

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

MEETING DATE: 7 February 2023

TITLE	2022/23 P9 Finance Exception Report		
Ward(s)	n/a		
Author: Jemma Prince	Job title: Finance Business Partner - Planning		
Cabinet Lead: Cllr Craig Cheney – Deputy Mayor and Cabinet Member for Finance, Governance and Performance	Director Lead: Denise Murray – Director of Finance		
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 Period 8/Quarter 3 report was presented. It covers Period 9 (December 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 Q3/P8 Finance exception report to Cabinet, there are several changes in the 2022/23 financial position to bring to the attention of Cabinet and as such this report includes: General Fund summary <ol style="list-style-type: none"> General Fund is currently forecasting a risk adjusted overspend of £11.3m, 2.6%, on the approved gross budget of £431.1m. This reflects a deterioration of £1.7m in the period. Adults and Children and Families account for £1.6m of this new pressure. General Fund savings programme of £24.4m for 2022/23 as agreed by Council reports £3.5m, 14%, at risk (£3.7m/15% at P8/Q3). A number of these saving delivery risks are captured in the forecast outturn above and or directorate risk and opportunities log; however, it should be noted that not all risks are formally acknowledged in the outturn and as such this represents an underlying additional risk. The Ring-fenced Accounts summary <ol style="list-style-type: none"> Housing Revenue Account (HRA) is forecasting an £8.0m, 7.1%, adverse variance in forecast against its £112.6m net expenditure budget (no change since P8/Q3). Dedicated Schools Grant (DSG) net budget is forecasting an £18.8m, 4.4%, adverse variance against its £423.4m ring-fenced budget in-year (no change since P8/Q3) taking the total accumulated carry forward opening deficit for 2023/24 to £43.5m. The Public Health Grant allocation for 2022/23 is £34.6m and no variation is forecast (again in line with the forecast at P8/Q3). Capital Programme <ol style="list-style-type: none"> The Capital programme forecast variation is a net underspend of £13.9m (6.0%). This comprises a £4.1m underspend within the Growth and Regeneration directorate and £11.1m against corporate contingencies and funds offset by a £1.3m overspend against the HRA. Following the transfer of Heat Networks to the partner for City Leap partner, £3.3m of capital funding has been released. It is proposed to realign budgets so that £3.3m of council capital contingency is returned for future capital spending pressures. 			

Other Recommendations

- 8. Following the Department for Levelling Up, Housing and Communities (DLUHC)'s award to Bristol of £0.885m to assist c.13,000 households in receipt of Council Tax Reduction support, it is proposed to direct this award in full (both the discretionary element as well as the mandatory element) to those households eligible.

External Funding Decisions

- 9. The council has submitted a bid for £5.6m funding from the Combined Authority for the development of the Western Harbour Masterplan and Infrastructure Delivery Plan project.

Cabinet Member / Officer Recommendations:

That Cabinet approves:

- 1. the realignment of Capital budgets in 2022/23 following the release of £3.3m council capital contingency and return for future capital spending pressures (see Appendix A1 section 6.1.4.).
- 2. the recommendation to utilise the Council Tax Reduction additional support scheme £0.885m in full in 2023/24 to assist households in receipt of Council Tax Reduction support (see Appendix A2).

That Cabinet notes:

- 3. the General Fund risk adjusted forecast overspend of £11.3m, noting the position will continue to be closely monitored and mitigations explored; however, it is likely that a further Supplementary Estimate may be required prior to the end of the financial year and should this be required appropriate approvals will need to be sought from Cabinet / Council.
- 4. the forecast overspend of £8.0m within the HRA (with actual end of year position being funded by a transfer to or from the HRA general reserve).
- 5. the forecast in-year deficit of £18.5m accumulating to a total £43.5m 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.
- 6. the forecast £15.2m underspend (including corporate contingencies and funds) within the General Fund against the latest approved Capital Programme's Budget.
- 7. the submission of a bid for £5.6m funding from the Combined Authority for the development of the Western Harbour Masterplan and Infrastructure Delivery Plan project. If the bid is successful, notification of award will come back to Cabinet under separate report as a key decision.

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: n/a

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 – 25th January 2023

2. Legal Advice: The report, including the detail set out in Appendix A, will assist Cabinet to monitor the budget position with a view to meeting the Council's legal obligation to deliver a balanced budget. There are no

specific legal issues arising from the decisions recommended in the report.		
Legal Team Leader: Nancy Rollason, Head of Legal Services – 25 th January 2023		
3. Implications on IT: There is no direct impact on IT arising from the process of budget monitoring. There are some operational impacts arising from the IT service’s own budget pressures and its work to mitigate these, and also from the council’s corporate vacancy freeze. However, the service remains operational and is actively managing its risks.		
IT Team Leader: Tim Borrett, Director: Policy, Strategy and Digital – 25 th January 2023		
4. HR Advice: Recruitment controls remain in place. Where possible, vacancies are being held or deleted in order to generate savings. Some restructurings are underway at present from which a small number of predominantly voluntary exits are envisaged.		
HR Partner: James Brereton, Head of Human Resources – 26 th January 2023		
EDM Sign-off	Denise Murray	25 th January 2023
Cabinet Member sign-off	CLlr Craig Cheney	30 th January 2023
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	26 th January 2023

Appendix A – Further essential background (A1 and A2)	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