

Decision Pathway



PURPOSE: Key decision

MEETING: Cabinet

DATE: 18 January 2022

TITLE	2022/23 Budget Recommendations to Full Council		
Ward(s)	All		
Author: Denise Murray	Job title: Director Finance		
Cabinet lead: Cllr Craig Cheney	Executive Director lead: Mike Jackson		
Decision maker: Full Council Decision forum: Full Council			
Purpose of Report: To set out the Mayor's Revenue budget incorporating decisions for: <ul style="list-style-type: none">• Revenue 2022/23 and future financial years;• Capital Programme 2022/23 to 2031/32;• 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 15 February 2022.			
Evidence Base: <p>An update to the rolling Medium-Term Financial Plan (MTFP) was approved by Full Council in December 2021. This report builds on both the detailed and comprehensive work undertaken on the MTFP and Capital Strategy.</p> <p>The Council is still dealing with the wide-reaching impacts of the COVID-19 pandemic: past, present and those still to come. Despite all of the current uncertainty, the Budget for 2022/23 sets out the Council's finances and identifies the efficiency savings required to produce a balanced budget in light of continuing financial pressures.</p> <p>Where appropriate public consultation has been undertaken in relation to the budget proposals to be considered by Full Council 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 22/23 of £431.1 million, and £17.9 million of budget savings and efficiencies are identified for 2022/23 to mitigate these pressures and total efficiencies of £34.0 million over the medium term (some of which will require further consultation).</p> <p>In the 2022/23 provisional settlement, the Government announced that the council tax referendum threshold for Bristol was 3% including the flexibility to apply a social care precept of 1%.</p> <p>After due consideration and taking into consideration consultation responses, this report recommends a 2.99% council tax increase in the Council's band D council tax for 2022/23 of which 1% is the social care precept. This equates to an annual increase of £55.20 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>It should be noted that, at the time of producing this budget report, the Final 2022/23 Local Government Finance</p>			

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

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 9 appendices as follows:

Appendix A – Budget Report for Full Council

- Appendix 1 – Detailed Budget Summary by Directorate
- Appendix 2 – Capital Programme 2022/23 – 2031/32
- Appendix 3 – Budget Risk Matrix
- Appendix 4 – Treasury Management Strategy
- Appendix 5 – Flexible Use of Capital Receipts Strategy
- Appendix 6 – Budget Consultation Report
- Appendix 7 – Cumulative Equalities Impact Assessment
- Appendix 8 – Budget Savings and Efficiencies
- Appendix 9 – Long Term Investments & Shareholdings

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

Cabinet Member / Officer Recommendations:

That Cabinet Note:

- That a report from the Budget Scrutiny Committee will follow after their meeting on 01 February
- The categorisation of earmarked reserves and provisions set out in Section 15 of appendix A
- 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 17 of Appendix A
- The budget consultation process that was followed and feedback as outlined in Section 18 of Appendix A and Appendix 6.
- The feedback provided by the Schools Forum for Cabinet and Council, consideration in making final decisions on the Dedicated Schools Budget for 2022/23.

Approve:

- The delegation of authority to the Director of Finance after consultation with Deputy Mayor, Cabinet member for Finance, Governance, and Performance and the Mayor, to make any necessary technical adjustments or adjustments to the figures to be submitted to Full Council upon receipt of the final Local Government Finance Settlement, final precepts to be notified to the Council, West of England Combined Authority Budget, Public Health and Department for Education funding clarifications; with transfers to and or from reserves as appropriate.
- The delegation of authority to the Director of Finance after consultation with Deputy Mayor, Cabinet member for Finance, Governance, and Performance and the Mayor, to make any necessary adjustments to incorporate the Council's Ethical and Equitable Investment Policy into the Treasury Management Strategy submitted to Full Council, subject to approval by Cabinet at its meeting on 18th January 2022.

Recommends to Full Council:

- The Bristol City Council levels of Council Tax increase of 2.99%; which includes 1% precept to support Adult Social Care and noting the precepts of the Police and Crime Commissioner for Avon and Somerset and the Avon Fire Authority.

- The Council's General Fund net revenue budget for the year 2022/23 as £431.1 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.
- To Agree the Council's capital budget (including the HRA) for the years 2022/23 – 2031/32, totalling £1,906.1 million as set out in paragraph 13 and detailed in Appendix 2.
- The proposed total Schools budget of £418.8 million for 2022/23 as set out in section 9 Appendix A, which will be funded by the Dedicated Schools Grant.
- The proposed Treasury Management Strategy for 2022/23 in Appendix 4, incorporating the Minimum Revenue Provision policy and the prudential indicators and limits.
- The calculations for determining the Council Tax requirement for the year 2022/23 as outlined in Section 8 of Appendix A and in accordance with the Local Government Finance Act 1992.
- To approve the Strategy for the Flexible use of Capital Receipts as set out in Appendix 5.

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

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

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 2022/23 budget and the forward look for the Council.

Finance Business Partner: Michael Pilcher, Chief Accountant

Date: 10/01/2022

1.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 2022/23. 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 into consideration by officers when developing proposals for final decision.

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

It should be noted that where relevant, consultation will take place in respect of specific proposals set out in Appendix 8 as they are developed in future. The Public Sector Equality duty requires the decision maker to consider the need to promote equality for persons with protected characteristics and to have due regard to the need to i) eliminate discrimination, harassment, and victimisation; ii) advance equality of opportunity; and iii) foster good relations between persons who share a relevant protected characteristic and those who do not share it.

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

Legal Team Leader: Nancy Rollason, Head of Legal Services **Date: 10/01/2022**

3. Implications on IT: No specific IT considerations are raised by this report

IT Team Leader: Date: 10/01/2022

4. HR Advice:

There are implications for the Council's workforce arising from the Budget proposals for 22/23.

Whilst such a significant reduction in budget will inevitably reduce the overall number of jobs in the council, action to reduce the impact on employees is already taking place. For example, through vacancy management for the common activities programme, by deleting budgeted vacancies and also reducing the number of managers through the use of succession planning. Where any jobs are subject to change, we will prioritise redeployment opportunities for affected colleagues.

Where employees are in scope for a specific saving proposal, we will carry out consultation in line with our Managing Change policy where required. This will not take place until after the budget is approved at Full Council.

An Equalities Impact in relation to the workforce implications has been completed and will be regularly reviewed and updated as consultation takes place.

HR Partner: Mark Williams, Head of Human Resources **Date: 10/01/2022**

Cabinet Member sign-off	Cllr Cheney	10/01/2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	10/01/2022

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 – Exempt Information	NO

Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO