

Decision Pathway



PURPOSE: Key decision

MEETING: Cabinet

DATE: 24 January 2023

TITLE	2023/24 Budget Recommendations to Cabinet		
Ward(s)	All		
Author: Denise Murray	Job title: Director Finance		
Cabinet lead: Cllr Craig Cheney	Executive Director lead: Stephen Peacock		
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: To set out the Mayor's Revenue budget incorporating decisions for: <ul style="list-style-type: none">• Revenue 2023/24 to 2027/28;• Capital Programme 2023/24 to 2032/33;• 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 21 February 2023.			
Evidence Base: An update to the rolling Medium-Term Financial Plan (MTFP) and Capital Strategy was approved by Full Council on 18 October 2022. At that time, the MTFP update forecast a 'base case' peak funding gap across the 2023/24-2027/28 timeframe of £37.5million. The Coronavirus pandemic had weakened the world economy and this factor combined with war in Ukraine was leading to rising inflation, increased cost of living and additional demand pressures. The forecast was shown to be extremely sensitive to inflation and core funding so that the best and worst case for these factors varied the projected position between £14 million and £87.6 million. This Budget Report for 2023/24 builds on the key assumptions applied to the base case MTFP which have continued to be monitored and evaluated. It sets out the Council's finances and identifies the efficiency savings required to produce a balanced budget in light of significant financial pressures. Where appropriate public consultation has been undertaken in relation to the budget proposals to be considered and feedback from the consultation process has been taken into account in making these final recommendations. This report proposes a net revenue budget in 23/24 of £483.5 million. In the 2023/24 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 2%. After due consideration and taking into consideration consultation responses, this report recommends a 4.99% council tax increase in the Council's band D council tax for 2023/24 of which 2% is the social care precept. This equates to an annual increase of £94.87 per band D household and excludes precepts from the Avon and Somerset Police and Crime Commissioner and the Avon Fire Authority. After the application of council tax a residual gap remains in the budget of £20.3 million in 2023/24 rising to £40.0 million. A range of savings have been identified totalling £16.2 rising to £30.2 million. The saving propositions are at different stages of development and some may require further consultation.			

In addition to the council tax increase and savings outlined one-off council reserves over the 3 year period have been identified totalling up to £8.8 million 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.

The Council tracks and monitors performance monthly and any risks are reported through routine management reporting.

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 15 appendices as follows:

Appendix A – Budget Report for Full Council

- Appendix 1 – Detailed Budget Summary by Directorate
- 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 Assessment: 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

Separate reports in respect of the Dedicated Schools Grant (DSG) and Housing Revenue Account (HRA) Landlord Services are 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:

The recommendation of Mayor's budget proposals to Council in respect of 2023/24 as set out in this report, subject to any agreed amendments: -

Note:

- That a report from the Budget Scrutiny Committee will follow after their meeting on 2 February 2023
- The budget consultation process that was followed and feedback as outlined in Section 18 of the budget report and Appendix 6.
- The categorisation of earmarked reserves and provisions set out in Section 15 of this report.
- That the budget consultation feedback and equality impact assessments have been taken into consideration and have informed the final budget proposals.
- 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.
- 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 of the main report.

That Cabinet recommends to Full Council:

- 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.
- 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.

- 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)
- The council's capital budget and programme for the years 2023/24 – 2032/33, totalling £2.0 billion
- The strategic Community Infrastructure levy allocations in section 11 are approved.
- The proposed Treasury Management Strategy for 2023/24 in Appendix 4, incorporating the Minimum Revenue Provision policy and the prudential indicators and limits.
- To approve the Strategy for the Flexible use of Capital Receipts as set out in Appendix 5.
- 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.

Delegate Authority:

- The delegation of authority to the Director of Finance after consultation with Designated Deputy Mayor with responsibility for City Economy, Finance, 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.

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 a 5 year timeframe to assist in the decision-making process in setting the 2023/24 budget and the forward look for the Council.

Finance Business Partner: Jemma Prince, Finance Business Partner, Date: 16/01/2023

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 at Appendix A 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 2023/24. 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. Appendix A specifies that further public consultation will take place if required in relation to a new initiative or the specific implementation of an existing proposition set out in the report, and sets out the principles on which consultation will take place. 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.

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, 16/01/2023

3. Implications on IT:

IT are aligned to the Council's need to set a legal and balanced budget and are in line with colleagues ensuring that our services are reviewed and adjusted to contribute to this process where possible and applicable.

IT Team Leader: Gavin Arbuckle, Head of Service Improvement and Performance, 16/01/2022

4. HR Advice:

The scale of the savings required is substantial. They will impact on staffing capacity across the organisation. Recruitment controls are in place and are generating one-off (where positions can be held vacant for a period of time) or permanent savings (where positions can be deleted). It's likely these arrangements will remain in place for some time to come. Where savings require the redesign of services and/or changes to terms and conditions of employment, proposals will be the subject of consultation with affected staff and trade union representatives. The Council's Managing Change Policy will be followed. Our approach to redeployment, including support to those involved, is being strengthened so as to reduce the number of redundancies. The Council has complied with its legal obligations to provide information about potential redundancies to the relevant government department and to trade union representatives.

HR Partner: James Brereton, Head of Human Resources, 16/01/2023

Cabinet Member sign-off	Cllr Cheney	17/01/2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	17/01/2023

Appendix A – Further essential background / detail on the proposal	YES
Appendix 6 – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	YES
Appendix D – Risk assessment	NO
Appendix 7 – 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