

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 02 November 2021

<b>TITLE</b>	<b>2021/22 Period 6 Finance Report</b>		
<b>Ward(s)</b>	n/a		
<b>Author:</b> Jemma Prince	<b>Job title:</b> Finance Business Partner – Resources and Shareholder Companies		
<b>Cabinet lead:</b> Cllr Craig Cheney	<b>Executive Director lead:</b> Denise Murray		
<b>Proposal origin:</b> Other			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> Cabinet			
<b>Purpose of Report:</b> The Council budget for 2021/22 was agreed by Council in February 2021. This report provides the update on the Council’s financial performance at Period 6 (end of September) against the approved budget and forecast use of resources for the financial year 2021/22 and to approve the allocations of the Healthier Together Single System Plan funding as agreed by the Healthier Together executive.			
<b>Evidence Base:</b> The budget set in February 2021 was balanced over 5-year medium term. The Council operates to Directorate cash limited budgets and Executive Directors are responsible for ensuring that appropriate action is taken to contain both revenue and capital spending within the directorate’s overall budget limit.  Budget holders forecasting a risk of overspend which is not related to the pandemic and potentially recoverable, should in the first instance set out in-service options for mitigation. Where these are considered undeliverable or pressures cannot be contained across the directorate the budget scrutiny process will be triggered and a request may be made for the Executive to consider granting a supplementary estimate redirecting funds from an alternative source.  For 2021/22 full Council agreed the following: <ul style="list-style-type: none"> <li>○ The General Fund net budget of £424.1m; forecast variation at P06 is £25.4m (£30.7m in P05) overspend, including application of £3.3m of COMF funding in P6 but prior to the application of all further available COVID-19 funding.</li> </ul> The Ring-fenced Accounts <ul style="list-style-type: none"> <li>○ Housing Revenue Account (HRA) of £107.9m gross expenditure budget, forecasts an underspend of £1.0m at P06 (underspend of £0.6m at P05)</li> <li>○ The Dedicated Schools Grant (DSG) budget, including amounts recouped by the Education and Skills Funding Agency for Academies, is £404.7m. It forecasts £14.6m in-year deficit and a total £24.6m carried forward deficit at P06.</li> <li>○ The Public Health budget is £33.6m and no variation is forecast at P06.</li> </ul> Capital Programme <ul style="list-style-type: none"> <li>○ Capital programme budget has been further revised at P6 2021/22 so that it plans spend of £271.5m. This comprises £184.3m for General fund (incl. Corporate) and £87.2m for the HRA. The forecast variation at P06 is a net £8.2m underspend (£1.6m overspend on General fund and £8.8m underspend on HRA).</li> </ul>			

### Core Budget

We are currently expecting to breakeven on core services budgets however there is significant risk to delivering this which will need consideration and mitigations to be identified during the year. There is still a high level of savings planned within the current year budget but these are still to be delivered. Savings have a robust governance process for tracking delivery through Executive Directorate Meetings and Delivery Executive and all savings are expected to be delivered or mitigated by the end of the financial year.

There are also service risks particularly within Adult Social Care, and Childrens and Families Services which could result in overspends at the end of the financial year if not mitigated in a timely manner. Where services have projected risks to exceeding their cash limited budgets the Council have a governance pathway to review these areas and agree action plans for ensuring approved budgets aren't exceeded.

### COVID-19

Provision has been made in the budget for additional expenditure and income losses which are anticipated to occur against base budgets. Detailed reviews are under way in order to align the criteria of each COVID grant available to the Council with these pressures.

### Dedicated Schools Grant

The in-year forecast deficit on the DSG is significant at £14.572m, which when added to the brought forward balance (of £10.0m) will give a total deficit to carry forward at the end of the year of £24.576m. The main area for concern continues to be the High Needs block, which is forecasting an in-year overspend of £15m and Early Years SEN overspend of £0.466m resulted from additional EHCP assessments; offset slightly by an underspend of £0.84m in the Schools' block (growth fund, due to close of 3 schools).

### Housing Revenue Account

The HRA forecasts an underspend of (£1.0m) as at P06. This is a movement of (£0.4m) on the (£0.6m) reported forecast at P05. The underspend will be transferred to the HRA general reserve at the end of the year.

### Public Health

Public Health services continue to forecast a breakeven position against the in-year grant allocation.

Full detail of revenue and capital spending and forecast is provided in Appendix A and A1 to A6 for Revenue and Appendix B for Capital.

### Cabinet Member / Officer Recommendations:

That Cabinet approves:

- Green Homes Grant Local Authority Delivery (LAD) - Phase 1b extension request to approve the grant award and make necessary changes to the Council's budget. (See P06 Appendix A section 7.1.3)
- Cabinet is asked to note the allocation of £2.681m from Bristol S256 funds (currently held in Reserves) regarding the BNSSG Healthier Together Single System Plan. (See P06 Appendix A i-viii) and give delegated authority to the Director of People to progress the projects in line with the scheme of delegations.
- The Revised Capital Programme Budget of £271.5m. (See P06 Appendix B1)

That Cabinet notes:

- Risks associated with the forecast outturn and the long-term financial impact on the Council as a result of COVID-19 pandemic.
- The risks within service areas of non-COVID-19 related overspend on General fund services, an overall forecast breakeven position for 21/22 at P06 and that it is expected that the risk of overspend will be managed through management actions /mitigations through the rest of the financial year.
- The update on Adult Social Care (ASC) Emergency COVID-19 Funding, Infection Control Grant Rounds 1 and 2, Rapid Testing and Workforce Capacity Funding (see Appendix A ix)
- A forecast underspend of £1.0m within the Housing Revenue Account.

- A forecast in-year deficit of £14.6m and a total £24.6m carried forward deficit in the ring-fenced Dedicated Schools Account (DSG).
- A breakeven position on Public Health services.
- A forecast £8.2m underspend against the approved Capital Programme's Revised Budget.
- That the Council has submitted an Expression of Interest for the Active Travel Social Prescribing Pilot. (See P06 Appendix section 7.1.2)
- An OED was also taken to approve spend of up to £0.35m (DWP Household Support Fund) to provide targeted support for 2 – 16+ year olds who receive Free School Meals and/or Pupil Premium over October half term.

**Corporate Strategy alignment:**

1. This report sets out progress against our budget, part of delivering the financial plan described in the Corporate Strategy 2018-23 (p4) and acting in line with our organisational priority to 'Be responsible financial managers' (p11).

**City Benefits:**

1. Cross priority report that covers whole of Council's business

**Consultation Details:** n/a

**Background Documents:** <https://www.bristol.gov.uk/council-spending-performance/council-budgets>

<b>Revenue Cost</b>	See above	<b>Source of Revenue Funding</b>	Various
<b>Capital Cost</b>	See above	<b>Source of Capital Funding</b>	Various
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

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

**1. Finance Advice:** The resource and financial implications are set out in the report

**Finance Business Partner:** Jemma Prince, 25 October 2021

**2. Legal Advice:** The report, including the detail set out in the appendices, will assist Cabinet to monitor the budget position, the ongoing impact of COVID 19 and mitigations put in place, with a view to meeting the Council's legal obligation to deliver a balanced budget.

The report also seeks approval for extension request to approve the Green homes grant and commence spend and to give delegated authority the Director of People to take all necessary steps to progress the BNSSG Healthier Together Single System Plan projects and incur expenditure against the funding allocation of £2.681m funding allocation within the budget allocation from Bristol S256 funds. There are no particular legal implications with these decisions but legal advice will need to be taken as necessary as the projects progress.

**Legal Team Leader:** Nancy Rollason, Head Of Legal Service, 25 October 2021

**3. Implications on IT:** No impact to IT/Digital Services arises from this report. The information within is as expected from the service areas.

**IT Team Leader:** Simon Oliver, Director Digital Transformation, 25 October 2021

**4. HR Advice:** No HR implications evident

**HR Partner:** Mark Williams, Head of Human Resources, 25 October 2021

<b>EDM Sign-off</b>	Denise Murray	25/10/21
<b>Cabinet Member sign-off</b>	Cllr Craig Cheney	25/10/21
<b>For Key Decisions - Mayor's Office sign-off</b>		25/10/21

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>YES</b>
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<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>NO</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>NO</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>
<b>Appendix L – Procurement</b>	<b>NO</b>