	Net Savings £000	Savings Reference
Previous MTFP			
Management and	Reduce workforce costs and ensure we prioritise our organisational capacity on Corporate	(3,500)	CEN01
Reduce council-owned	In light of new ways of working following COVID-19, review the number of buildings we use for	(2,000)	CEN03
Streamline strategic	Joining up pockets of the same or similar, strategic professional support services (common	(100)	CEN04
Strategic Business Review	A strategic review of fees and charges to identify new charging areas, ensure charging	(250)	CEN05
Review addressable spend	To maximise benefit for public money through our addressable third party spend which will seek	350	CEN02
Total savings proposals		(5,500)	

2023/24 - 2032/33 Capital Programme Summary

Appendix 2

People

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
Education									
4,794	PE01	School Organisation/ Children's Services Capital Programme	11,382	11,384	725	0	0	0	23,492
12,826	PE02	Schools Organisation/SEN Investment Programme	8,390	14,152	5,003	8,129	0	0	35,675
1,475	PE03	Schools Devolved Capital Programme	2,079	0	0	0	0	0	2,079
Children & Families									
208	PE05	Children & Families - Aids and Adaptations	80	73	0	0	0	0	153
1,319	PE06	Children Social Care Services	913	866	0	0	0	0	1,779
Public Health Division									
0	CRF1	Covid Recovery Fund – Community Improvements	1,000	1,700	1,300	0	0	0	4,000
0	NH05	Sports Provision	530	3,500	4,000	0	0	0	8,030
Better Lives at Home (Adults) Programme									
652	PE06B	Adult Social Care – Better Lives at Home Programme	705	940	565	0	0	0	2,210
21,275	People Total		25,080	32,615	11,594	8,129	0	0	77,418

Resources

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
Information & Communication Technology									
99	NH06A	Bristol Operations Centre - Phase 2	30	0	0	0	0	0	30
757	RE01	ICT Refresh Programme	1,719	0	0	0	0	0	1,719
33	RE03	ITTP – IT Transformation Programme	0	0	0	0	0	0	0
682	RE08	Digital Transformation Programme	787	150	0	0	0	0	937
Legal & Democratic Services									
200	RE09	Expansion of Flax Bourton Mortuary	959	0	0	0	0	0	959
1,771	Resources Total		3,494	150	0	0	0	0	3,644

Growth & Regeneration

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
FM Services									
2,902	PL21	Building Practice Service - Essential H&S	2,404	1,500	1,500	1,000	1,000	0	7,404
1,934	PL27	Vehicle Fleet Replacement Programme	2,711	0	0	0	0	0	2,711
Bristol Ops Centre									
300	NH06A	Bristol Operations Centre - Phase 2	427	0	0	0	0	0	427
Parks and Green Spaces									
1,245	NH02	Investment in parks and green spaces	3,649	388	276	0	0	0	4,313
277	PL35	Harbour Operational Infrastructure	615	0	0	0	0	0	615
Economy of Place									
650	CRF3	Covid Recovery Fund – Economic Infrastructure	1,294	0	0	0	0	0	1,294
3,679	GR01	Strategic Property – Temple Meads Development	17,265	21,019	783	0	0	0	39,067
13,728	GR03	Economy Development - ASEA 2 Flood Defences	4,109	2,479	1,247	0	0	0	7,835
1,830	GR08	Delivery of Regeneration of Bedminster Green	7,075	2,968	4,000	0	0	0	14,043
0	GR12	Bristol Avon Flood Strategy & Investment	0	0	3,000	2,395	3,000	12,000	20,395
1,037	PL01	Metrobus	2,184	1,714	0	0	0	0	3,898
422	PL02	Passenger Transport	383	0	0	0	0	0	383
5,181	PL04	Strategic Transport	9,309	5,815	2,900	1,487	0	0	19,512
2,331	PL05	Sustainable Transport	100	1,100	0	0	0	0	1,200
3,106	PL06	Portway Park & Ride Investment	280	0	0	0	0	0	280
328	PL11A	Cattle Market Road site re-development	1,911	0	0	0	0	0	1,911
135	PL15	Environmental Improvements Programme	30	0	0	0	0	0	30
45	PL17	Resilience Fund (£1m of the £10m Port Sale)	0	0	0	0	0	0	0
0	PL32	Western Harbour Design Development	280	0	0	0	0	0	280
Management of Place									
40	NH01	Libraries for the Future	15	0	0	0	0	0	15

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
Transport Highways Infrastructure									
2,235	PL09	Highways infrastructure - bridge investment	750	0	0	0	0	0	750
3,896	PL09A	Highways infrastructure - Cumberland Road Stabilisation Scheme	500	0	0	0	0	0	500
12,459	PL10	Highways & Traffic Infrastructure - General	14,243	10,472	10,272	8,772	8,772	0	52,531
1,258	PL10B	Highways & Traffic - Street Lighting	3,936	6,594	0	0	0	0	10,529
303	PL10C	Transport Parking Services	390	0	0	0	0	0	390
Housing Delivery GF Programme									
10,329	PL30	Housing Delivery Programme	16,285	4,788	2,858	8,812	0	0	32,742
150	PL34	Strategic property - Community investment scheme	600	400	0	0	0	0	1,000
Clean Air Zone Programme									
5,021	GR09	Clean Air Zone Programme	114	0	0	0	0	0	114
Property, Assets and Infrastructure									
3,263	GR05	Strategic Property - Hawkfield Site	100	0	0	0	0	0	100
4,700	GR05A	South Bristol Light Industrial Workspace Redevelopment	1,514	0	0	0	0	0	1,514
310	NH03	Cemeteries & Crematoria	918	0	0	0	0	0	918
1,431	NH04	Third Household Waste Recycling and Re-use Centre	0	0	0	0	0	0	0
90	PL20	Strategic Property	471	924	29	29	0	0	1,453
46	PL23	Strategic Property - Temple St	0	0	0	0	0	0	0
21,104	PL24	Bristol Beacon	10,674	4,756	1,423	0	0	0	16,854
386	PL36	Investment in Markets infrastructure & buildings	0	0	0	0	0	0	0
Housing & Landlord Services - Private Housing									
5,962	NH07	Private Housing	4,440	3,500	3,500	3,500	3,500	0	18,440
Energy - Commercialisation									
6,446	PL18	Energy services - Renewable energy investment scheme	989	0	0	0	0	0	989
9,917	PL18A	Energy Services – Bristol Heat Networks expansion	0	0	0	0	0	0	0
211	PL18B	Energy Services - School Efficiencies	0	0	0	0	0	0	0
11	PL18D	Energy Services - EU Replicate Grant	0	0	0	0	0	0	0
128,699	Growth & Regeneration Total		109,965	68,417	31,787	25,994	16,272	12,000	264,436

Corporate Funding & Expenditure

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
Capital Funding									
11,196	CP03	Corporate Contingencies	15,023	19,835	15,259	10,000	2,349	0	62,466
0	NEW	Assumed level of programme slippage	(5,741)	(1,624)	5,051	713	1,601	0	0
11,196	Corporate Funding & Expenditure Total		9,282	18,211	20,310	10,713	3,950	0	62,466
162,941	Capital Programme (GF) Total		147,821	119,393	63,691	44,837	20,222	12,000	407,964

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 year are illustrative only).

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
0	CP04	Invest to Save Fund	0	0	1,248	2,500	0	0	3,748
0	CP05	Decarbonisation Fund	6,000	6,000	4,000	1,000	0	0	17,000
94	CRF2	Covid Recovery Fund – Youth Zones Investment	1,900	1,605	0	0	0	0	3,505
0	GR07	Areas for Growth & Regeneration - Strategic CIL <i>Illustrative schemes include City Centre/Castle Park, Whitehouse St, Frome Gateway, Green Infrastructure (inc tree planting & biodiversity improvements), City Region Sustainable Transport Strategy and Bristol Avon Flood Strategy</i>	1,500	2,300	1,000	3,300	0	3,000	11,100
0	GR10	Improvements to Local Centres	1,500	0	0	0	0	0	1,500
0	GR11	Cribbs/Patchway New Neighbourhood Development (CPNN)	0	250	750	0	0	0	1,000
0	NH02A	Invest in Parks Sports Outdoor Equipment & Facility Improvements	500	1,000	0	0	0	0	1,500
0	PE10	Sports Capital Investment	350	0	0	0	0	0	350
0	PL03	Residents Parking Schemes	650	0	0	0	0	0	650
0	PL09	Bridge Investment - Kingsweston Iron Bridge	250	750	0	0	0	0	1,000
350	RE07	Digital Transformation - Networks	4,249	1,062	0	0	0	0	5,311
0	NEW	Redcliffe Wharf development	52	464	0	0	0	0	516
0	NEW	Bristol Museums & Art Gallery investment programme	75	680	0	0	0	0	755
444	Schemes Pending Business Case Development Total		17,026	14,111	6,998	6,800	0	3,000	47,935
163,385	Capital Programme (GF) including Corporate Contingencies & Pending Schemes		164,847	133,505	70,689	51,637	20,222	15,000	455,900

Capital Funding - General Fund

2022/23 £000s	Source of Finance	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
(34,337)	Prudential Borrowing	(36,911)	(48,414)	(26,914)	(16,724)	(4,950)	0	(133,913)
(15,831)	Prudential Borrowing – Economic Development Fund	(14,755)	(23,338)	(1,280)	0	0	0	(39,373)
(62,866)	Grants	(50,052)	(24,672)	(12,823)	(13,116)	(3,500)	0	(104,164)
(14,318)	Capital Receipts	(24,628)	(13,836)	(10,750)	(6,000)	0	0	(55,214)
(7,003)	Developer Contributions	(14,327)	(7,190)	(6,150)	(7,025)	(3,000)	(15,000)	(52,691)
(26,395)	WECA/LEP	(24,174)	(16,055)	(12,772)	(8,772)	(8,772)	0	(70,546)
(2,634)	Revenue and Reserves	0	0	0	0	0	0	0
(163,385)	Capital Funding - General Fund Total	(164,847)	(133,505)	(70,689)	(51,637)	(20,222)	(15,000)	(455,900)

Housing Revenue Account

2022/23 £000s	Ref	Scheme	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
40,549	HRA1	Planned Programme - Major Projects	69,756	92,626	99,185	81,077	65,401	299,315	707,360
28,549	HRA2	New Build and Land Enabling	61,738	126,256	118,113	45,712	101,460	348,475	801,754
604	HRA4	HRA Infrastructure	1,789	1,302	478	0	0	0	3,569
69,702	Housing Revenue Account Total		133,283	220,184	217,776	126,789	166,861	647,790	1,512,683

HRA Financing

2022/23 £000s	Source of Finance	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
0	Prudential Borrowing	0	(136,505)	(127,466)	(50,089)	(79,416)	(230,215)	(623,691)
(3,426)	Grants	(27,174)	(10,593)	(5,840)	(22,790)	(25,250)	(130,800)	(222,447)
(1,969)	Capital Receipts	(24,633)	(29,883)	(32,328)	(13,413)	(19,241)	(37,255)	(156,753)
(64,308)	Revenue and Reserves	(81,476)	(43,203)	(52,142)	(40,497)	(42,954)	(249,520)	(509,792)
(69,702)	Housing Revenue Account Total	(133,283)	(220,184)	(217,776)	(126,789)	(166,861)	(647,790)	(1,512,683)

2022/23 £000s	Capital Programme Budget Combined	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 to 2032/33 £000s	Total £000s
233,087	(GF + HRA) Totals	298,130	353,689	288,465	178,426	187,083	662,790	1,968,583

Appendix 3 Budget Risk Register Report

Corporate Risk Report Summary Page	Risk	As at Dec 2022	Financial Impact		
		Rating	Y / N	£m	Choose Source
Risks					
People					
CRR9	Safeguarding Vulnerable Children	3x7=21	Y	13.0	UR
CRR51	Risk that ASC financial unsustainability due to national and local pressures leads to a failure to deliver statutory duties and budgetary control	3x7=21			
CRR10	Safeguarding Adults at Risk with Care and support needs	3x5=15	Y	0.5	UR
CRR39	Adult and Social Care major provider/ supplier failure	4x5=20	Y	8.0	MA
CRR53	Risk that increased social worker and occupational therapist vacancies and sickness rates will result in vulnerable adults' care being compromised	4*5=20			MA
CRR36	SEND	2x3=6	Y	1.0	MA
CRR45	Failure to deliver statutory duty in respect of the safeguarding of Children	3x5=15	N	0.0	MA
Growth & Regeneration					
CRR48	Failure to meet the affordable housing needs of the City by failing to meet the Project 1000 Delivery target (Replaced CRR32)	3x7=21	N	5.4	MA
CRR52	CRR52 - Fire Safety in High Rise residential buildings	3x7=21	Y	50.0	EMR
CRR37	Homelessness	4x5=20	Y	2.3	MA
CRR41	Capital Portfolio Delivery (formerly Major projects Capital Investment)	4x5=20	Y	50.0	CC
CRR43	Lack of progress for Mass Transit Impact on city	4x5=20			
CRR5	Business Continuity and Council Resilience	3x5=15	N	0.0	MA
CRR12	Failure to deliver suitable emergency planning measures, respond to and manage emergency events when they occur	3x5=15	N	0.0	MA
CRR18	Failure to deliver enough new homes to meet Mayoral and Annual Business Plan targets. (Formerly 'Failure to deliver enough homes to meet the City's needs')	2x5=10	N	0.0	MA
CRR27	Capital Transport Programme Delivery	3x5=15	Y	15.0	MA
Resources					
CRR13	Financial Framework and MTFP	4x7=28	Y	6.0	EMR
CRR49	Workforce Resilience	4x5=20			
CRR25	Suitability of Line of Business Systems (LOB)	4x5=20	N	0.0	MA
CRR7	Cyber-Security	4x5=20	Y	8.0	EMR
CRR46	Increased costs, restrictions and uncertainty of future sufficient insurance cover for higher risk properties	3x5=15	Y	5.0	UR
CRR4	Failure to Deliver an effective Corporate Health, Safety and Wellbeing Framework	2x5=10	N	0.0	MA
CRR29	Information Security Management System	2x5=10	N	0.0	MA
CRR6	Fraud and Corruption	3x5=15	N	1.0	MA
CRR40	Unplanned Investment in Subsidiary Companies	3x5=15	Y	2.0	EMR
CRR26	ICT Resilience	2x7=14	N	0.0	MA
CRR15	In-Year Financial Deficit	3x7=21	Y	3.4	UR
External Risks					
BCCC4	Winter diseases including COVID-19 and Flu (formerly COVID-19 Population Health)	3x5=15	N	2.0	EMR
BCCC5	Cost of Living Crisis impact on Citizens and Communities	4x7=28		8.8	CC
BCCC1	Flooding	3x5=15	Y	0.5	MA
Opportunities					
OPP1	One City	3x7=21	N	0.0	MA

External Risks					
BCCC4	Winter diseases including COVID-19 and Flu (formerly COVID-19 Population Health)	3x5=15	N	2.0	EMR
BCCC5	Cost of Living Crisis impact on Citizens and Communities	4x7=28		8.8	CC
BCCC1	Flooding	3x5=15	Y	0.5	MA

Opportunities					
OPP1	One City	3x7=21	N	0.0	MA

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

Total £m	Reserve £m
33.2	
58.8	80.6
66.0	84.6
23.9	28.4
181.9	193.6

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 2023-24, 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 its current Capital Strategy on 18 October 2022.

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, from 2023/24 quarterly reporting (end of June/end of December) on Treasury/Prudential indicators is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit Committee.

2. Treasury Management Strategy for 2023/24

- 2.1 The Treasury Management Strategy for 2023/24 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. Treasury Management training was provided in December 2021 with further training planned in 2023.
- 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 and will ensure that undue reliance is not 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 2023/24 – 2027/28

- 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 & Financing

Capital expenditure £m	2021/22 Actual £m	2022/23 Estimate (P8) £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Non-HRA	118	163	165	133	71	52	21
HRA	39	70	133	220	218	127	167
Total	157	233	298	353	289	179	188
Financed by:							
Capital receipts	17	16	50	44	43	19	19
Capital grants	65	99	118	59	38	52	41
HRA (Self Financing)	29	30	30	32	35	36	38
Revenue	3	38	48	10	18	5	6
Net financing need for year	43	50	52	208	155	67	84
General Fund	43	50	52	71	28	17	5
HRA	-	-	-	137	127	50	79

Note, the table above exclude arrangements such as service-concession contracts such as PFI and leasing 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 £125m of such schemes within the CFR.
- 3.6 The Council is asked to approve the CFR projections below.

Table 2: Capital financing requirement projections

	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
CFR – non housing	544	586	625	683	696	698	688
CFR – PFI/Lease schemes	125	116	107	98	88	80	72

CFR – housing	245	245	245	382	506	549	620
Total CFR	914	947	977	1,163	1,290	1,327	1,380
Movement in CFR	28	33	30	186	127	37	53

Net financing need for year	43	50	52	208	155	67	84
Less MRP & other financing (GF)	(15)	(17)	(22)	(22)	(25)	(23)	(23)
Less MRP & other financing (HRA)	-	-	-	-	(3)	(7)	(8)
Movement in CFR	28	33	30	186	127	37	53

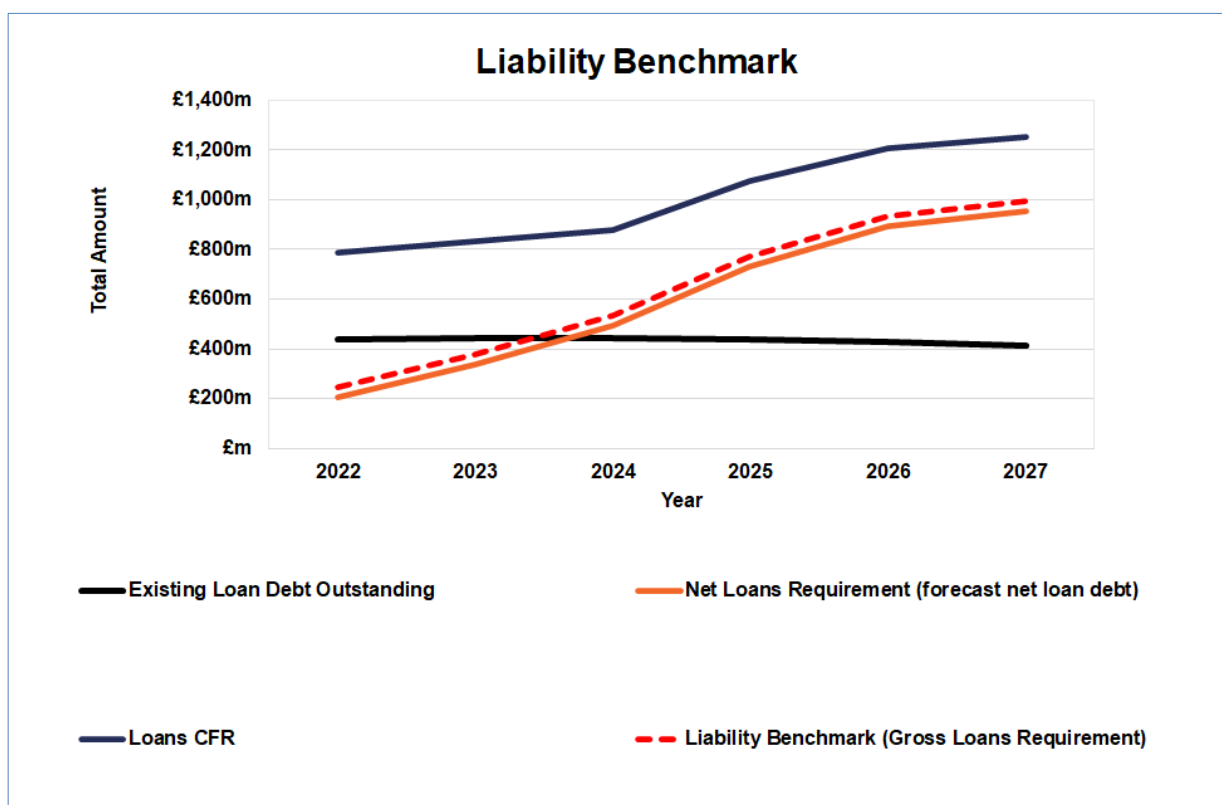
Liability Benchmark

3.7 A new prudential indicator for 2023/24 is the Liability Benchmark. 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 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.

This additional reduction in MRP has been set aside to reserves to ensure the Council maintains reasonable provision as mitigation for financial risks outlined in the main body of the report. It is estimated that for 2022/23 £4.1m of this overprovided MRP will be made available to supplement general reserves.

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.

Affordability prudential indicator

3.12 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

	2021/22 Actual %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
General Fund	6.6	7.1	8.1	8.5	9.0	8.9	8.9
HRA	9.0	6.5	3.9	6.9	9.4	10.5	10.5

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 organisation of the cash flow and, where capital plans require, the organisation 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 2022, 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

	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
External Debt 1 April	451	451	446	546	781	946	1,004
Expected change in debt	-	(5)	100	235	165	58	83
Other long-term liabilities	133	125	116	107	98	88	80
Expected change in other long-term liabilities	(8)	(9)	(9)	(9)	(10)	(8)	(8)
Debt Administered on behalf of the Unitary authorities	(38)	(36)	(35)	(33)	(32)	(31)	(30)
Actual gross debt 31 March	538	526	618	846	1,002	1,053	1,129
Capital Financing Requirement	914	947	977	1,163	1,290	1,327	1,380
Under borrowing	(376)	(421)	(359)	(317)	(288)	(274)	(251)

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 2023/24 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 purposes 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 difficulties for the future. 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. 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 internal borrowing.

Table 5: The operational boundary

	2022/23 Approved £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m

Debt	516	546	781	946	1,004	1,087
Other long-term liabilities	124	116	107	98	88	80
Total	640	662	888	1,044	1,092	1,167

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 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.

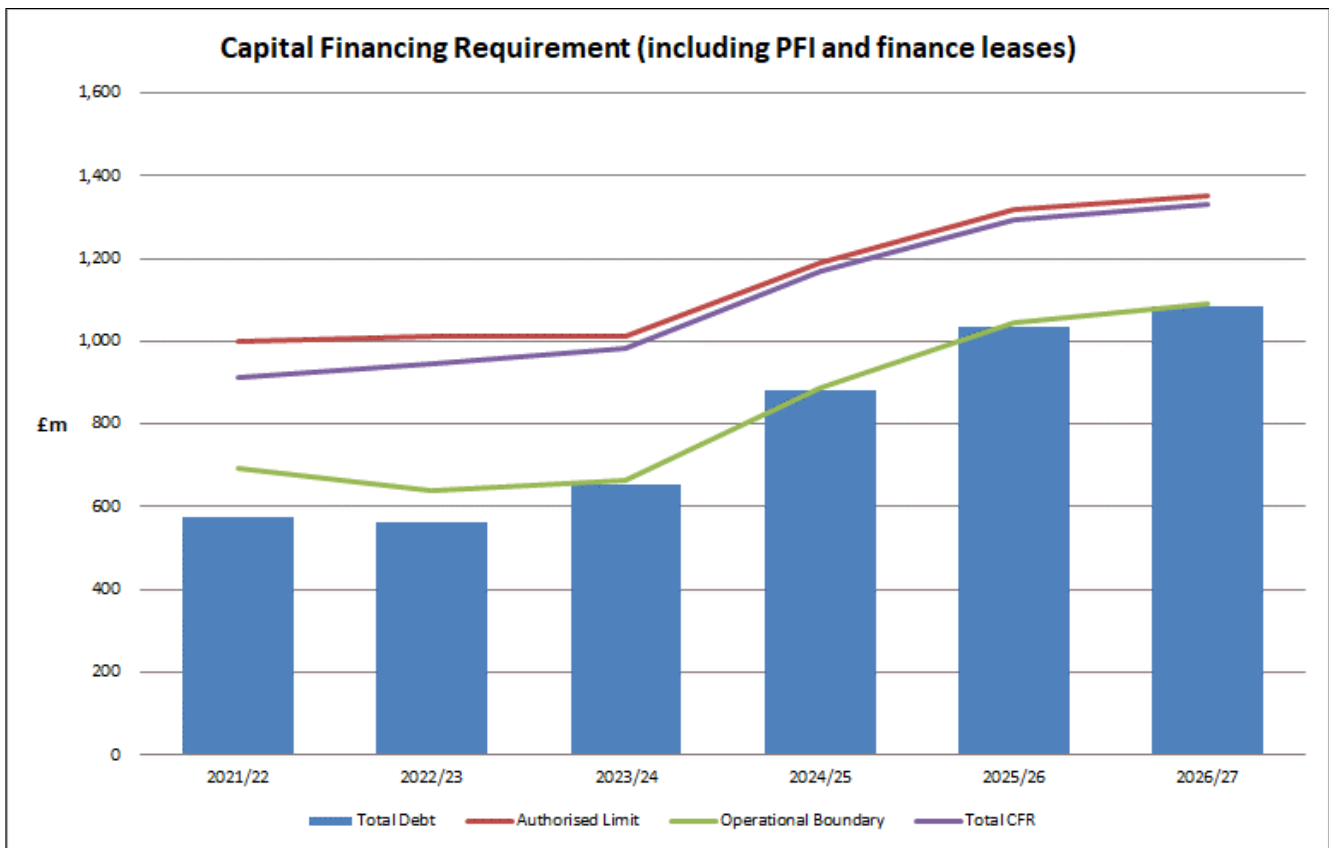
- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- Council is asked to approve the following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

Table 6: Authorised limit for external debt

	2022/23 Approved £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Total	1,010	1,000	1,190	1,320	1,360	1,410

The graph below shows the above projections in one chart to assist with presenting this information.

Figure 2: Capital finance requirement chart



Prospects for interest rates

4.8 The Council has appointed a treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their view.

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 2023	4.25	4.30	4.50	4.70	4.40
Mar 2024	4.00	3.90	4.00	4.30	4.00
Mar 2025	3.00	3.40	3.50	3.70	3.40
Mar 2026	2.50	3.10	3.20	3.50	3.20

The above forecast reflects a view that the Monetary Policy Committee are keen to maintain their 2% inflation target by utilising interest rate increases as tool to control inflation. This has happened throughout 2022, and with the Government's policy of working responsibly to keep fiscal deficit under control this is likely to result in Central Bank Rate not exceeding further than 4.50%.

As shown in table 7 above, the forecast for Bank Rate includes the following increases: quarter 4 of 2022 / quarter 1 of 2023 of 0.75 to 4.25% then rising to 4.5% in quarter 2 before falling back to 4% by March 2024 once inflationary pressures have lessened. With the high level of uncertainty prevailing on several different fronts, we expect these forecasts to be revised.

Investment and borrowing rates

Investment returns are expected to be higher in 2023/24 (than in 22/23) due to the rising interest rate environment and fall back over the Medium term once inflationary pressures have eased.

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 significant risks to these forecasts as set out in Annex 2: Economic Forecast and Interest Rate Forecast.

Borrowing for capital expenditure. The long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As the PWLB certainty rates are currently above 2.00%, 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 short to medium term and may also prove attractive as part of a balanced debt portfolio.

The policy of avoiding new borrowing by running down 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

- 4.9 Based on current cash flow forecasts, it is estimated that the Council will have a net borrowing requirement of £641m 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 same “target rate” of 4.00%.
- 4.10 The Council is currently maintaining an under-borrowed position. This 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 due to Bank Rate increases during 2022 and those expected in the first half of 2023.
- 4.11 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 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.*
- 4.12 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 2022/23. This approach will continue until balances are reduced to adequate liquidity requirements unless it was felt that there was 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 12 months investment returns have increased significantly and the savings generated from internal borrowing over the coming year could 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.

4.13 The authority is planning net borrowing of £641m over the period, to finance the expected Prudential Borrowing requirement of £566m as set out in in the Capital programme. The higher borrowing of £75m 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 partly offset 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.

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

4.15 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.

4.16 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.

4.17 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

- 4.18 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. 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.
- 4.19 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

- 4.20 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).
- 4.21 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 strategy
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 4.22 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 4.23 All rescheduling will be reported to the Council at the earliest meeting following its action.

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 upto 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).

- 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 with 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 will be 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 £50m 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 and 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

*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 is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 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.

Investment return expectations

- 6.16 The current forecast shown in Annex 2 includes a forecast for a first increase in Bank Rate in February 2023, reaching 4.50% in quarter 2 of 2023/24. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in Bank Rate in quarter 2 of 2022), are as follows (the long term forecast is for periods over 10 years in the future):
- 2022/23 (remainder) 3.95%
 - 2023/24 4.40%
 - 2024/25 3.30%
 - 2025/26 2.60%
 - 2026/27 2.50%
 - Long term later years 2.00%

As there are many variables at this time, caution must be exercised in respect of all 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%	30%	
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 365 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	2023/24	2024/25	2025/26 & 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 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 The Council's previous Ethical Investment Policy was approved by Cabinet on the 15 December 2011 (updated 2015). In summary it states 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.
- 7.2 A new Ethical and Equitable Investment Policy was approved by Cabinet and Full Council on the 18th January 2022 and 2nd March 2022 respectively. The key changes included in the new policy are the Council 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).

8. Investment Risk Benchmarking

- 8.1 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.
- 8.2 Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:
- 0.00% (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 £40m 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%	0.14%	0.26%	0.38%	0.54%

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

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.

Economic Interest Rate Forecast

Table 1 – Interest Rate Forecast

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave eamings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave eamings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave eamings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

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 forecast reflects a view that the Monetary Policy Committee are keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but with the new Government's policy of emphasising fiscal rectitude, the government working responsibly to keep fiscal deficit under control through taxation and managing revenues will probably mean that Bank Rate does not now need to increase further beyond than 4.5%.

In the future it is anticipated the Bank of England will want to loosen monetary policy when inflationary pressures have eased – the timing will be one of judgment: cut too soon, and inflationary pressures may build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 6.1% (Dec2022).

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present that will prevent any further disruption to the longer end of the curve.

In the months ahead, our forecasts will be guided not only by economic data releases and clarifications from the Monetary Policy Committee over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine.

On the positive side, consumers are still estimated to be holding £160bn of savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

Yield curve movements have become less volatile under the latest government. Public Works Loan Board rates 5 to 50 years are, generally, in the range of 4.30%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the medium end).

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further changes of gilt yields across the whole curve is possible.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

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, rising gilt yields).
- The Bank of England acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker 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, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

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

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- The Government acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- The pound weakens because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term US treasury yields rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at circa 2% - 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed Local Authority to Local Authority monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

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)	-	£100k	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

*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.	<p>Supranational bonds greater than 1 year to maturity</p> <p>(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.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. National Rail)</p> <p>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.</p>	AAA long term ratings £50m
b.	<p>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.</p>	£50m
c.	<p>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.</p>	Minimal
d.	<p>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).</p>	£40m
e.	<p>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:</p> <ul style="list-style-type: none"> • Parent company guarantee • Parent company to be a UK institution. 	£10m
f.	<p>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.</p> <p>Loan capital in a body corporate.</p> <p>There is a higher risk of loss with these types of instruments.</p>	£10m
g.	<p>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.</p> <p>Loan capital to Council owned companies</p>	£50m
h.	<p>Bond funds – There is a high risk of loss with this type of instrument.</p>	£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.



Bristol City Council Ethical and Equitable Investment Policy

Date published: Cabinet 18th January 2022

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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:

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

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 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 pollution³.

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.

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

³ [Environmental inequality must not be ignored - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/environmental-inequality-must-not-be-ignored)

- 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.

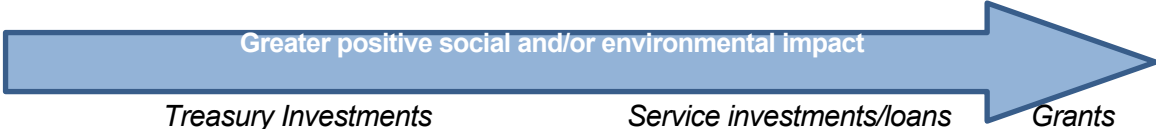
The Chief Finance Officer, Cabinet Member for Finance and the Council's Treasury Management Advisors will be consulted when a breach of the exclusions list has been identified and breaches will be reported through the Treasury Management Outturn Report.

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



	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 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

Flexible Use of Capital Receipts Strategy 2023/24 to 2024/25

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. As part of the finance settlement for 2016/17 the government announced new flexibilities allowing local authorities to use capital receipts received in 2016/17, 2017/18 and 2018/19 to be used to fund transformational expenditure, which can include redundancy costs. This was extended in 2018/19 as part of the Local Government Finance Settlement for a further three years until 2021/22.
3. 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.
4. This strategy provides background information with regards the statutory guidance on the flexible use of Capital Receipts 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 2016/17 to 2020/21

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 has been prioritised and alternative funding sources

identified for delivery of these programmes. This flexibility has not been used in 2022/23.

Future Use of Capital Receipts Flexibility 2023/24 to 2024/25

14. This strategy earmarks £10 million for transformative change during 2023/24 and 2024/25. The value of expenditure capitalised must not exceed the amount set out in the plan, including any updated plans, 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.
15. The projects in table 2 (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 project, project objectives, and potential planned use of receipts.
16. The proposals illustrated in the table (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 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.
17. Table 3 (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

18. 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.
19. 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.
20. 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, the 2023/24 budget assumes £25 million of capital receipts to fund the general fund capital programme and a further £10 million for transformation using this flexibility. At the end of the financial year 2022/23 the council estimates to have £2 million of capital receipts, with a pipeline of disposals to meet the commitments in the budget.
21. The amount of planned capitalisation using the flexibility for 2023/24 and 2024/25 is £10 million of which £8 million is for the financial year 2023/24.

Impact of 2023/24 strategy on Prudential Indicators

22. 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.
23. 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 2023 for approval.
24. The prudential indicators show that this strategy is affordable and will not affect the council's operational boundary and authorised borrowing limit.
25. 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

26. 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.
27. 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.
28. 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.
29. The strategy will be presented with the budget annually to Full Council for approval.

Table 1: Historic Use of Capital Receipts Flexibility

Project	Description / Benefits	Qualifying Expenditure					
		16/17 £m	17/18 £m	18/19 £m	19/20 £m	20/21 £m	Total £m
		Actual	Actual	Actual	Actual	Actual	Actual
Organisational Business Change	Programme to right size and shape how the organisation work 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. The 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 reduce support cost, 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	-	-	-	0.237	0.060	0.297
Total		5.300	0.000	0.000	2.809	3.263	11.372

Table 2: Future Use of Capital Receipts Flexibility

Project	Qualifying Expenditure			Description / Benefits	Medium Term Savings						
	23/24	24/25	Total		23/24	24/25	25/26	26/27	27/28	Total	
	£m	£m	£m		£m	£m	£m	£m	£m	£m	
	Estimate	Estimate	Estimate		Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
Reduce council-owned property	5.000		5.000	In light of new ways of working following COVID-19, this programme will enable the Council to operate from fewer buildings and ensure buildings can be rented out to other public and private sector partner and therefore the council would be able to benefit from lower cost and higher rental income.	-3.500	-3.500	-3.500	-3.500	-3.500	-17.500	
Transformation Project - Delivery Capacity	3.000	2.000	5.000	Project management, commissioned support service capacity to support the delivery of the agreed £xx million 22/23 and 23/24 5 year savings programme This will be applied to the delivery of specific savings with qualifying expenditure within it, a number of which are illustrated below:	See Below						
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.	0.432	-1.838	-1.968	-2.160	-2.414	-7.948	
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	-0.173	-1.457	-2.071	-2.322	-2.615	-8.637	
Undertake Care Act reviews				This programme aims to undertake planned Care Act reviews for people who are receiving care services to ensure we are helping people to maximise independence, access the right support, making best use of community resources and Technology Enabled Care and getting value for money from care services.	-1.000	-1.000	-1.000	-1.000	-1.000	-5.000	
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 available properties. This will reduce our spend on expensive and inappropriate accommodation like hotels.	-1.941	-2.762	-2.762	-2.762	-2.762	-12.989	
Strategic Business Review of Fees and Charges				Consolidated Programme - identifying new charging areas, ensuring charging opportunities for all goods or services are levied and reflect market rates (removal of subsidies) and the development and testing of a full cost recovery model and calculator.	-0.500	-0.500	-0.500	-0.500	-0.500	-2.500	
Resource Directorate Workforce				Reduce the amount of money we spend on staff by restructuring and reducing our support service to support a smaller organisation following the implementation of the councils change programme.	-3.080	-3.630	-3.630	-3.780	-3.780	-17.900	
Total Potential Spend	8.000	2.000	10.000		Total Estimated Savings	-9.762	-14.687	-15.431	-16.024	-16.571	-72.474

Table 3: Medium Term Savings - 2023/24

Directorate	23/24	24/25	25/26	26/27	27/28	Total
	£m	£m	£m	£m	£m	£m
Adults and Communities	-6.507	-2.995	-0.550	-0.468		-10.520
Children and Education	-1.887	-5.496	-1.262	-0.443	-0.547	-9.635
Growth & Regeneration	-7.597	-1.081	-0.001			-8.679
Resources	-4.751	-4.536	-0.160	-0.150		-9.597
Whole Council	-5.500					-5.500
Total:	-26.242	-14.108	-1.973	-1.061	-0.547	-43.931

Annex 2 - 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.



Cumulative Equality Impact Assessment of proposed budget savings 2023/24 – 2027/28	
<input checked="" type="checkbox"/> Budget Proposal	<input checked="" type="checkbox"/> Changing
Directorate: Crosscutting	Lead Officer name: Denise Murray
Service Area: All	Lead Officer role: Service Director - Finance

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, the 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 facing extreme financial challenges and based on our current forecasts, we face a funding gap over the next five years (to 2027/28) of £20.3 million in 2023/24 rising to £40 million by 2027/28. The worst case scenario by 2027/28 identifies this could be as much as £124.7 million dependent on the severity of factors such as rising costs of fuel, energy and inflation as well as uncertainty over funding in the latter years. This is in addition to the £34.3 million of savings and efficiencies proposals for 2022-2027 outlined in the 2022/23 budget.

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.

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.

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, service re-design programmes which cut across directorate boundaries, and increasing external income and Invest to Save revenue.

The Budget Equality Impact and Cumulative Impact Assessment process

Bristol City Council anticipates the potential impact for different communities of our budget proposals by carrying out an equality impact assessment process on each of the proposed savings. 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 is how we pay due regard to any decisions made. This is so that decision makers can 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 at the time the budget is approved and on an ongoing basis as propositions are further developed.

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 any particular compound issues or disparities, and what we can do to mitigate them.

Decision making

The recommendations regarding the budget proposals are made by the Mayor in Cabinet and then taken to Full Council, where the budget is set. 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 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. [Corporate Strategy - bristol.gov.uk](http://bristol.gov.uk/corporate-strategy)

Our Equality and Inclusion Policy 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. [Equalities policy - bristol.gov.uk](http://bristol.gov.uk/equalities-policy)

Our aim is to minimise direct and indirect impacts on our communities in this budget, specifically our communities from equalities groups, people living in deprivation and those with other characteristics, and where impacts are probable or likely, that we mitigate against these how and where we can. In building our approach to these budget reductions, we have at all times sought to find the required savings in areas which have the minimum direct impact on people and been clear how we will reshape the ongoing investment to pick up 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 to those more vulnerable in our city.

1.2 Who will the proposal have the potential to affect?

<input checked="" type="checkbox"/> Bristol City Council workforce	<input checked="" type="checkbox"/> Service users	<input checked="" type="checkbox"/> The wider community
<input checked="" type="checkbox"/> Commissioned services	<input checked="" type="checkbox"/> City partners / Stakeholder organisations	
Additional comments:		

1.3 Will the proposal have an equality impact?

Yes No [please select]

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.

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 \(bristol.gov.uk\)](https://www.bristol.gov.uk/equality-diversity)

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 [Data, statistics and intelligence \(sharepoint.com\)](#). See also: [Bristol Open Data \(Quality of Life, Census etc.\)](#); [Joint Strategic Needs Assessment \(JSNA\)](#); [Ward Statistical Profiles](#).

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 Form](#)

Data / Evidence Source [Include a reference where known]	Summary of what this tells us
Census 2011 and Census 2021 2011 Census Key Statistics About Equalities Communities	The Census details the demographic profile of Bristol. We have had initial data on the population of Bristol by age, ethnic group, national identity, language, and religion, but are still awaiting more detailed results and multivariate data, so demographic data is still largely informed by 2011 census and other population related documents (listed below)
The population of Bristol Bristol Key Facts 2022	Updated annually. The report brings together statistics on the current estimated population of Bristol, recent trends in population, future projections and looks at the key characteristics of the people living in Bristol.
Ward profile data (bristol.gov.uk)	The Ward Profiles provide a range of data-sets, including population, life expectancy, health and education disparities etc. for each of Bristol's electoral wards.
Bristol Quality of Life Survey 2021-22	The Quality of Life (QoL) survey is an annual randomised sample survey of the Bristol population, mailed to 33,000 households (with online & paper options), and some additional targeting to boost numbers from low responding groups. In brief, the most recent QoL survey indicated that inequality and deprivation continue to affect people's experience in almost every element measured by the survey.

The [Quality of Life 2021/22 data dashboard](#) highlights those indicators, wards and equality and demographic groups which are better or worse than the Bristol average.

For example there are significant disparities based on people's characteristics and circumstances in the extent to which they find it difficult to manage financially:

Quality of Life Indicator	% who find it difficult to manage financially
16 to 24 years	12.5
50 years and older	6.7
65 years and older	3.2
Female	8.6
Male	8.5
Disabled	21.6
Asian/Asian British	9.9
Black/Black British	19.8
Mixed/Multiple Ethnicity	16.3
White British	7.8
White Minority Ethnic	8.4
Lesbian Gay or Bisexual	12.7
No Religion or Faith	8.0
Christian Religion	8.3
Other Religions	18.2
Carer	10.7
Full Time Carer	14.0
Part Time Carer	9.7
Single Parent	28.6
Two Parent	9.6
Parent (all)	12.0
No Qualifications	10.0
Non-Degree Qualified	12.9
Degree Qualified	6.7
Rented (Council)	20.3
Rented (HA)	20.6
Rented (Private)	14.6
Owner Occupier	4.6
Most Deprived 10%	18.8
Bristol Average	8.7

Joint Strategic Needs Assessment (JSNA)

The Joint Strategic Needs Assessment reports on the health and wellbeing needs of the people of Bristol. It brings together detailed information on local health and wellbeing needs and looks ahead at emerging challenges and projected future needs. The JSNA is used to provide a comprehensive picture of the health and wellbeing needs of Bristol (now and in the future); to inform decisions about how we design, commission and deliver services, and also about how the urban environment is planned and managed; to improve and protect health and wellbeing outcomes across the city while reducing health inequalities; and to provide partner organisations with information on the changing health and wellbeing needs of Bristol, at a local level, to support better service delivery.

HR Analytics: Power BI reports (sharepoint.com) [internal link only]

Equality and Inclusion annual progress report 2021-22 (bristol.gov.uk)

Appendix – Workforce Diversity Data – summary analysis

Additional sources of useful workforce evidence include the Employee Staff Survey Report and Stress Risk Assessment Form completed by individuals and teams [internal links only]

The Workforce Diversity Report shows Bristol City Council Workforce Diversity statistics for Headcount, Sickness, Starters and Leavers data. The report is updated once a month with data as at the end of the previous month. 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).

Summary of Bristol City Council workforce diversity

	BCC headcount % (31 Oct 2022)	Bristol Working Age Population (16-64)
Age 16-29	12.2%	39.0%
Age 30-39	22.0%	24.0%
Age 40-49	24.4%	16.0%
Age 50-64	41.4%	21.0%
Age 65+	3.4%	-
Disabled	9.0%	12%
Asian / Asian British	2.9%	5.8%
Black / Black British	5.1%	5.3%
Mixed ethnicity	3.6%	2.9%
Other ethnic groups	0.4%	1.0%
White	79.8%	85.0%
Female	60.1%	49.0%
Male	39.3%	51.0%
Use another gender term	0.2%	-
Christian	25.9%	43.5%
Other religion/belief	6.6%	7.3%
No religion/belief	41.9%	41.5%
Lesbian, Gay or Bisexual	5.9%	9.1%
Trans	0.1%	-

<p>Nomis - Official Labour Market Statistics (nomisweb.co.uk)</p> <p>Business demography, UK - Office for National Statistics (ons.gov.uk)</p>	<p>84% of all people in Bristol are economically active which is higher than nationally (78.6%) and in the South West (80.7%). Of economically active people in Bristol 6.9% are self-employed, compared to 9.5% nationally. Of those who are economically inactive in Bristol, 33% are Students, 29% are 'long-term sick' and 16% are looking after family/home, as well as 9.2% who are retired. The percentage of 'workless households' in Bristol is 12.1%, compared to 13.6% nationally, and the proportion of working age people who are benefit claimants is 11.2%. Bristol has a higher proportion of people working in 'professional occupations' (36.2) than for the South West (24.4%) and nationally (25.8%).</p> <p>In 2020 (most recent data) the South West 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.</p>
<p>Bristol One City: Cost of Living Crisis – Bristol’s One City approach to supporting citizens and communities (Oct 2022)</p> <p>Cost of Living Risk Index (arcgis.com)</p>	<p>The rising cost of living is not impacting on everyone equally. People who are already experiencing inequity and poverty will be disproportionately impacted:</p> <ul style="list-style-type: none"> • People on the lowest incomes - will have less available income but also pay more for the same services. For example, people unable to pay their bills by Direct Debit and those borrowing money are subject to higher costs and interest rates. This is what anti-poverty campaign group Fair by Design has referred to as a Poverty Premium • Households with pre-payment energy meters - households with pre-payment meters often pay above-average costs for their fuel. They will face a significant rise in their monthly bills in autumn and winter with increased energy usage as they do not benefit from the “smoothing” effect of Direct Debits, which spread usage costs evenly across the year • Parents and young families – parents of young children are more likely to seek credit and alternative support as they are less able, on average, to afford an unexpected expense. Single parents will be disproportionately affected; and one in four single parents find it difficult to manage financially (28.6%). • Disabled people – just under half of all people in poverty in the UK are Disabled people or someone living with a Disabled person. Disabled people have higher living costs, and tend to pay more for their heating, travel, food/diet, prescription payments, and specialist equipment. It is estimated that UK households that include Disabled children pay on average £600 more for their energy bills than an average household • Black and Minoritised people – A higher proportion of Black and minoritised ethnic groups reported finding it difficult to manage financially (14.9%) in 2021. In 2020 the Social Metrics Commission found that almost half of people living in a family in the UK where the head of the household is Black are in poverty. Age UK report that poverty among older Black and

	<p>minoritised ethnic groups is twice as high as for white pensioners</p> <ul style="list-style-type: none"> • People in rented accommodation – it is estimated 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. Almost three in ten homes in Bristol are privately rented • Underserved populations - It is likely that populations that are not typically well represented in data and research are likely to also face increased risk from rising cost of living. For example, refugees and asylum seekers, people experiencing homelessness, and Gypsy/Roma/Traveller groups. • Cost of Living Risk Index (October 2022) identified Lawrence Hill, Hartcliffe & Withywood, Filwood, Lockleaze, Ashley, Southmead, Easton, Avonmouth & Lawrence Weston, Hillfields and Eastville as neighbourhoods in Bristol more at risk of the impact of the cost of living crisis.
<p><u>An evaluation of the Bristol Race Equality Covid-19 Steering Group</u></p> <p><u>Designing a new social reality - Research on the impact of covid-19 on Bristol’s VCSE sector and what the future should be – Black South West Network 2020</u></p> <p><u>Delivering an inclusive economy post COVID-19</u></p>	<p>Report focusing on how co-production using a One City approach has been used to respond to the disproportionate impact of the Covid-19 pandemic on our marginalized ethnic communities. Local research has highlighted how long-term underinvestment and lack of equity in funding and procurement has eroded the local voluntary and community sector. Our local partners have conducted research into the ongoing impact of COVID-19 for women and have provided recommendations on what service providers can do to reduce impact further impact.</p>

2.2 Do you currently monitor relevant activity by the following protected characteristics?

<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Gender Reassignment
<input checked="" type="checkbox"/> Marriage and Civil Partnership	<input checked="" type="checkbox"/> Pregnancy/Maternity	<input checked="" type="checkbox"/> Race
<input checked="" type="checkbox"/> Religion or Belief	<input checked="" type="checkbox"/> Sex	<input checked="" type="checkbox"/> 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 change or restructure \(sharepoint.com\)](https://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 Friday 11 November and Friday 23 December. Alongside asking for views on different options for Council Tax next year 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.

Unfortunately, because of the very tight timescales involved in preparing our draft budget proposals, this year we were unable provide an EasyRead version in time for the launch of the consultation as this takes several days to produce. To ensure Easy Read users had a reasonable period to respond, we let people know we would accept Easy Read responses which reached us by email or post by midnight on Sunday 8 January.

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 identify differences in their views:

- 6% 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. 121 per 10,000 residents in Hotwells and Harbourside, compared to 30 per 10,000 residents in Stockwood
- 46% of respondents were female and 53% were male
- 11% of respondents were Disabled people
- 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 4% (compared to 7% for Bristol)
 - Black/Black British 2% (compared to 6% for Bristol)
 - Mixed/Multiple ethnic group 3% (compared to 4% for Bristol)
 - Other ethnic background 0.5% (compared to 2% for Bristol)
 - Gypsy / Roma / Irish Traveller 0.1% (compared to 0.3% for Bristol)
- People from Christian and some other faith groups including Muslims were somewhat underrepresented
- We had good levels of representation from people with LGB+ sexual orientations
- 1% of respondents were pregnant or had given birth in the last 6 months
- 0.2% were refugees or asylum seekers

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 in early 2023. We will take Budget consultation responses into account when developing this and other final proposals to put to the Cabinet and a meeting of the Full Council for approval. The final decision will be taken by Full Council at its budget setting meeting in February / March 2023.

Following the setting of the overall budget envelope there will be extensive engagement, consultation and co-design with affected communities on particular proposals which will inform future decision making prior to implementation. Our approach to public engagement and consultation will proactively target under-represented respondents to increase the participation of people from equality groups and their local representative organisations. This will help to ensure that our services and actions are informed by the views and needs of all our citizens.

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)

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 their 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.

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 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.

It is anticipated that there may be significant changes including a reduction of some services and transfer of some staff to the West of England Combined Authority (WECA), which might affect access levels of representation or participation. We will consider any disproportionate impact of TUPE arrangements, where applicable and any emerging potential negative impacts will be carefully monitored throughout the management of change process.

Proposals which look at reducing the number of buildings we use are also very much focused on making sure they have good quality facilities. We recognise that busier buildings can have an impact on accessibility in terms of increased pressure on physical infrastructure such as lifts, shared equipment, toilets, noise levels etc. Estate rationalisation may also limit our capacity to host in-person meetings with equalities groups and host community events. Where proposals relate to changing work locations or conditions we will also consider the impact on those who may be more reliant on car parking or public transport; and provide and support access to funding for workplace adaptations and aids to enable disabled employees to obtain and retain their employment. We will provide reasonable adjustments whenever they are required and promote flexible working patterns wherever possible to maximise opportunities for people with caring responsibilities and those from faith groups or other relevant requirements.

As there is evidence showing that lack of equity in funding and procurement has eroded the local voluntary and community sector, we need to consider the extent to which any proposed reductions in budgets for commissioned services, or proposals to increase income (e.g. by reducing business rate relief for charities or other subsidies, passing on increased costs, or charging more commercial rates for premises and services) may have a disproportionate impact and without alternative income generating opportunities for the sector, could undermine the resilience of smaller organisations which are led by and/or support local equalities communities.

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. Cuts to equality team / community team – public sector equality duty advancing equality of opportunity and fostering good relation etc.

Reducing office accommodation is likely to have a disproportionate impact on some employees e.g. those who are more reliant on car parking or public transport (Age, Disability, Pregnancy/Maternity). We will provide and support access to funding for workplace adaptations and aids to enable disabled colleagues to obtain and retain their employment; promote flexible working patterns wherever possible to maximise opportunities for people with caring responsibilities; and continue to provide multi-faith spaces at our main working sites.

We are also aware of existing structural inequality and particular considerations, issues and disparities for people in Bristol based on their characteristics, and background which we have taken into account in making this budget proposal.

Deprivation and the Cost of Living Crisis

The rising cost of living is not impacting on everyone equally and people who are already experiencing inequity and poverty not only have less available income but also often pay more for the same services. Our savings proposals are not happening in a 'bubble', and we should be aware of the compounding

impact of external factors such as rising utility bills, accommodation costs and food prices on everyday household budgets.

Whilst there is a clear and direct potential impact on low-income household in relation to some of our savings proposals such as those relating to options for Council Tax funding and a Social Care Precept, decision makers should be also be aware of the potential cumulative impact of multiple savings proposals which taken together are likely to amount to significantly 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 of this impact on people living in deprivation.

Quality of Life and the wider determinants of health

There are disparities by demographic group in our annual Quality of Life survey with some groups showing significantly worse than average across all themes (in particular disabled people, council renters, those in the 10% most deprived areas of the city).

There are multiple budget savings proposals which will reduce the overall range and quantity of services that promote quality of life for Bristol citizens, including those relating to community and living which may not have been considered collectively.

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.

Demographic group	Number of significantly worse indicators
Disabled	112
10% most deprived	86
Renting from the Council	95
Renting from a Housing Association	67
Renting from a Private Landlord	45
Black, Asian and minoritised ethnic groups	32
Christian	42
Other faith groups	21
Young People 16-14	35
Older people 65+	54
No qualifications	77
Full time carers	79
LGBTQ+	45
Single Parents	43

Filling the gaps

There are multiple savings proposals which aim to reduce the need for direct services by enabling other organisations, communities, and individuals to take things on, where possible doing less directly ourselves. Some proposals aim to build resilience and prevent problems in people's lives escalating, by intervening early to support independence and prevent more need for us in the future.

We are aware that stopping, reducing or increasing the threshold of need at which we offer services may have a disproportionate impact on vulnerable citizens including on the basis of their protected characteristics, deprivation and caring responsibilities if suitable alternative support is not in place.

We know that other public bodies including NHS Trusts are also under enormous financial strain, and that long-term underinvestment and lack of equity in funding and procurement has eroded the local voluntary and community sector. Because the underlying reasons for the Council's budget deficit are far reaching and likely to impact other public bodies and providers we should avoid making any assumptions that people's needs will still be met by other / external provision if we reduce or decommission our existing services.

The Quality of Life in Bristol survey and anecdotal reporting from local community and voluntary sector organisations indicates there has been a considerable decline in the extent to which Bristol citizens volunteer or help out in their community, with more people saying money problems are stopping them from doing this. For this reason we cannot assume that when we stop or reduce services this will be fully mitigated by local volunteering and community action.

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.

For savings proposals which aim to streamline third party spend by working with a smaller range of providers or a single strategic partner we will ensure that commissioning arrangements promote the delivery of inclusive, accessible and culturally competent services to meet the diverse needs of Bristol's citizens, and that specialist provision is retained where needed.

Significant Financial Pressures & Challenge

Alongside other public bodies we are in a significant period of financial pressure, with significant challenge 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. However some approaches such as the dedicated school grant extension are not sustainable as long-term solutions.

Accommodation

Where savings proposals aim to reduce the costs of providing temporary accommodation by creating new temporary accommodation and repurposing existing properties (including sites not previously being used for accommodation) we need to ensure that homes are safe, accessible/adaptable, culturally appropriate and near support networks, with a sufficient range of properties to meet differing needs including for larger families and for minoritised ethnic communities, single households and younger people who are over-represented in temporary accommodation and homelessness applicants locally. This is also true of proposals to increase in-house Children's Home Provision. We must also ensure that we have sufficient officer capacity to quality assure agreements with third parties helping us achieve this.

Transport and mobility

Where our savings proposals are likely to mean that service users will have to travel further to access our services we should be aware that there are significant disparities in the extent to which inaccessible public transport prevents some people in Bristol from leaving their home when they want to depending on their characteristics and where they live. This inequality is likely to be exacerbated by the cost of living crisis and more limited local bus provision due to lack of drivers. For our proposals which involve reducing or changing services relating to transport infrastructure and city design we will aim to minimise any potential reduction in our capacity to promote safe and accessible travel in the city.

Income generation

Where we have savings proposals to charge clients, partners or citizens for goods or services, we may do so at the kind of market rates that you'd expect from a private business and reducing subsidies by other taxpayers. 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 minoritised ethnic led organisations, 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.

Digital transformation

There are several savings proposals which aim to make more use of digital technology to help remove or reduce costs. Through more use of digital technology, we can be more efficient and effective, whilst improving outcomes by targeting services to those who need them and addressing digital exclusion - those who can't access digital services or find using them difficult or unaffordable. Some groups in Bristol are much less likely to feel comfortable using digital technology, including older people, Disabled people, carers, those living in Council accommodation and in the most deprived areas of the city.

We will continue to invest in making our digital services more accessible and ensure there are always alternatives for those that need them. The council is using innovative ideas to address digital exclusion and the efficiencies gained through prioritising digital services can be used to provide better face to face or alternative services.

Information Poverty

Some citizens and service in Bristol experience additional inequality because of barriers to accessing and understanding information about the help and resources available to them. As well as the issues identified above with digital information, this can be because of language barriers (including for British Sign Language users), because of learning difficulties and/or neurodivergence, because of poorly developed information infrastructure, or simply because information is not available or well communicated.

Where our savings proposals lead to significant changes to delivery we need to ensure that we communicate information about this in a range of inclusive and accessible formats, making sure that communication is clear, concise and unambiguous; and setting out time-scales to give sufficient advance notice.

Council Tax Funding and the Social Care Precept

We are conscious of the impact of any Council Tax increase on Bristol residents at a time of acute cost of living pressures. At the same time people rely on our key services and we need to make sure we have a solution for how they will be provided during this difficult period. We continue to work to ensure these services remain sustainable, and that the most vulnerable citizens are protected. This provides us with a difficult balancing act between considering Council Tax increases, provision of services, and how we can generate more income.

Design and implement a more targeted Local Council Tax Reduction scheme.

This could include the introduction of a flat rate 10% - 20% reduction in support for working age households or the introduction of a banding scheme with targeted 100% protection to some working age

households. Although this is in line with what other local authorities are doing, the approach needs to be considered in the context of the wider cumulative impact of our other budget savings proposals, and how the cost of living crisis is impacting low-income households in Bristol. As this is a £3m saving proposal and current eligibility is low income and receipt of means tested benefits there is likely to be a disproportionately negative impact overall on deprivation – and we need to ensure reductions are targeted in an equitable way.

Bristol is also responsible for providing social care services to our most vulnerable residents and the Social Care Precept allows us to raise additional money for this through Council Tax.

The 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% rent and service charge increase from April 2023 (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 three and four-year olds and for two-year-olds from households with low incomes. 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 education funding.

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 council has no say in how much money central government gives us to pay for public health work 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, and supporting infrastructure work such as Bristol Heat Network which should save money in the future.

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.

Age: Young People	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	Living in poverty can negatively impact outcomes for children and may mean that families are less able to make healthy lifestyle choices than more affluent families. Poverty is associated with worse cognitive, social-behavioural and health outcomes, including lower birth weight, asthma, obesity and mental health problems, and poorer

	<p>'life chances'. The Resolution Foundation has estimated that levels of absolute child poverty could rise by 5% points in 2022/23.</p> <p>Proposals to review services improve efficiency, align payments and make savings in commissioned services for children and young people may reduce the focus on providing accessible and flexible services unless revised specifications have an explicit equality and inclusion focus.</p> <p>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 related to e.g. accommodation, digital services etc.</p> <p>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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • 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. • 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: <ul style="list-style-type: none"> ○ have poor emotional health and wellbeing ○ find inaccessible public transport prevents them from leaving their home when they want to ○ 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
Age: Older People	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	Savings proposals which relate to transport, buildings, parking, parks and green spaces etc. may lead to service changes which have a disproportionate on older citizens unless there is ongoing consideration of their particular needs. The population of older people in Bristol is increasingly diverse and proposals to make savings 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. Workforce efficiencies and changes may have a disproportionate impact on older employees if they are closer to retirement age – see comments above re. mitigating risks of discrimination.
Existing issues / considerations	<ul style="list-style-type: none"> • Older people in Bristol are: <ul style="list-style-type: none"> ○ less likely to be comfortable using digital services ○ 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
Disability	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	Where proposals will explicitly address the needs of Disabled people we should consider whether any savings proposals, which aim to reduce or introduce new charges

	<p>for services particularly benefiting disabled people, might reduce our public sector equality duty to advance equality of opportunity.</p> <p>Where there are proposals to make general savings and efficiencies to services and better use of technology we must ensure that our capacity to make anticipatory and responsive reasonable adjustments for disabled people is not reduced. We will ensure that those who require resources in alternative formats or who need phone or face-to-face support can still access it. We will involve disabled users in testing new technology to make sure accessibility features are effective.</p> <p>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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • 17% of Bristol’s population are Disabled. There are more Disabled women than men living in Bristol. • One in five Disabled adults faces extra costs of over £1,000 a month even after they have received welfare payments designed to meet those costs¹. • In 2021, the disability pay gap was 13.8% with Disabled employees earning a median of £12.10 per hour and non-Disabled employees a median of £14.03 per hour. • Disabled people are less likely to be employed in a managerial or professional occupation • the national disability employment rate was 52.7% in Q2 2021, compared to 81.0% for non-disabled people. • Disabled workers move out of work at nearly twice the rate (8.8%) of non-disabled workers (4.9%). Workless Disabled people move into work at nearly one-third of the rate (11.0%) of workless non-Disabled people (26.9%) • Disability increases with age: 4.1% of all children, for the working age population it increases to 12.3% and for people aged 65 and over it increases to 55.9%. • Disabled people on average have lower qualification levels than the population as a whole. • A higher proportion of Disabled people rent from a social provider (local authority or housing association) • Disabled people have lower car ownership levels • Disabled people experience higher rates of hate crime and domestic abuse compared to the general population • 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: <ul style="list-style-type: none"> ○ changing the way things are done e.g. opening / working times; ○ changes to overcome barriers created by the physical features of premises. ○ providing auxiliary aids e.g. extra equipment or a different or additional service. ○ 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.
Sex	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

¹ Disability Price Tag | Disability charity Scope UK

Cumulative impact and mitigations	<p>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. Service redesign should take into consideration the differing needs of female and male service users.</p> <p>Workforce efficiencies and changes will have a disproportionate impact on women as c.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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • The average UK pay gap is 15.4% in favour of men. The South West average is 16.6% with women paid 83p for every £1 earned by male counterparts. • 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. • Bristol female preventable mortality rates are significantly higher than the England rates • Nationally 27% of women experience domestic abuse in their lifetimes. The rate of recorded domestic abuse incidents in Bristol has shown a significant rise over the last two years and 74% of victims were female. • Men and boy's health is in general poorer than that of women and girl's • Male life expectancy at birth in Bristol is around four years less than for females. • On average men in Bristol live 18 years in poor health, women live 22 years in poor health • A higher proportion of boys have physical impairments and more boys than girls have diagnosed mental health disorders and learning difficulties. • Men in Bristol are more likely than women to have unhealthy lifestyle behaviours including being overweight and obese, smoking, alcohol and substance misuse • There are differences between men and women in health practices and the way they use health services • Men are three times more likely than women to take their own lives.
Sexual Orientation	<p>Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
Cumulative impact and mitigations	<p>Proposals to make savings in externally commissioned services may reduce the focus on providing LGBTQ+ friendly services unless revised specifications have an explicit equality and inclusion focus.</p> <p>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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • Lesbian, gay and bisexual people are statistically more vulnerable to verbal and physical abuse • 1 in 5 Lesbian, Gay, Bisexual and Trans (LGBT) staff have been the target of negative comments or conduct from work colleagues in the last year because they're LGBT. • More than a third of LGBT staff have hidden or disguised that they're LGBT at work in the last year because they were afraid of discrimination.

	<ul style="list-style-type: none"> • 1 in 10 Black, Asian and Minority Ethnic LGBT staff have similarly been physically attacked because of their sexual orientation and /or gender identity, compared to 3% of White LGBT staff • One in four lesbian and bisexual women have experienced domestic abuse in a relationship, one third of them were abused by a man. Almost half of all gay and bisexual men have experienced at least one incident of domestic abuse from either a family member or a partner since the age of 16. • Research shows LGBT people face widespread discrimination in healthcare settings and one in seven LGBT people avoid seeking healthcare for fear of discrimination from staff • The Stonewall <u>LGBT in Britain - Health Report</u> shows LGBT people are at greater risk of marginalisation during health crises, and those with multiple marginalised identities can struggle even more. In communications we should signpost and refer where possible to mutual aid and community support networks? • Research has shown that LGBT people are more likely to be living with long-term health conditions, are more likely to smoke, and have higher rates of drug and alcohol use. • Half of LGBT people experienced depression in the last year • 14% of LGBT people have avoided treatment for fear of discrimination because they are LGBT.
Pregnancy and Maternity	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	Savings proposals which relate to transport, buildings, parking, parks and green spaces etc. may lead to service changes which have a disproportionate on pregnancy and maternity unless there is ongoing consideration of particular access and support needs. 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.
Existing issues / considerations	<ul style="list-style-type: none"> • 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
Gender reassignment	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	Proposals to make savings in externally commissioned 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.
Existing issues / considerations	<ul style="list-style-type: none"> • As sexual orientation above trans people are statistically more vulnerable to verbal and physical abuse. Trans people regularly face prejudice and discrimination because of the way in which they transgress many of the norms of our culture and society.

	1 in 8 trans people (12%) in the workplace have been physically attacked by customers or colleagues in the last year because they were trans
Race	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	<p>Without an explicit focus on addressing race inequality in service redesign the cumulative impact of proposed savings may have a disproportionate for Black and racially minoritised communities because of existing structural inequality and disparities in terms of health, housing, education, employment etc. All service change proposals will be subject to equality impact assessment, and we continue to work with our strategic partners to meet the needs of Bristol’s diverse population.</p> <p>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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • Research from The Runnymede Trust shows that Black and minority ethnic households in the UK are more likely to be in deep poverty and currently experience much higher levels of food insecurity, material deprivation and fuel poverty². • Minoritised ethnic communities in Bristol experience greater disadvantage than in England and Wales as a whole in education and employment and this is particularly so for Black African people². • In the last census (2011) 16% of the population belonged to a Black, Asian or minority ethnic group and this is likely to be higher now. • The top three countries of birth outside UK for Bristol residents are Poland, Somalia and India. • Although the race or ethnicity pay gap has narrowed in recent years there are still wide pay differences between particular ethnic groups and most minority ethnic groups earn less on average than White British people. • Bangladeshi, Pakistani, and Black ethnic groups are more likely to live in deprived neighbourhoods; and the same groups and Chinese ethnicities are about twice as likely to live on a low income and experience child poverty compared to White groups • Black, Asian and minoritised ethnic households are less likely to own their home and more likely to living in overcrowded housing and intergenerational households. Bangladeshi and Pakistani groups are more likely to live in multi-family households. • Black people in the UK are less likely to hold a driving licence and more likely to rely on public transport. • Black, Asian and minority ethnic groups in Bristol are more likely to find inaccessible public transport prevents them from leaving their home when they want to • Black African young people are disadvantaged in education compared to their White peers⁸. A disproportionately high percentage of Bristol school pupils from Black, Asian and minority ethnic backgrounds are excluded from school and In Bristol pupils with the lowest ‘Attainment 8’ scores are from Black ethnic background (highest from Chinese ethnic background.) • Organisations may lack cultural competence because minoritised ethnic staff are under- represented. • People from Black African, Other, and Black Caribbean groups have persistently high levels of unemployment and almost all ethnic minority groups in Bristol experience employment inequality when compared to White British people. • Black Asian and other minoritised ethnic groups are more likely to be self-employed than the Bristol average and over-represented in low income self-employment including taxis, takeaway restaurants

	<ul style="list-style-type: none"> • People from minoritised ethnic backgrounds are underrepresented in political and civic leadership. • People who do not speak English as a main language may require information in plain English and community language translations or videos etc.
Religion or Belief	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cumulative impact and mitigations	<p>Whilst the overall budget setting proposals have prioritised essential services there is a risk that the cumulative impact of savings in non-essential areas may have a disproportionate impact on people from non-Christian faith groups who are less likely to be satisfied with the range and quality of outdoor and cultural events, parks and green spaces and other amenities in the city. We will work with faith-led organisations in the city to understand the emerging needs of faith groups as part of ongoing service design.</p> <p>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.</p>
Existing issues / considerations	<ul style="list-style-type: none"> • There are at least 45 religions represented in Bristol. The most recent Census data shows that 6.7% of people in Bristol are Muslim, and Islam is the second religion in Bristol after Christianity. • Budget proposals should take into account differing needs because of people's religion and belief (for example different requirements around diet, life events, and holidays). • Having a designated multi-faith room can make environments such as workplaces and shopping centres is more accessible and friendly for people from faith groups where regular prayer is required.
Marriage & civil partnership	Does your analysis indicate a disproportionate impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Cumulative impact and mitigations	None identified
OTHER RELEVANT CHARACTERISTICS	
	Does your analysis indicate a disproportionate impact? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<p>Socio-Economic (deprivation)</p>	<ul style="list-style-type: none"> • Our assessment at this budget setting stage (prior to further detailed development and implementation of savings proposals) is that there is an overall risk of disproportionate negative impacts on low-income households and people living in poverty from our savings proposals unless this is adequately mitigated. • We have addressed this risk as far as possible by protecting frontline services and prioritising services for those most in need, and through specific proposals such as allocating of a proportion of the discretionary Local Crisis Prevent Fund to support qualifying new and existing council tenants with emergency living expenses and household goods, maximising income from Council Tax Social Care Precept, and the continuation of a more focused Council Tax Reduction Scheme discount. • Compared to consultation respondents overall, people living in the 10% most deprived areas of the city were more likely to agree with no increase to Council Tax (36% compared to 23%), and less likely to agree with a 3% increase (29% compared to 41%). They were also more likely to agree with no additional social care precept (35% compared to 28%), and less likely to agree with an additional 3% social care precept (22% compared to 32%). • The local crisis prevention fund provides discretionary emergency payments for essentials and household goods for people in financial hardship. Any reduction to the authority's contribution to local crisis prevention fund will restrict the effectiveness of this mitigation. • The Housing Revenue Account budget proposes that Council tenants' rents and service charges increase by 7%. For tenants who are in rent arrears this proposal will influence their current debt situation. We will be mindful that support should be put in place for those who have been identified as having existing arrears and help from appropriate services will be forthcoming. We will also reinvest rents in housing so there are benefits in terms of helping to fund housing supply and make other improvements for tenants. • Bristol has 41 areas in the most deprived 10% in England, including 3 in the most deprived 1%. The greatest levels of deprivation are in Hartcliffe & Withywood, Filwood and Lawrence Hill. • In Bristol 15% of residents - 70,800 people - live in the 10% most deprived areas in England, including 19,000 children and 7,800 older people. • There are an estimated 29,045 households living in fuel poverty in Bristol, 14.4% of all households (BEIS, 2022) • 4.6% of households have experienced moderate to severe food insecurity, rising to 11.2% in the most deprived areas of the city (QoL 2021-22) • 34.6% of people in Bristol are dissatisfied with the way the Council runs things, but this is 47.5% for people living in the most deprived areas of the city (QoL 2021-22). • The inequalities gap in life expectancy between the most and least deprived areas in Bristol is 9.9 years for men and 6.7 years for women.
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<p>Carers</p>	<ul style="list-style-type: none"> • Whilst the increasing move towards hybrid working is beneficial for some employees with caring responsibilities, proposed workforce efficiencies and changes can have a disproportionate impact if there are significant alterations made to travel requirements or working patterns. We will promote flexible working patterns and consider the needs of those who may be more dependent on vehicle use as part of any Management of Change Process. • Being a carer can be a huge barrier to accessing services and maintaining employment • We need to consider the timing/availability of services, events etc. to allow flexibility for carers. • As with Disability and Pregnancy and Maternity – policies which aim to restrict driving or parking can have a disproportionate impact on people who are reliant on having their own transport. • Studies show around 65% of adults have provided unpaid care for a loved one. • Women have a 50% likelihood of being an unpaid carer by the age of 46 (by age 57 for men) • Young carers are often hidden and may not recognise themselves as carers.
<p>Homelessness</p>	<ul style="list-style-type: none"> • Minoritised ethnic communities are overrepresented in homelessness applicants locally and nationally, especially Black/Black British people • Single households and younger people overrepresented (linked to mortality rates) Higher levels of women (18-20%) and non-EU nationals represented in the Bristol rough sleeping population • Diversity monitoring gaps e.g. for ethnicity, sexual orientation and low self-recognition of disability for people with complex health needs may mean there is less insight into future demand by characteristic

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

The scale of the potential gap in our core funding means that there is very limited opportunity to bring genuine additional benefit to equalities groups in the circumstances. However 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 are 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 possible by prioritising and retaining statutory and targeted services which most benefit vulnerable groups. Any reduction in Council roles and office locations is likely to have a disproportionate impact for employees on the basis of their age, disability, sex and race unless mitigated through thorough staff consultation and ongoing consideration of specific equality impacts prior to implementation.
Summary of positive impacts / opportunities to promote the Public Sector Equality Duty:
No significant positive impacts have been identified. This analysis has concluded that overall the proposed savings are proportionate and can be justified on the basis the Council must set a balanced annual budget despite a significant potential gap in the funding required.

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 https://www.bristol.gov.uk/council-spending-performance/council-budgets and continue to be updated as appropriate.		

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 KPIs and workforce diversity Equalities policy - bristol.gov.uk

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 Director³.

Equality and Inclusion Team Review: <i>Reviewed by Equality and Inclusion Team</i>	Director Sign-Off: Denise Murray Director of Finance/S151 Officer
Date: 11/1/2023	16/01/2023

³ 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 2023/24



Introduction

Like many organisations, Bristol City Council has a cost of operating crisis, which will affect our ability to carry out all the activities we want to and may affect our ability to provide the services we want.

Councils have faced reducing revenues as part of the government austerity programme for a decade between 2010–2019 and whilst there has been additional income since 2019 it has not been enough to respond to escalating costs and rising demand for our services. This combined with the pandemic has had a lasting impact and for councils across the country, the options they have available to them to balance the budget are increasingly challenging.

Based on our current forecasts, we face a funding gap over the next five years, with a gap of £20.3 million in 2023/24 rising to £40 million by 2027/28. This is in addition to the £34.3 million of savings and efficiencies proposals for 2022–2027 outlined in the 2022/23 budget.

The following savings proposals will be presented to Cabinet on Tuesday 24 January 2023. Cabinet will decide whether to recommend the budget to Full Council. If it does, Full Council will consider the budget for 2023/24 on Tuesday 21 February 2023.

The setting of a budget which includes these proposals does not guarantee that they will all happen. Many will be subject to further development, public consultation, and formal Cabinet decision-making.

Our savings and efficiencies proposals 2023 to 2028

The following list of proposals set out how we hope to bridge our £40 million budget gap until March 2028.

There are 54 suggested council-wide proposals to be presented to Cabinet. These cut across multiple themes or areas of council service, and speak to how we organise ourselves, conduct our business and raise income across the board.

They are closely linked to our [Corporate Strategy 2022 to 2027](#) priorities for being an effective development organisation, working more closely together in a ‘one council’ approach and taking a corporate approach to issues like property and charging.

Each proposal is presented with its forecast savings for each financial year up until 2027/28.

The list of proposals is broken down in to two sections so that proposals that may require consultation can be reviewed separately to those that do not.

In section three there is a summary table that aligns our autumn 2021 consultation themes with proposals.

The amounts shown against each savings proposal are net of the costs and investments required to deliver the proposed savings. Where a positive 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.

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.

*Status:	
Budget Report 2022/23	An unchanged proposal which was published as part of 2022/23 Budget Report
Budget Report 2022/23 <i>(changed)</i>	A proposal which was published as part of 2022/23 Budget Report but has had its description or savings amounts changed
Budget Consultation Dec 2022	An unchanged proposal which was published as part of the 2023/24 – 2027/28 Budget Consultation
Budget Consultation Dec 2022 <i>(changed)</i>	A proposal which was published as part of the 2023/24 – 2027/28 Budget Consultation but has had its description or savings amounts changed
Budget Recommendation 2023/24 <i>(New since 2022 consultation)</i>	A new proposal now being published following the 2023/24 – 2027/28 Budget Consultation

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Adults	2223-ASC1	Cllr Helen Holland	<p>Increase social housing for people with care and support needs</p> <p>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.</p>	-	(870)	(550)	(468)	-	(1,888)	Budget Report 2022/23

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Adults	2223-ASC10	Cllr Helen Holland	<p>Review local Section 117 funding arrangements for care and support services under the Mental Health Act 1983</p> <p>This proposal involves reviewing after care arrangements for people who have been detained under the Mental Health Act, where their care is jointly funded by the local authority and the clinical commissioning group. A saving should come from more efficient commissioning and better use of resources.</p>	(250)	-	-	-	-	(250)	Budget Report 2022/23
Adults	2223-ASC7	Cllr Helen Holland	<p>Review Bristol Community Links service delivery</p> <p>Review of Day Opportunities. Subject to consultation.</p>	(500)	(500)	-	-	-	(1,000)	Budget Report 2022/23
Whole Council	2223-CEN03	Cllr Craig Cheney	<p>Reduce council-owned property</p> <p>In light of new ways of working following COVID-19, review the number of buildings we use for office space. Aim to reduce our office floor space by at least 50 per cent, whilst making sure we have the right amount and quality of workspaces, reducing our carbon footprint.</p>	(2,000)	-	-	-	-	(2,000)	Budget Report 2022/23
Whole council	2223-CEN05	Cllr Craig Cheney	<p>Strategic business review of fees and charges</p> <p>A strategic review of fees and charges to identify new charging areas, ensure charging opportunities for all relevant goods or services are levied and reflect market rates. This would mean the removal of some subsidies and will include the development and testing of a full cost recovery model and calculator.</p>	(250)	-	-	-	-	(250)	Budget Report 2022/23

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Children's and Education	2223-CF10	Cllr Asher Craig	<p>Reduce contractual value of the council's commissioned youth services</p> <hr/> <p>Develop a strategic plan to achieve the mayoral priority of the Youth Zone and enable the best use the totality of funding for the Youth Service, whilst delivering the statutory post-16 guarantee.</p>	(200)	-	-	-	-	(200)	Budget Report 2022/23
Children's and Education	2223-CF2	Cllr Asher Craig	<p>Review Early Help and Family Hub offer</p> <hr/> <p>Undertake a review of Early Help funding to support our development of a Family Hub approach and integrated working in localities. This will include an assessment of other areas of funding and community capacity that can contribute in future to an integrated 'place based' approach, developing a service profile that makes best use of available assets across partner agencies.</p>	(200)	-	-	-	-	(200)	Budget Report 2022/23
Children's and Education	2223-CF6	Cllr Asher Craig	<p>Review special guardianship order arrangements</p> <hr/> <p>Improve special guardianship arrangements to ensure payments are aligned with national guidance.</p>	(461)	-	(123)	-	-	(584)	Budget Report 2022/23
Growth and Regeneration	2223-GR011	Cllr Don Alexander	<p>Review charges at all off-street car parks and on-street parking spaces</p> <hr/> <p>A review will be undertaken of current charges across all council owned off-street car parks and on-street parking bays.</p>	(1,400)	-	-	-	-	(1,400)	Budget Report 2022/23 (changed)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2223-GR016	Cllr Ellie King	Standardise all allotment fees Set agreed and consistent rate for allotment tenants, fixed for three years, to ensure sustainability of allotment service.	(55)	-	-	-	-	(55)	Budget Report 2022/23
Growth and Regeneration	2223-GR017	Cllr Craig Cheney	Review local community infrastructure levy allocation criteria Review the allocation criteria to release additional funding for Parks and Green Spaces.	(100)	-	-	-	-	(100)	Budget Report 2022/23
Growth and Regeneration Page 002	2223-GR021	Cllr Ellie King	Secure new commercial opportunities through the Bristol Future Parks approach Generate new income for Parks and Green Spaces.	(25)	(50)	-	-	-	(75)	Budget Report 2022/23
Growth and Regeneration	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)	-	-	-	(50)	Budget Report 2022/23
Growth and Regeneration	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.	(178)	(629)	-	-	-	(807)	Budget Report 2022/23 (changed)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2223-GR055	Cllr Don Alexander	Increase fees for pay and display parking bays Increase fees for Pay and Display parking bays within Residents Parking Schemes for the period after the first 30 minutes, by 15% (approx. £0.20 p/hr) based on local transport policy to encourage modal shift to sustainable modes of transport.	(350)	-	-	-	-	(350)	Budget Report 2022/23
Growth and Regeneration	2223-GR056	Cllr Don Alexander	Establish a new Resident Parking Scheme Establish at least one new Resident Parking Scheme.	(75)	-	-	-	-	(75)	Budget Report 2022/23
Growth and Regeneration Page 210	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.	(1,000)	500	500	-	-	-	Budget Consultation Dec 2022
Growth and 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.	(910)	70	-	-	-	(840)	Budget Consultation Dec 2022 (changed)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2324-GR5	Mayor	<p>Sustainable City and Climate Change</p> <p>Reduce the cost of running our Sustainable City and Climate Change services, and secure longer term external funding so that we do not impact on the delivery of our climate and carbon neutral ambitions.</p>	(286)	-	-	-	-	(286)	Budget Consultation Dec 2022
Growth and Regeneration	2324-GR7	Cllr Tom Renhard / Cllr Nicola Beech / Mayor	<p>Temporary Accommodation need</p> <p>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.</p>	(1,941)	(821)	-	-	-	(2,762)	Budget Consultation Dec 2022 (changed)
Adults	2324-NEW1	Cllr Helen Holland	<p>S Bristol Rehab Centre</p> <p>Balance of saving from 2022/23 when centre closed.</p>	(144)	-	-	-	-	(144)	Budget Recommendation 2023/24 (new since 2022 consultation)
Growth and Regeneration	2324-NEW10	Cllr Kye Dudd	<p>Charging for DIY waste at recycling centres</p> <p>Introduction of DIY waste charges as follows: £2.90 per sack of rubble, £4.50 per sheet of bag of plasterboard, £11 per bag/sheet of asbestos.</p>	(300)	-	-	-	-	(300)	Budget Recommendation 2023/24 (new since 2022 consultation)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2324-NEW11	Cllr Kye Dudd	Charging for processing and delivery of recycling containers Introduce charge for the processing and delivery of recycling containers. Charge will be up to £2.50 per container. Approx. 105k containers delivered and assumed some drop off in orders.	(100)	-	-	-	-	(100)	Budget Recommendation 2023/24 (new since 2022 consultation)
Growth and Regeneration	2324-NEW12	Cllr Kye Dudd	Charging for collection Christmas trees Charge residents up to £5 for the collection of Christmas trees after Christmas. Free collection for residents with garden waste service subscription.	(30)	-	-	-	-	(30)	Budget Recommendation 2023/24 (new since 2022 consultation)
Children's and 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)	-	-	-	(400)	Budget Recommendation 2023/24 (new since 2022 consultation)
Children's and 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 Recommendation 2023/24 (new since 2022 consultation)
Children's and Education	2324-NEW4	Cllr Asher Craig	Pooled Budgets Enable a one-off refund of pooled budgets.	(100)	100	-	-	-	-	Budget Recommendation 2023/24 (new since 2022 consultation)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2324-NEW5	Cllr Don Alexander	New parking charges New charges for small district car parks.	(150)	(150)	-	-	-	(300)	Budget Recommendation 2023/24 (new since 2022 consultation)
Growth and Regeneration	2324-NEW6	Cllr Kye Dudd	Increase garden waste service charge Increase annual subscription to £50 annual payments, £47 direct debit payments and £24 for benefits payments. Currently 28k subscribers and assumes 10% reduction. (Previously £32 annual, £29 DD, £14 benefits).	(144)	-	-	-	-	(144)	Budget Recommendation 2023/24 (new since 2022 consultation)
Growth and Regeneration	2324-NEW7	Cllr Kye Dudd	Increase chargeable domestic waste charges Increase the unit rates for the chargeable domestic waste service (charge to schools universities community groups and religious establishments), so they are just below commercial waste market rates. There are approx. 10 different rates.	(36)	-	-	-	-	(36)	Budget Recommendation 2023/24 (new since 2022 consultation)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Growth and Regeneration	2324-NEW8	Cllr Kye Dudd	<p>Bulky waste – upholstered furniture charge</p> <p>New regulations by EA are increasing cost of disposing of upholstered furniture due persistent organic retardants used as fire retardants. 10,000 collections a year and assumes 10% padded furniture. Charges to be £25 per sofa, £50 for three piece suite. (Current charges three items at £25 and six at £50 which would not change for non padded furniture as admin pledge to reduce cost)</p>	(7)	-	-	-	-	(7)	Budget Recommendation 2023/24 (new since 2022 consultation)
Growth and Regeneration Page 214	2324-NEW9	Cllr Kye Dudd	<p>Replacement bin charge</p> <p>To introduce a charge for the replacement bins, £28 per bin or £14 for benefits. Applies to black bins and garden waste bins. Annually 5,400 bins replaced at cost of £28.</p>	(100)	-	-	-	-	(100)	Budget Recommendation 2023/24 (new since 2022 consultation)
Adults	2324-P1	Cllr Helen Holland	<p>Bristol Community Links Service</p> <p>We will continue to make efficiencies in the delivery of our community and day services for adults.</p>	187	(687)	-	-	-	(500)	Budget Consultation Dec 2022 (changed)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Adults	2324-P10	Cllr Helen Holland	<p>Adult Social Care Purchasing Budget</p> <p>Strengthening the council's governance of third party spend (where we pay external organisations to provide care services on our behalf) to ensure the services we provide are fair, affordable and represent good value. This better management of our expenditure will enable us to spend less and also ensure we achieve best value.</p>	(4,000)	-	-	-	-	(4,000)	Budget Consultation Dec 2022
Children's and Education Page 215	2324-P11	Cllr Asher Craig	<p>Foster carer recruitment and retention</p> <p>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.</p> <p>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.</p>	(173)	(1,284)	(614)	(251)	(293)	(2,615)	Budget Consultation Dec 2022 <i>(changed)</i>

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Children's and Education	2324-P13	Cllr Asher Craig	Keeping Families Together/Family Network We will redesign our services to focus on providing greater support to families in crisis, which would result in better outcomes and also reduced costs through reaching families quicker and identifying appropriate support quicker reducing the likelihood of escalation of needs. This will be done via service redesign, the review of third party contracts and explore providing specific services in house.	(60)	-	-	-	-	(60)	Budget Consultation Dec 2022 (changed)
Children's and 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 Consultation Dec 2022
Adults	2324-P20	Cllr Ellie King	Communities and Neighbourhoods team Reduction in community development activity, to be achieved by not recruiting to a number of existing vacancies.	(62)	-	-	-	-	(62)	Budget Consultation Dec 2022
Children's and 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.	432	(2,270)	(130)	(192)	(254)	(2,414)	Budget Consultation Dec 2022 (changed)

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Children's and Education	2324-P23	Cllr Asher Craig	<p>Early Help in communities, including Children's Centres and Family Hubs</p> <p>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.</p>	(300)	(1,052)	(150)	-	-	(1,502)	Budget Consultation Dec 2022 (changed)
Children's Education	2324-P25	Cllr Asher Craig	<p>Bristol Children's Homes</p> <p>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.</p>	(300)	(300)	-	-	-	(600)	Budget Consultation Dec 2022 (changed)
Adults	2324-P5	Cllr Helen Holland	<p>Redfield Lodge</p> <p>To review and develop a more efficient and effective delivery model for Redfield Lodge.</p>	(676)	-	-	-	-	(676)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Adults	2324-P6	Cllr Helen Holland	<p>East Bristol Intermediate Care Centre</p> <p>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.</p>	434	(834)	-	-	-	(400)	Budget Consultation Dec 2022 (changed)
Adults Age 218	2324-P7	Cllr Helen Holland	<p>Concord Lodge</p> <p>To review and develop a more efficient and effective delivery model at Concord Lodge.</p>	4	(104)	-	-	-	(100)	Budget Consultation Dec 2022 (changed)
Adults	2324-P9	Cllr Helen Holland	<p>Adult Social Care Staffing Budget</p> <p>Reduce workforce costs in Adult Social Care to focus capacity in statutory areas. This could include reducing use of agency staff and management restructures. These measures will reduce our overall capacity to deliver discretionary services and will change how we resource the delivery of statutory services.</p>	(1,500)	-	-	-	-	(1,500)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Resources	2324-R20	Cllr Craig Cheney	<p>Local council tax reduction scheme</p> <p>Design and implement a more targeted local council tax reduction scheme. This could include the introduction of a flat rate 10% to 20% reduction in support for working age households or the introduction of a banding scheme with targeted 100% protection to some working age households. This would align Bristol more closely with the provision made by other local authorities. The figure in this table provides an illustration only of the potential cost reduction from a 10% flat rate reduction.</p>	25	(3,025)	-	-	-	(3,000)	Budget Consultation Dec 2022 (changed)
Resources	2324-R21	Cllr Craig Cheney	<p>Local Crisis Prevention Fund</p> <p>Reduce contributions by 50% to the local crisis prevention fund, which provides discretionary emergency payments for essentials and household goods for individuals in financial hardship. We will refer unsuccessful claimants to other services such as money or debt advice and top up the fund should additional external funding such as the Government's Household Support Fund which supports low income households be received.</p>	(350)	-	-	-	-	(350)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Resources	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 Consultation Dec 2022
Resources	2324-R23	Cllr Craig Cheney	Unified Financial Assessments Externally commission or joining up pockets of the same or similar functions across the council that carry out citizens financial assessments (e.g. to determine eligibility for services, exemptions and discounts). This will reduce duplication of application for the customer, improve response time and achieve cost reductions. This area of activity has the potential to significantly increase should the adult social care charging reforms be rolled out as planned and as a result achieve greater future year efficiencies.	(30)	-	-	-	-	(30)	Budget Consultation Dec 2022
Resources	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%.	(150)	(170)	-	-	-	(320)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal for consultation	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status*
Resources	2324-R30	Cllr Craig Cheney	<p>Discretionary Rate Relief (#2)</p> <p>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.</p>	-	(200)	-	-	-	(200)	Budget Consultation Dec 2022

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	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Whole Council	2223-CEN01	Cllr Craig Cheney	<p>Management and capacity review</p> <p>Reduce workforce costs and ensure we prioritise our organisational capacity on Corporate Strategy goals. Measures include: a review of the senior leadership structure; offering a succession planning scheme for managers to apply to leave the council; a review of some council teams; and deleting budgeted vacancies, to be sure we retain capacity in priority areas and reduce the impact on employees. These measures reduce our overall capacity and mean we focus on our core priorities. Where any jobs are subject to change appropriate consultation will take place, and where any roles are at risk, we will use our redeployment scheme, which matches employees to other opportunities in the council.</p>	(3,500)	-	-	-	-	(3,500)	Budget Report 2022/23

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Whole Council	2223-CEN02	Craig Cheney	<p>Review addressable spend/third party savings</p> <p>To maximise benefit for public money through our addressable third party spend which will seek to deliver: procurement, contract and commercial interventions in a range of categories of third party and service activity in order to improve cashable and non cashable value generated. (This target can be increased further if other areas such as ICT and Social Care contracts in scope.)</p>	350	-	-	-	-	350	Budget Report 2022/23
Whole Council	2223-CEN04	Cllr Craig Cheney	<p>Streamline strategic support services</p> <p>Joining up pockets of the same or similar, strategic professional support services (common activities) to reduce costs, provide better coordination of our work and better prioritisation of our resources.</p>	(100)	-	-	-	-	(100)	Budget Report 2022/23
Children's and Education	2223-CF1	Cllr Asher Craig	<p>Reduce spend by securing better value from services commissioned for Children and Young People</p> <p>Improve commissioning arrangements for a range of high value contracts for children and young people to deliver improved outcomes and value for money.</p>	(300)	-	-	-	-	(300)	Budget Report 2022/23

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Children's and Education	2223-CF3	Cllr Asher Craig	<p>Reduce spend on commissioning of external safeguarding reviewers</p> <p>Since the implementation of Working Together 2018 and the introduction of rapid reviews prior to child safeguarding practice reviews, there has been a reducing demand for external reviewers as more review work is undertaken in-house. Therefore, the council, as largest contributor, is reducing its proposed contribution to the Keep Bristol Safe Partnership to reflect this change.</p>	(10)	-	-	-	-	(10)	Budget Report 2022/23
Growth and Regeneration P 2023 224	2223-GR001	Cllr Don Alexander	<p>Increase revenue through bus shelter advertising</p> <p>A new contract has been let via a procurement process, aiming to increase revenue from bus shelter advertising.</p>	(300)	-	-	-	-	(300)	Budget Report 2022/23
	2223-GR013	Cllr Don Alexander	<p>Continue with the enforcement of the Bristol Bridge restrictions</p> <p>Penalty Charge Notices from bus lane enforcement at Bristol Bridge</p>	200	300	-	-	-	500	Budget Report 2022/23
Growth and Regeneration	2223-GR039	Cllr Craig Cheney	<p>Reduce grant to Bristol Music Trust</p> <p>Reduction of grant to Bristol Music Trust after substantial investment and opening of Bristol Beacon.</p>	-	(276)	(501)	-	-	(777)	Budget Report 2022/23 <i>(changed)</i>

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Growth and Regeneration	2223-GR051	Mayor	Review the Pest Control Service Review service delivery options for the Pest Control Service.	(95)	-	-	-	-	(95)	Budget Report 2022/23
Resources	2223-R13	Cllr Craig Cheney	Review insurance administration processes and required insurance provision Improve insurance claims processing and reduce level of provision required (one-off) as calculated by Actuary.	100	-	-	-	-	100	Budget Report 2022/23
Resources	2223-R14	Cllr Craig Cheney	Identify treasury management and legacy pension fund savings Increase returns on treasury balances by using overseas counter parties, slightly higher risk Money Market Funds, longer term deposits and exploring refinancing options, provided security and liquidity objectives have been satisfied and reducing call on historic strain of pension fund payments as the number of individuals this relates to decreases.	(100)	-	-	-	-	(100)	Budget Report 2022/23

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Resources	2223-R17	Cllr Craig Cheney	<p>Review static debt management and duplicate payment processes</p> <p>From Centralised Debt arrangements – commission specific activity to trace and collect, hard to reach debtors who have left the area with no forwarding contact information and identify, overpayments, duplicate invoices, unclaimed credits and then manage the recovery process.</p>	50	-	-	-	-	50	Budget Report 2022/23
Resources Page 226	2223-R30	Mayor	<p>Mayors Office Discretionary Fund</p> <p>Reduction in funding to the Mayor's Office (Discretionary and Non Staff Related Funding) to be reinstated should surplus funds materialise.</p>	(205)	-	-	-	-	(205)	Budget Report 2022/23
Resources	2223-R8	Cllr Craig Cheney	<p>Review democratic engagement to modernise service delivery</p> <p>Conduct a review of Democratic Engagement to modernise ways of working and improve efficiencies. This may require some outlay in year one for new technology (to be met from underspend elsewhere) but should be a recurring saving thereafter.</p>	(15)	-	-	-	-	(15)	Budget Report 2022/23
Growth and Regeneration	2324-GR4	Mayor	<p>Economic Development Service</p> <p>We will review the Economic Development Service and functions to deliver a service to businesses in Bristol which runs at a lower cost.</p>	(190)	-	-	-	-	(190)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Children's and Education	2324-P17	Cllr Asher Craig	Early Years: Family Information Website Re-procurement of the Family Information Service website has resulted in a further saving. This will result in no change of service.	(15)	-	-	-	-	(15)	Budget Consultation Dec 2022
Resources	2324-R1	Cllr Craig Cheney	Company governance arrangements Change the governance arrangements for companies owned by Bristol City Council, moving the cost of administration to the companies themselves whilst ensuring the necessary oversight of council spend and governance remains.	(50)	-	-	-	-	(50)	Budget Consultation Dec 2022
Resources	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).	(6)	(76)	-	-	-	(82)	Budget Consultation Dec 2022
Resources	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.	(100)	(50)	-	-	-	(150)	Budget Consultation Dec 2022
Resources	2324-R14	Cllr Craig Cheney	Marketing, communications, design, web and consultation Reduce spending on marketing, communications, design, web and consultation by council teams.	(130)	-	-	-	-	(130)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Resources	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 Consultation Dec 2022
Resources	2324-R17	Cllr Craig Cheney	Learning and Development Reduce discretionary spend on learning and development. Prioritise funding for statutory and mandatory training and training that is in direct support of organisational priorities	(200)	-	-	-	-	(200)	Budget Consultation Dec 2022
Resources	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.	(582)	-	-	(150)	-	(732)	Budget Consultation Dec 2022
Resources	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 Consultation Dec 2022
Resources	2324-R24	Cllr Craig Cheney	Legal and Democratic Services Reduce the cost of Legal and Democratic Services.	(900)	-	-	-	-	(900)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Resources	2324-R27	Cllr Craig Cheney	Restructure Finance Division Undertake a review of the structures within the Finance division to support a smaller organisation.	(998)	-	-	-	-	(998)	Budget Consultation Dec 2022
Resources	2324-R28	Cllr Craig Cheney	Equality and Inclusion Reduce spending within the Equality and Inclusion service by deleting vacancies and prioritising the role of the service in supporting the council to meet its statutory duties. This would reduce our resource for supporting the wider council and reduce initiatives to attract and develop a diverse workforce that represents the city we serve.	(60)	-	-	-	-	(60)	Budget Consultation Dec 2022
Resources	2324-R3	Cllr Craig Cheney	Lord Mayor's Chapel Transfer management of the Lord Mayor's chapel to Bristol Cathedral.	(60)	-	-	-	-	(60)	Budget Consultation Dec 2022
Resources	2324-R4.1	Cllr Craig Cheney	Member Development Reduce the amount of money we spend on discretionary and external training and support for councillors and seek to maximise the support for entities such as the Local Government Association.	(65)	-	-	-	-	(65)	Budget Consultation Dec 2022

Directorate	Ref	Cabinet Lead	Proposal	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000	Status
Resources	2324-R6	Cllr Craig Cheney	Executive Office Reduce the amount of money we spend on staff whose role is to provide administrative support to executive directors and directors.	(150)	-	-	-	-	(150)	Budget Consultation Dec 2022
Resources	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.	(75)	(425)	-	-	-	(500)	Budget Consultation Dec 2022
Resources	2324-R8	Cllr Craig Cheney	Review of legal services budgets to reflect corporate priorities Save money by reducing the amount of non-essential legal work undertaken, avoid duplication and prioritise areas where legal input is required.	(150)	-	-	-	-	(150)	Budget Consultation Dec 2022
Resources	2324-R9	Cllr Craig Cheney	IT Service Reduce the amount of money we spend on staff by restructuring and reducing our internal ICT service.	(450)	(550)	-	-	-	(1,000)	Budget Consultation Dec 2022

Section 3: Summary tables

Summary table outlining savings proposals by category of approval and consultation:

	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total savings £000
Budget Report 2022/23 (<i>changed</i>)	(1,578)	(905)	(501)	-	-	(2,984)
Budget Report 2022/23	(8,416)	(1,145)	(673)	(468)	-	(10,702)
Total (2022/23):	(9,994)	(2,050)	(1,174)	(468)	-	(13,686)
Budget Consultation Dec 2022	(12,335)	(1,231)	95	(150)	-	(13,621)
Budget Consultation Dec 2022 (<i>changed</i>)	(2,602)	(10,307)	(894)	(443)	(547)	(14,793)
Budget Recommendation 2023/24 (<i>new since 2022 consultation</i>)	(1,311)	(520)	-	-	-	(1,831)
Total (2023/24):	(16,248)	(12,058)	(799)	(593)	(547)	(30,245)
Total:	(26,242)	(14,108)	(1,973)	(1,061)	(547)	(43,931)

Summary table by directorate:

Directorate	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total savings £000
Adults	(6,507)	(2,995)	(550)	(468)	-	(10,520)
Children's and Education	(1,887)	(5,496)	(1,262)	(443)	(547)	(9,635)
Growth and Regeneration	(7,597)	(1,081)	(1)	-	-	(8,679)
Resources	(4,751)	(4,536)	(160)	(150)	-	(9,597)
Whole council	(5,500)	-	-	-	-	(5,500)
Total:	(26,242)	(14,108)	(1,973)	(1,061)	(547)	(43,931)

APPENDIX 9

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
 - Bristol Heat Networks Ltd (Disposal in 2022/23)
- 1.3 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.
- 1.4 The maximum level of exposure of the council to loans in its subsidiaries is set out in the council's Capital Strategy approved by council October 2022. The level is set at the higher 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 2023/24 business planning process.
- 1.5 The process for preparation of the companies' annual business plans has been revised to give opportunity for improved governance and scrutiny. These plans are in the process of being refreshed / developed and will reflect the funding parameters approved at the right time for 2023/24. 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, Goram Homes Limited and (until January 2023) Bristol Heat Networks 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). There are currently no loan agreements between Bristol City council and Bristol Holding Company. The gross budget assumed for 2023/24 is £0.2 million and this would be 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 people cost will consist of just two roles, namely a part time Non-Executive Chair and a part-time Interim Group Finance Director

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 alongside those budgeted costs incurred directly 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 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 BWC contract with the council for its core (Teckal) service includes a payment mechanism (paymech) based on a cost plus % approach, calculated annually according to unavoidable cost, market volatilities (e.g. for recyclates) and a mechanism for efficiencies and cost savings to be returned to the council under the contract. This paymech represents a risk / reward arrangement between the council and BWC when dealing with in-year contract variations. The cost plus approach allows for +14% set in 2022/23 Budget preparation with a 3 year review period.
- 3.2 A small reserve is held and movement +/- is applied to this fund during the paymech period to reset. No uplift is assumed in the 2023/24 budget.
- 3.3 In 2022/23 the council provided additional funding to BWC of £0.7 million. £0.5 million to fund inflationary pressures on the West of England waste contract which was over and above the 2.65% increase assumed in the 2022/23 Budget and £0.2 million one off contribution towards cost of living pressures negotiated with the union.
- 3.4 The council's 2023/24 budget for its core waste services (Teckal activity) is £42.7 million. This includes a £2 million increase from 2022/23 budget in line with the council's 5% assumed budget increase for inflation.

	22/23 Budget	Additional funds in Year	5% inflation uplift for 23/24	23/24 Budget
	£m	£m	£m	£m
Waste Core	26.5		1.32	27.8
Waste Disposal	11.9	0.5	0.62	13.0
Recycling	1.8		0.09	1.9
Total	40.2	0.5	2.0	42.7

- 3.5 Due to current rise in inflation and increase in cost of living amongst other economic pressures, in order to remain within the funding envelope set by the council above, BWC have put forward proposals on savings and increase in charges to come into effect in 23/24 and £0.8m 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 on the council, the income position would be reconciled as part of the paymech process at the end of the year.
- 3.6 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 2023/24.
- 3.7 Of the £12 million for fleet vehicle replacement, £11.3 million has been borrowed. In line with contractual payment terms, £3.9 million (the principal) has been repaid at December 2022. This leaves £7.4 million to be repaid in full plus interest by November 2028.
- 3.8 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. Draw down is planned to commence in Q4 2022/23. BWC indicates that the cost for the Avonmouth site redevelopment has increased by £1.5 million and plan to fund this from their cash reserves.

Facilities Management (FM)

- 3.9 The council entered a 4 year contract with BWC for Integrated Workplace & Facilities Management Services (Soft FM) for BCC 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. (update based on outturn 2022/21)
- 3.10 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 table below (table reflects contract years and not financial years). The council's FM

cleaning and security staff were TUPEd across to BWC (142 Full Time Equivalent (FTE) positions).

	Council Baseline 2020/21 Outturn	Year 1	Year 2	Year 3	Year 4
	£m	£m	£m	£m	£m
Annual Cost	6.0	5.8	5.5	5.3	5.2
Annual Efficiencies		0.2	0.3	0.2	0.1
Cumulative Efficiencies		0.2	0.5	0.7	0.8

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 BCC would have awarded the Cleaning and Security staff had they remained with BCC then BWC must absorb that difference

- 3.11 The 2023/24 budget for this service is £5.4 million and the council has made appropriate provision to fund the pay implications of TUPEd staff in line with pay awards negotiated by the union in 2022/23 and assumptions for 2023/24
- 3.12 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: Romney House and Baltic Wharf, land transfer (with a deferred 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.
- 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 Goram is expected to generate a cumulative net profit by April 2025 against Pipeline 1. No decision has been made regarding either the distribution of these profits in the form of dividends or their reinvestment.

- 4.5 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.
- 4.6 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 of December 2022 and a further £1 million forecasted for the rest of the year. The expected drawdown for 2023/24 is £2 million.
- 4.7 The council's strategic priority for housing delivery may result in further development opportunities and whilst no further funding has been earmarked in 23/24, 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. Bristol Heat Network (BHN)

- 5.1 Bristol Heat Network (BHN) was established in 2020/21 to manage the extension of the Old Market and Redcliffe heat networks and to own and operate the heat network. Following Cabinet approval on the 6 December, the council has signed an agreement with its City Leap Strategic Partner, Ameresco, to deliver on Bristol's decarbonisation ambition. As part of this arrangement, BHN has been transferred out of Bristol Holding Company to Vattenfall Heat UK Limited. Vattenfall are Ameresco's essential subcontract with responsibility for delivering the Heat Network elements of City Leap.
- 5.2 The council had previously approved repayable loan facilities of £12.7 million and £11.3 million (total £24 million) of capital sourced funding to BHN for heat network funding headroom (Cabinet 1 September 2020 and 12 July 2022 respectively). A further extension of £2.0 million was approved by Cabinet on 6 of December 2022 to fund working capital to the end of 2022/23 making the total loan facility £26.0 million.
- 5.3 All loan facilities have been repaid in full following acquisition of BHNL by Vattenfall Heat UK Ltd on 4 January 2023.

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.
- 6.2 Emerging risks
Regulatory changes introduced by the Environment Agency (EA) on Padded Residential Furniture (POPs- Persistent Organic Pollutants) is expected to increase the cost of disposing these items and poses a risk estimated at £0.5

million on cost of disposing bulky waste items (sofas and mattresses). The EA released the new POPs guidance on 19 December 2022, that will come into effect in January 2023 with a grace period of a year before enforcement. However, the waste market is already reacting to this new regulation and price increases are expected. This estimated cost has not been built into the budget for 2023/24. This risk lies with the council and BWC as per the Paymech process of risks and rewards.

Appendix 10

Service and Corporate Pressures



Section 1: On-going Service and Corporate Pressures

Service Area	Investment	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	Total £m
All Services	Pay Award	15.545	6.990	5.880	5.972	5.870	40.257
All Services	General Contract Inflation	28.043	18.964	2.288	4.146	5.665	59.106
	Total Inflationary Pressures	43.588	25.954	8.168	10.118	11.535	99.363
Adult Social Care	From 22/23: uplift – Demand/demographic growth	1.094	1.037	0.885	1.186	1.196	5.398
Adult Social Care	From 22/23: uplift – Extra Care Housing recommissioning	0.600	-	-	-	-	0.600
Adult Social Care	Prior Year Recurrent Service Pressures (mainly in relation to adult purchasing budgets)	2.064	-	-	-	-	2.064
Adult Social Care	Preparing for Adulthood - cost of care	0.345	0.355	0.366	-	-	1.066
Adult Social Care	Exempt accommodation subsidy loss	0.700	-	-	-	-	0.700
Adult Social Care	Fair Cost of Care	1.369	-	-	-	-	1.369
Adult Social Care	New Burden: AS22 New Better Care Fund	1.259	2.095	-	-	-	3.354
Community & Public Health	Community safety pressure from HRA funding discontinuation	0.067	-	-	-	-	0.067
Community & Public Health	Communities and PH/Environmental Health/ Food Safety Inspections and Bristol Port	-	0.085	-	-	-	0.085
	Total Adult Social Care	7.498	3.572	1.251	1.186	1.196	14.703
Children Families & Safer Communities	From 22/23 - benefit from invest to save – Children’s Placements demand and cost pressures	(0.994)	(1.195)	(0.671)	-	-	(2.860)
Children Families & Safer Communities	From 22/23: uplift – Bristol Children’s home staffing and maintenance costs	0.300	0.250	-	-	-	0.550
Children Families & Safer Communities	Prior Year Recurrent Service Pressures	14.846	-	-	-	-	14.846

Children Families & Safer Communities	Placement costs - additional children from 2023/24	1.258	1.296	1.335	1.375	1.416	6.680
Children Families & Safer Communities	Additional social workers to support increasing in children's numbers	0.312	0.054	0.055	0.056	0.058	0.535
Children Families & Safer Communities	Phoenix court	0.065	(0.065)	-	-	-	-
Children Families & Safer Communities	Temporary accommodation / housing costs due to shortage of supply in Bristol	0.350	-	-	-	-	0.350
Children Families & Safer Communities	Staffing pressures	1.442	-	-	-	-	1.442
Children Families & Safer Communities	Additional staff to support service activity around missing children	0.126	-	-	-	-	0.126
	Total Children & Families	17.705	0.340	0.719	1.431	1.474	21.669
Education	From 22/23: uplift – Home to School Transport Increased Demand	0.050	0.051	0.053	0.053	0.053	0.260
Education	From 22/23: uplift – Special Educational Needs Support	-	0.385	-	-	-	0.385
Education	Prior Year Recurrent Service Pressures	2.162	-	-	-	-	2.162
Education	SENDIASS (SEND information support system)	0.043	-	-	-	-	0.043
Education	SENDIASS - education contribution	0.055	-	-	-	-	0.055
Education	Legal costs for tribunal cases	0.200	-	-	-	-	0.200
Education	Edu psychologists training costs	0.020	-	-	-	-	0.020
Education	SEN Staffing - current budget pressure	1.000	-	-	-	-	1.000
Education	Increasing demand for annual reviews & assessments	0.862	-	-	-	-	0.862
Education	Home to School Transport - price and volume	1.878	1.252	0.626	-	-	3.756
	Total Education	6.270	1.688	0.679	0.053	0.053	8.743
Housing & Landlord Services	Prior Year Recurrent Service Pressures	2.362	-	-	-	-	2.362

Management G&R	Prior Year Recurrent Service Pressures	1.140	-	-	-	-	1.140
Housing & Landlord Services	Exempt accommodation subsidy loss	0.400	-	-	-	-	0.400
Management of Place	Bristol Operation Centre 24/7 staffing cost	0.300	-	-	-	-	0.300
Property, Assets & Infrastructure	BWC - Transfer of additional waste efficiencies	0.717	0.029	0.029	0.030	0.030	0.835
Property, Assets & Infrastructure	BWC - FM - Net Annual Contractual Efficiencies / Uplift	0.042	(0.005)	(0.019)	-	-	0.018
Property, Assets & Infrastructure	FM - Re-aligned Annual Income Target	0.150	-	-	-	-	0.150
	Total Growth & Regeneration	5.111	0.024	0.010	0.030	0.030	5.205
Digital Transformation	Prior Year Recurrent Service Pressures	1.697	-	-	-	-	1.697
Policy, Strategy & Partnerships	PSD Transformation, Restructure and Right-sizing linked to common activities	0.110	-	-	-	-	0.110
Legal & Democratic Service	Legal/Mortuary & Coroner contract, backlog and staffing cost	0.194	(0.058)	-	-	-	0.136
Legal & Democratic Service	Democratic Engagement - Members Allowances	0.113	-	-	-	-	0.113
	Total Resources	2.114	(0.058)	-	-	-	2.056
TOTAL		82.286	31.520	10.827	12.818	14.288	151.739

Table 1: Detail of on-going incremental revenue investment in services

- 1.1. The 2023/24 pay award has been budgeted at 4% with a centrally held contingency and with NIC capped at £9,100. 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 11**Statutory Calculations in Respect of Council Tax**

That it be noted that Council at their meeting on 10 January 2023 approved the Council Tax Base for 2023/24 as 129,654 for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)].

This calculates that the Council Tax requirement for the Council's own purposes for 2023/24 is £1,996.09

That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Act 1992 on the Mayor's recommended increase of 4.99%:

a)	£1,188,358,361	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act
b)	£929,557,309	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c)	£258,801,052	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year (item R in the formula in Section 31A(4) of the Act).
d)	£1,996.09	being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

To note that the Police and Crime Commissioner for Avon and Somerset and Avon Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

Valuation Bands (£)

Bristol City Council

A	B	C	D	E	F	G	H
1,330.72	1,552.52	1,774.30	1,996.09	2,439.66	2,883.24	3,326.81	3,992.18

Police and Crime Commissioner for Avon and Somerset

A	B	C	D	E	F	G	H
177.47	207.04	236.62	266.20	325.36	384.51	443.67	532.40

Avon Fire Authority

A	B	C	D	E	F	G	H
55.30	64.52	73.73	82.95	101.38	119.82	138.25	165.90

Aggregate of Council Tax Requirements

A	B	C	D	E	F	G	H
1,563.49	1,824.08	2,084.65	2,345.24	2,866.40	3,387.57	3,908.73	4,690.48

The Council's basic amount of Council Tax for 2023/24 is not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Empty and Second Homes Premiums

Full Council is asked to approve that the following additional council tax premiums be applied from 1 April 24, or as soon as possible thereafter, subject to the required legislation being in place:

- 100% premium for properties which have been empty and unfurnished for a period of between 1 (previously 2) and 5 years
- 100% premium (or the % limit as specified in any regulations) for properties that are substantially furnished but where there is no resident (often referred to as 'second homes')

Evidence Base

The Local Government Finance Act 1992, as amended, allows a billing authority to set policies for the application of discretionary council tax premiums.

Adopting council tax premiums on empty properties is one way of incentivising property owners to bring those properties back into use at the earliest opportunity. The current approach agreed by Bristol City Council for premiums on empty homes is set out in the table below.

Table 1: Empty Homes Premiums

	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%

The Levelling Up and Regeneration Bill (the Bill) proposes discretionary council tax premium options on both empty **and** second homes.

Through the Bill it is the government's intention to:

- reduce the minimum period for the implementation of a council tax premium for empty premises from two years to one year
- allow councils to introduce a council tax premium of up to 100% in respect of 'second homes'

In respect of b) the Bill provides that the Secretary of State may by regulations

- identify certain dwellings for which a premium may not be applied
- specify a different percentage limit for 100%

If the Bill receives Royal Assent, these options will become available to billing authorities with effect from 1 April 2024 at the earliest.

The government has confirmed that billing authorities that wish to adopt any changes arising from the Bill are required to make a Council resolution confirming their

requirements at least 12 months prior to the financial year in which the changes will come into effect.

Empty homes

The proposed approach for premiums on empty and unfurnished homes is set out below.

Table 2: Proposed approach - empty and unfurnished homes

	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
1 April 2024	100%	200%	300%

Records indicate Bristol currently has around 1500 properties that appear to have been empty for between one and two years, however, with a full charge being applied whether the property is empty or occupied, it is possible that some citizens may not notify us when they take up occupation. We therefore cannot assume all would attract the 100% premium after one year. The number of cases empty for more than 2 years (and subject to a premium currently) has remained quite static for some time, at around 299 properties.

Second homes

The Council Tax Base (CTB1) return that was submitted to government in October 2022 provides a snapshot of the numbers of properties classed as second homes on the council tax system at that time, as shown in the table below, by council tax band.

Table 3: Number of properties classed as second homes

Band	A	B	C	D	E	F	G	H	Total
No	778	676	483	325	129	40	16	5	2,452

As full council tax is charged on these properties, their status as second homes is currently not monitored, and we can expect people to report changes in circumstances regarding these properties when a 100% premium is charged. We therefore estimate a potential income of £2.7million to £3.0million could be generated for Bristol City Council from this policy.

The introduction of a premium for second homes might encourage council tax payers to explore whether their property could be transferred to business rates, and thereby benefit from small business rate relief as a way of avoiding the higher charge. From April 2023, the Valuation Office Agency (VOA) will only rate domestic properties for business rates if they are available for short term lets for at least 140 days in total over the current and previous tax years and have actually been let for short periods totalling 70 days in the last 12 months. This should ensure that any properties transferring from council tax to business rates relate to genuine circumstances where the property is being utilised for business purposes in accordance with legislation.

Whilst this will impact on those who genuinely use a property as a second home periodically throughout the year, the criteria as it stands will also see the premium applied in different scenarios, for instance:

- some victims of domestic violence who have fled their permanent home
- social and private landlords of furnished properties for periods between tenancies

As noted above regulations may be laid to exclude dwellings based on any factors the Secretary of State sees fit, such as the physical characteristics of the dwelling, or the circumstances of the person liable to pay council tax. No such regulations have been laid yet and we cannot speculate as to whether they will be, or to their potential extent.

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 purposes are 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	0.9	9.1
Temporary Accommodation Property Fund	4	Share & Loan Capital	2.2	-	2.2
City Funds LP	5	Loan Capital	3.1	-	3.1
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 Old Vic	0.9	Loan Capital	0.9	0.9	-
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.

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.

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 support the redevelopment of the theatre to support the performing arts within the City what was 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.

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 £7.3m 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 sale of the Heat Networks (Share Purchase Agreement and Concession Agreement), standard Warranties have been given by the Council, and these are set out in the Cabinet report dated 16 December 2022 within Exempt Appendix I (ii) due to their commercial sensitivity.

Bristol Schools Forum Feedback

In approving the 2023/24 Dedicated Schools Grant (DSG) and Council Budget that Members note the feedback from Bristol Schools Forum meeting of 12 January 2023 below.

Context

Bristol Schools Forum provided the following feedback to Cabinet and Council, for their consideration in making final decisions on the DSG Budget for 2023/24:

- Whilst more funding is welcomed in the new financial year, Council is asked to note the substantial cost pressures in the sector and significant challenges in Early Years and High Needs.
- Continued concern from the Schools Forum regarding falling rolls in primary schools.
- Schools Block - moving towards hard National Funding Formulae (NFF) means further deviation from local priority factors such as AEN and a need to seek a transition factor in implementing this approach.

Supplementary Estimates

for the year ending 31 March 2023

Date of Request: **06/01/2023**

Date of Mayor / Cabinet endorsement: **24/01/2023**

Executive Director: Hugh Evans; Adult Social Care and Public Health

Cabinet Member: Cllr Holland

DECISION REQUIRED:

Cabinet are asked to approve an additional supplementary estimate of £1.042m for Adult Social Care and Health to maintain existing services and financial commitments.

1. Directorate Original Budget Build Up

The Adult Social Care Directorate has a current revised budget of £174.2m as detailed below and is seeking a supplementary estimate of £1.042m giving a revised baseline allocation of £175.261m

<i>People Directorate</i>			
Division (Service Director Level)	Prior Year Outturn Variance	Revised Budget	Applied Rebaseline Allocation
	£000's	£000's	£000's
Adult Social Care	5,108	174,219	175,261
Total	5,108	174,219	175,261

2. Justification

The Adult Social Care Directorate budgets have experienced significant cost pressures in relation to adult purchasing budgets due to both service demand and market challenges in terms of the cost of people being supported and inflationary pressures.

Comment on components of supplementary estimate requested		
Service	Supplementary Estimate Requested £'000	Comment
Adult Social Care	1,042	Significant adult purchasing budget pressures relating to service demand and cost of people being supported.
Total net supplementary estimate	1,042	

3. In-Year Controls

Savings and recovery actions continue to be implemented across Adult Social Care in terms of scrutinising all areas of spend and increased levels of management oversight, sign off and control. In Adult Social Care, the Transformation Programme is actively working on savings delivery as part of the change programme. £1.2m of mitigations are already included in the P8 forecast and any further mitigations are currently considered to be challenging at this stage of the financial year, but where possible will be actively considered.

4. Impact Description

Costs	Funding Source
Total request £1.042m revenue	Various
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

What can be learnt from how and why this change came about?

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.

Previously Approved Supplementary Estimates

N/A

6. Supplementary Estimate - Sign Off

The following people have signed off this Supplementary Estimate	Evidence of Sign-off (email/121)	Date
Executive Director - Hugh Evans -	121	6/1/23
Cabinet Member – Cllr. Holland	121	6/1/23
Section 151 Officer – Denise Murray	121	16/01/23

Supplementary Estimates

for the year ending 31 March 2023

Date of Request: **06/01/2023**

Date of Mayor / Cabinet endorsement: **24/01/2023**

Executive Director: Abi Gbago, Children and Education

Cabinet Member: Cllr Asher Craig

DECISION REQUIRED:

To approve the supplementary estimate of £3.758m recognising additional pressures and demand in the Children budgets

7. Directorate Original Budget Build Up

The current budget and revised estimate for the Children's Service is as detailed below

Children and Education Directorate			
Division (Service Director Level)	Prior Year Outturn Variance	Original Budget	Applied Rebaseline Allocation
	£000's	£000's	£000's
Children and Families Service	3,810	71,738	87,171
Total	3,810	71,738	87,171

8. Justification

The directorate continues to see pressure both from increasing demand and high costs of provision particularly where sufficiency and market competition is limited.

Comment on components of supplementary estimate requested		
Service	Supplementary Estimate Requested £'000	Comment
Social Care Placements	3,758	Increasing demand and cost of provision. Placement pressure of £5.02m, mitigated by other underspends in the division
Total net supplementary estimate	3,758	Please note this does not include £9.852m one-off budget allocation in P6.

9. In-Year Controls

Regular and ongoing review of placements and costs to ensure best value and price. The service is also on a transformation programme to identify and review options to manage/mitigate the impact of these pressures both in the current year and for the future.

10. Impact Description

Costs	Funding Source
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A total of £3,758m revenue budget is requested	TBC Source of funding and impact on the Council's Budget
Impact if not Approved	
If not approved, the service will finish the year with an overspend.	

11. Learning Points

What can be learnt from how and why this change came about?

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.

12. Previously Approved Supplementary Estimates

- P06 supplementary estimate of £9.888m.

13. Supplementary Estimate - Sign Off

The following people have signed off this Supplementary Estimate	Evidence of Sign-off (email/121)	Date
Executive Director - Abi Gbago	121	10/01/2023
Cabinet Member – Cllr Craig	121	16/01/2023
Section 151 Officer – Denise Murray	121	16/01/2023

Supplementary Estimates

for the year ending 31 March 2023

Date of Request: **06/01/2023**

Date of Mayor / Cabinet endorsement: **24/01/2023**

Executive Director: Abi Gbago, Children and Education

Cabinet Member: Cllr Asher Craig

DECISION REQUIRED:

To approve the supplementary estimate of £0.871m recognising additional pressures and demand in the Education Service budget

14. Directorate Original Budget Build Up

The current budget and revised estimate for the Education Service is as detailed below

Children and Education Directorate			
Division (Service Director Level)	Prior Year Outturn Variance	Original Budget	Applied Rebaseline Allocation
	£000's	£000's	£000's
Education Improvement	1,582	15,751	18,630
Total	1,582	15,751	18,630

15. Justification

The directorate continues to see pressure both from increasing demand and high costs of provision particularly where sufficiency and market competition is limited.

Comment on components of supplementary estimate requested		
Service	Supplementary Estimate Requested £'000	Comment
SEN Home to School Transport	871	Increasing demand and cost of provision HTST pressure of £1.70m, mitigated by underspends within the division
Total net supplementary estimate	871	

16. In-Year Controls

Regular and ongoing review of placements and costs to ensure best value and price. The service is also on a transformation programme to identify and review options to manage/mitigate the impact of these pressures both in the current year and for the future.

17. Impact Description

Costs	Funding Source
A total of £0.871m revenue budget is requested	TBC Source of funding and impact on the Council's Budget
Impact if not Approved	
Please note this doesn't include the one-off budget allocation of £1.6m in P6. If not approved, the service will finish the year with an overspend.	

18. Learning Points

What can be learnt from how and why this change came about?

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.

19. Previously Approved Supplementary Estimates

- n/a

20. Supplementary Estimate - Sign Off

The following people have signed off this Supplementary Estimate	Evidence of Sign-off (email/121)	Date
Executive Director - Abi Gbago	121	10/01/2023
Cabinet Member – Cllr Craig	121	16/01/2023
Section 151 Officer – Denise Murray	121	16/01/2023