



Decision Pathway

PURPOSE: Key decision

MEETING: Cabinet

DATE: 21 January 2020

TITLE	2019/20 Budget Recommendations to Full Council	
Ward(s)	All	
Author: Denise Murray	Job title: Director, Finance	
Cabinet lead: Craig Cheney	Statutory officer: Denise Murray, s151 officer	
Proposal origin: Other		
Decision maker: Mayor Decision forum: Cabinet		
<p>Purpose of Report: To set out the Mayor's Revenue budget (in light of the decisions made by Council in respect of the Council Tax Base in January 2019), incorporating decisions for:</p> <ul style="list-style-type: none">• Revenue 2020/21 and future financial years;• Capital Programme 2020/21 to 2024/25;• Treasury Management Strategy which is including prudential indicators to be considered by Cabinet in making recommendations for Council to approve the budget at its meeting on 25th February 2020. <p>It should be noted that, at the time of producing this budget report, the Final 2020/21 Local Government Finance Settlement has not yet been published. The proposals within this budget report have been made on the basis of the latest information regarding the likely details of the settlement. The difference between these estimates and the details in the final settlement is not expected to be significant and will be met by reserve contributions.</p>		
<p>Evidence Base:</p> <p>An update to the Medium Term Financial Plan (MTFP) was approved by Full Council in December 2018. This report builds on both the detailed and comprehensive work undertaken on the MTFP.</p> <p>As is customary, where appropriate public consultation has been undertaken in relation to the budget proposals and feedback from the consultation process has been taken into account in making these final recommendations.</p> <p>This report proposes a net revenue budget in 20/21 of £395.7 million and a capital budget of £302.9m. There are no new saving proposals outlined in balancing this budget.</p> <p>In the 2020/21 provisional settlement the Government announced that the council tax referendum threshold for Bristol was 4% including the flexibility to apply a social care precept of 2%.</p> <p>After due consideration, this report recommends a 3.99% council tax increase in the Council's band D council tax for 2020/21. This equates to an annual increase of £67.46 per band D household and excludes precepts from the Avon and Somerset Police and Crime Commissioner and the Avon Fire Authority.</p> <p>The Council tracks and monitors performance monthly and any risks are reported through routine management reporting.</p> <p>The report contains a large amount of important information and in order to make this accessible, the report is comprised of a main report and 7 appendices as follows:</p> <p>Appendix A – Budget Report for Full Council</p> <ul style="list-style-type: none">• Appendix 1 – Detailed budget summary by Directorate• Appendix 2 – Capital Programme• 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 Relevance Check

Cabinet Member / Officer Recommendations:

To Note :

- The report from the Budget Scrutiny will follow after the meeting on 24 January and 6 February
- The categorisation of earmarked reserves and provisions set out in Section 16.
- The advice given by the Chief Finance Officer with respect to the robustness of the budget estimates and the adequacy of the Council's reserves as set out in Section 15.
- The results of consultation as set out in Section 17 and detailed in Appendix 4.

To agree to recommend to Full Council:

- An overall 3.99% increase in the Council's element of council tax for 2020/21 with 2% as a precept for Social Care and a 1.99% general increase.
- The General Fund revenue budget for 2020/21, as summarised in Section 6, the detailed budget summary by Directorate as outlined in Appendix 1.
- The Capital Programme as set out in Appendix 2.
- The Treasury Management Strategy, including the Prudential Indicators measuring affordability, capital spending, external debt and treasury management, as set out in Appendix 4.
- That they note the results of consultation as detailed in Appendix 6.

Delegation of authority

- To delegate authority to the Director, Finance after consultation with the Deputy Mayor and Cabinet Member for Finance, Governance & Performance and the Mayor, to make any necessary adjustments following receipt of the final settlement information, West of England Combined Authority budget or other technical adjustments to the figures to be submitted to Full Council on 25th February 2020.

Corporate Strategy alignment:

The Corporate Strategy underpins the Council's budget.

City Benefits:

It is a statutory requirement to set a legal budget

Consultation Details:

Details of consultation are included within Appendix 6

Revenue Cost	£ see Full Report	Source of Revenue Funding	Various
Capital Cost	£ see Full Report	Source of Capital Funding	Various
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The Council's financial position has been set out in this report. Council is under a legal obligation (Local Government Finance Act 1992) to set a balanced budget and in doing so they are obliged, under normal administrative principles, to take into account the various relevant factors, particularly in respect of consultation and equalities.

Members are entitled to exercise their political judgement, paying due regard to the relevant factors rather than being absolutely determined by them.

The budget report sets out a comprehensive picture of the Council's finances over the short and medium term to assist in the decision making process in setting the 2020/21 budget and the forward look for the Council.

Finance Business Partner: Tian Ze Hao, 13/01/2020

2. Legal Advice: Approval of a balanced budget each year is a statutory responsibility of the Council (Local

Government Finance Act 1972).

The Mayor's role is to consider the budget recommendations in the report and propose a budget to Full Council to adopt. Cabinet and Full Council must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves (Local Government Act 2003).

Public consultation has taken place in relation to the level of Council tax to be set in 2020/21. In doing so the Council has satisfied its statutory duty to consult with non-domestic rate payers (S65 Local Government Finance Act 1992).

The responses to the consultation must be taken into account by Cabinet. Cabinet should also be satisfied that a proper consultation has taken place in that consultation was undertaken when proposals were at a formative stage and sufficient reasons and time has been given to allow consultees to understand and respond to them properly.

The Budget Consultation report at Appendix 6 of the report sets out the process that was undertaken, detailed responses to consultation and how responses have been taken in to consideration by officers when developing proposals for final decision.

When considering proposals and options, Members must bear in mind their fiduciary duty to the council taxpayers of Bristol. Members must have adequate evidence on which to base their decisions.

The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with "protected characteristics" and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

The Equalities Impact Check at appendix 7 is designed to assess whether there are any barriers in place that may prevent people with a protected characteristic using a service or benefiting from a policy. The decision maker must take into consideration the information in the check before taking the decision.

Legal Team Leader: Nancy Rollason, Head of Legal Service 13/01/2020

3. Implications on IT: n/a

IT Team Leader: n/a

4. HR Advice: The budget proposals for 2020/21 do not include a requirement for workforce reductions. However, some workforce reductions arising from previously agreed savings may still need to be made, but these are not anticipated to be significant. Any requirement for redundancies will be mitigated through pro-active vacancy management and redeployment arrangements. Where workforce reductions or service redesign is required, service managers will consult with employees and trade unions in accordance with agreed HR policies. As an employer, the City Council is under an obligation to avoid redundancies and will use its best endeavours to avoid any job losses.

HR Partner: Mark Williams, 13/01/2020

EDM Sign-off	Denise Murray	13/01/2020
Cabinet Member sign-off	Councillor Craig Cheney	13/01/2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	13/01/2020

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	YES
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO

Appendix I – Combined Background papers	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO