

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

MEETING DATE: 2 August 2022

TITLE	Financial Update Report August 2022 - 2022/23 P3 Finance Exception Report		
Ward(s)	n/a		
Author: Jemma Prince, Finance Business Partner	Job title:		
Cabinet lead: Cllr Craig Cheney	Director lead: Denise Murray		
Proposal origin: Other			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report:			
This report is to make Cabinet aware of any material finance changes that have occurred since the detailed Quarter 1 report was presented and covers Period 3 (June 2022 extrapolated). The report also serves as a mechanism for any finance approvals or adjustments that are required on the Council's approved budget.			
Evidence Base:			
Since the Quarter 1 Finance report to Cabinet, there are a number of changes in the 2022/23 financial position to bring to the attention of Cabinet and as such this report includes:			
General Fund summary			
<ul style="list-style-type: none"> ○ General Fund is currently forecasting a risk adjusted overspend of £13.2m, 3.1% (£15.2m 3.5% Q1) on the approved gross budget of £431.1m in line with the cash limited budget approach. Further recovery action is in the process of being explored to mitigate the risks, these are still in their infancy and full details will be provided in the in-depth Q2 report. ○ General Fund savings programme update - £24.4m programme for 2022/23 agreed by Council there is currently £10.5m of savings that are being reported as being at risk (£13.7m Q1). A number of these savings delivery risks are captured in the forecast outturn above. 			
The Ring-fenced Accounts summary			
<ul style="list-style-type: none"> ○ Housing Revenue Account (HRA) is forecasting an overspend of £1.8m, 1.4% (£1.2m 1.0%, Q1) of net budget. This overspend is largely caused by increases in energy costs, the Housing IT transformation programme, fire survey requirements, specialist joinery services and offset partially by delays in some repairs and maintenance. ○ The Dedicated Schools Grant (DSG) net budget is forecasting £18.1m, 4.3% (£15.6m 3.7% Q1) in-year deficit, primarily driven by High Needs spend with a forecast total accumulated carried forward deficit for 2023/24 at £42.7m. 			
Capital Programme			
<ul style="list-style-type: none"> ○ The Capital programme forecast variation is a net £37.7m (11.4%) underspend (£3.5m (1.7%) underspend for the General Fund, attributed mainly to People Directorate's Schools programmes and a £34.2m (27.9%) underspend for the HRA, predominantly attributed to delays in progressing new build and land enabling works.). 			
External Funding Decision			
<ul style="list-style-type: none"> ○ New funding of £0.431m has been allocated to Bristol as the nominated lead Local Authority within the 			

Transforming Care Partnership (TCP) and the Integrated Care Services (ICS), to provide TCPs and ICSs with additional funding. The details are outlined in Appendix A, section 7 and approval is sought to make the necessary adjustments to the budgets.

Detail of P3 revenue and capital exceptions is provided in Appendix A and note as at P3 no supplementary estimates have been requested by directorates for 2022/23.

Cabinet Member / Officer Recommendations:

That Cabinet Approve:

- The acceptance and adjustment to the Council budget for the following grants as outlined in Appendix A Section 7:
 - Funding from the Department of Health and Social Care of £0.431m for 2022/23 in relation to the Transforming Care Partnership.

That Cabinet notes:

- The General Fund risk adjusted forecast overspend of £13.2m, noting further mitigations are being explored.
- A forecast overspend of £1.8m within the HRA (with actual end of year position being funded by a transfer to or from the HRA general reserve).
- A forecast in-year deficit of £18.1m accumulating to a total £42.7m carried forward deficit in the DSG for 2023/24, and that the Council and the Schools Forum are developing a mitigation plan which will seek to address the High Needs overspend.
- A forecast £37.7m underspend (£3.5m underspend for the General Fund and a £34.2m underspend on HRA) against the latest approved Capital Programme's Budget.

Corporate Strategy alignment:

This report sets out progress against our budget, part acting in line with our organisational Theme of Effective Development Organisation, making sure that we are financially competent and resilient, offering good value for money (page 58).

City Benefits:

Cross priority report that covers whole of Council's business

Consultation Details: n/a

Background Documents:

Revenue Cost	See above	Source of Revenue Funding	Various
Capital Cost	See above	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 resource and financial implications are set out in the report

Finance Business Partner: Jemma Prince – Finance Business Partner - 25 July 2022

2. Legal Advice: The report, including the detail set out in the appendices, will assist Cabinet to monitor the budget position, with a view to meeting the Council's legal obligation to deliver a balanced budget. The decision sought to accept new funding and the consequent adjustment to the budget does not raise any specific legal implications.

Legal Team Leader: Nancy Rollason – Head Of Legal Service – 25 July 2022

3. Implications on IT: n/a

4. HR Advice: Measures to restrict spending on staffing are now in place. This includes a recruitment freeze which will challenge and reduce spend on permanent and fixed term jobs and casual/agency worker (including

consultants/contractor/interim/locum) assignments. The second wave of a succession planning scheme is about to be deployed to around 1,000 managers across the Council, aimed at facilitating a reduction in the number of management roles. The success of these measures will be reported on a no less than monthly basis.

HR Partner: James Brereton, Head of Human Resources, 25 July 2022

EDM Sign-off	Denise Murray	25/07/2022
Cabinet Member sign-off	Mayor's Office	25/07/2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	25/07/2022

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