

Report of the Director of Finance to the meeting of Executive to be held on 15 February 2022 and Council to be held on 17 February 2022

BC

Subject:

The Council's Revenue Estimates for 2022/23

Summary Statement:

The report provides Members with details of the Council's Revenue Estimates for 2022/23

EQUALITY & DIVERSITY:

The report sets out clearly the need for equality to be considered as part of the Budget Strategy. As in previous years full Equality Impact Assessments have been produced for all budget proposals and full consultation with relevant groups has been undertaken. The outcome of consultation will be considered and reported upon before the 2022/23 budget is approved.

The Revenue budget supports the delivery of Council Priorities including significant action to address inequalities in health, income, opportunity and environmental quality.

Chris Chapman
Director of Finance

Portfolio:

Leader

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Overview & Scrutiny Area:

Corporate

THE COUNCIL'S REVENUE ESTIMATES FOR 2022/23

1. PURPOSE

- 1.1 This report proposes the estimates of net revenue expenditure be recommended to Council for approval as the Council's balanced revenue budget for 2022/23.
- 1.2 The revenue estimates are part of the overall budget proposal for the Council which also includes:
- the recommended Capital Investment Plan
 - the allocation of the Schools Budget 2022/23
 - Section 151 Officer's Assessment of the proposed budgets
- 1.3 The overall budget proposal allocates available resources to enable the delivery of Council priorities:
- A great start and a good school for all our children
 - Better health, better lives
 - Safe, strong and active communities
 - Skills, jobs and a growing economy
 - A sustainable District
 - Decent homes
 - Enabling Council
- 1.4 This report is submitted to enable the Executive to make recommendations to Budget Council on the setting of the 2022/23 budget and the Council Tax for 2022/23, as required by Part 3C of the Council's Constitution.

2. PROPOSED REVENUE BUDGET 2022/23

- 2.1 The balanced 2022/23 revenue budget is predicated on total available general resources (Council Tax income, Business Rates income, Top up Grant, Revenue Support Grant and use of reserves) of £391.307m in 2022/23.
- 2.2 The total expenditure takes account of changes to the underlying (base) level of expenditure at the start of the year arising from:
- The 2022-23 impact of investment decisions taken as part of the 2021-22 budget, totalling £2.138m in 2022/23 (Appendix B).
 - New recurring budget investment proposals totalling £604k as outlined in Appendix C – namely Children's Short Breaks (£552K), and additional Council Tax Support for care leavers (£52K)
 - Time limited investment into City of Culture (£3m in 2022-23) and a Regeneration opportunity previously agreed by Full Council (£1.25m in 2022-23), as outlined in Appendix D.
 - Investment to address existing pressures in Children's Social Care (£7.5m), and Adults Social Care (£3m) as outlined in Appendix E.
 - A £50 Council Tax discount for working age Council Tax Reduction Scheme recipients to cushion the withdrawal of the Governments Council Tax Hardship Grant for low income households. The scheme would cost £1.6m in 2022-23 as outlined in Appendix F.

- The effect in 2022-23 of prior year savings decisions, including decisions made by Budget Council in February 2019 and 2020 in respect of 2022/23, which amounted to a reduction in the budget for 2022/23 of £5.839m (Appendix G). Appendix H sets out amendments to these prior decisions at a cost of £350k.
- £22.4m provision for inflation (4%); National living Wage increases for Social Care and other workers (a 6.6% increase from £8.91 to £9.50 per hour for over 23s), and the cost of National Insurance Contribution increases.
- Provision for demographic growth of £1.925m.
- The impact on the Council's funding arising from 2022/23 Local Government Settlement.
- A Council Tax increase of 1.99% in line with the Chancellor's Comprehensive Spending Review assumptions.
- An Adult Social Care precept increase of 1% in line with the Chancellors Comprehensive Spending Review assumptions
- The proposal to balance the budget by using £6.473m of reserves, and also create a Social Care reserve of £7.177m to be used to address Social Care pressures in 2022-23 as required.
- The origin of the £13.650m reserves that will be used to balance the budget (£6.473m) and create a Social Care reserve (£7.177m) are detailed in Appendix I.
- No new redundancies or cuts to services arising from these proposals.

2.3 Key changes since the publication of the Proposed Financial Plan updated 2022/23 (approved by Executive 1 February 2022) are:

- A £5.5m reduction in Business Rates for 2022-23 following the submission of the Business Rates (NNDR1) form to Government at the end of January 2022. The main reason for the reduction is that the Government have announced the extension of Covid related retail reliefs for Businesses into 2022-23. The Government will compensate Councils for this via Section 31 grants.
- A £7.4m increase in Section 31 Grants as compensation for the loss of Business Rates as outlined above.
- The overall impact of the above is a reduced call on reserves to balance the budget of £1.868m.
- The saving resulting from the above will go into the Social Care reserve.

In addition to the above, we are awaiting the publication of the final Local Government Settlement. This is likely to be in the 2nd week of February, and it will have an impact on the final size of the Councils 2022-23 budget. An amended report will be published as soon as possible after the data is available.

In most years the difference between the provisional settlement (published in December), and final settlement (February), are relatively trivial. However, as part of the provisional settlement the Government has stated that they would recalculate the compensation that the Council receives for Government policy decisions to under index the Business Rates multiplier, by using the Retail Price Index, rather than the Consumer Price Index. Depending on what this is applied to in their calculations, it could result in c£2m of additional funding. The outcome will not however be known until the second week in February. An amended report will be published in advance of Budget Council when the outcome is known.

- 2.4 The £13.650m of reserves that are proposed to be used to fund the £6.472m budget gap in 2022-23 and create £7.177m Social Care Pressures reserve are:
- £10.7m reduction in the Unallocated reserve to £0.
 - £1m reduction in the VAT Partial Exemption reserve from £3m to £2m.
 - £1m reduction in the 2019-20 Financing reserve from £1m to £0m.
 - £0.95m reduction in the Renewals and Replacement reserve to £4.2m.
- 2.5 At the end of January 2022 the Department for Education (DfE) announced new arrangements for the delivery of Children's Services. The Council is liaising with key stakeholders including the DfE on the details of these arrangement and the establishment of an Arms Length Company to develop and implement proposals for the continued improvement of Children Services. Details are being drawn up and this will include discussions with the DfE regarding the funding of set up and other associated costs. It may be that some costs become a call upon the earmarked reserve for Social Care Pressures proposed as part of 2022/23 budget proposals. The Portfolio Holders and Executive will be kept fully informed of calls on the Social Care Pressures reserve.
- 2.6 The overall budget summary position is shown at Appendix A, with further detail contained in Appendices B to I.

3. COUNCIL TAX IMPLICATIONS

- 3.1 In setting the Council Tax for 2022/23, Council will have regard to the Council Tax base approved by the Executive on 4 January 2022. The Council will also wish to note the precepts of the parish and town councils.

4. MATTERS RELATING TO 2021/22 FINANCIAL POSITION

- 4.1 The 2021/22 financial position is contingent upon the 2021/22 audited out-turn. The Executive is therefore asked to give the s151 Officer authority to secure the best position for the Council in respect of 2021/22 in preparing the Final Accounts for 2021/22.

MATTERS RELATING TO FUTURE EXTERNAL AUDIT

- 4.2 The Councils External Audit contract is due for renewal. Previously the Council procured its External Auditors via a national body called Public Sector Audit Appointments for the period April 2018 to March 2023, and it is recommended that this procurement route is used again. A full report outlining the future procurement of External Auditors for the 5 years from April 2023 was provided to the Governance and Audit Committee on 28th January 2022. The Committee supported the s151 Officers recommendation, and Full Council approval is now required in order to proceed.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The uncertainties regarding the funding that will be available to the Council are considered within the Section 151 Officer's Report. Existing governance arrangements around the Council's financial monitoring will continue.

6. LEGAL APPRAISAL

- 6.1 It is necessary to ensure that Executive have comprehensive information when considering the recommendations to make to Council on the budget for 2022/23 at their meeting on 17 February 2022. It is a legal requirement that Members have regard to all relevant information. The information in this report and any updated information produced to Executive on 15 February 2022 following their consideration on 1 February 2022 of the feedback received to date from the consultation processes and their consideration of equality issues are considered important in this context. It will also be necessary to consider any further information produced to the 15 February 2022 Executive meeting.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

- 7.1.1 The equality implications of the new budget proposals and the proposed amendments to previous budget decisions were highlighted in an appendix in Budget Update report presented to the meeting of Executive on 1 February 2022. The equality implications of the 2022/23 proposals previously approved by Budget Council in February 2021 were fully considered by Council at that time.

- 7.1.2 Equality impact assessments are undertaken on all budget proposals. Where impacts are identified on particular protected characteristic groups, the assessments are published, consulted on and then further updated reflecting on feedback received. These assessments for the 2022/23 proposals are accessible via this link: <https://www.bradford.gov.uk/your-council/council-budgets-and-spending/budget-eias-2022-23/>

The EIAs have been updated and republished for this meeting.

Elected Members should consider the Equality Impact Assessments in full. The consultation provides the opportunity for the Council to better understand:

- The consequences for individuals with protected characteristics affected by changes, particularly related to proposals relating to social care;
- Any cumulative impact on groups with protected characteristics.

7.2 SUSTAINABILITY IMPLICATIONS

- 7.2.1 There are no direct sustainability implications resulting from this report.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

- 7.3.1 There are no direct greenhouse gas emissions implications resulting from this report.

7.4 COMMUNITY SAFETY IMPLICATIONS

- 7.4.1 There are no direct community safety implications of new budget proposals.

7.5 HUMAN RIGHTS ACT

- 7.5.1 Any human rights implications resulting from this report are referred to in the Equality Impact Assessments.

7.6 TRADE UNION

- 7.6.1 The feedback from the consultation programme on the Council's new budget proposals and the proposed amendments to previous budget decisions were detailed in an appendix to a report presented to the meeting of Executive on 1 February 2022. The consultation feedback on the proposals previously approved by Budget Council was fully considered by Council at that time.

7.7 WARD IMPLICATIONS

- 7.7.1 In general terms, where proposals affect services to the public, the impact will typically be felt across all wards. Some proposals will have a more direct local impact on individual organisations and/or communities.

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

- 7.8.1 Any implications for children and young people are addressed in the detailed budget proposals

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

None.

8. RECOMMENDATIONS TO COUNCIL

Executive is asked to approve the following recommendations to Council:

8.1 REVENUE ESTIMATES 2022/23

- (a) That the Base Revenue Forecast of £391.307m for 2022/23 be approved as set out in this report.
- (b) That the recurring investment proposals of £604k in 2022/23 as set out in Appendix C be approved.
- (c) That the existing pressures of £10.5m in 2022/23 as set out in Appendix E be approved.
- (d) That the one off investment of £1.6m in 2022/23 as set out in Appendix F be approved.
- (e) That the prior agreed savings in Appendix G be noted and the amendment to previous budget decisions totalling £350k in 2022/23 as set out in Appendix H be approved.
- (f) That it be noted that within the revenue budget there is a net use of £6.473m in revenue reserves in 2022/23, and the creation of a Social Care reserve of £7.177m to be funded as by £13.650m of reserves as set out in Appendix I.
- (g) That the comments of Director of Finance set out in the Section 151 Officer's Assessment of the proposed budgets on the robustness of the estimates and the adequacy of reserves taking account of the recommendations made at 8.1(a) to

(f) above be noted.

8.2 PROPOSED COUNCIL TAX 2022/23

- 8.2.1 That it be noted that the projected council tax base and expenditure forecasts outlined in this report together with the 2022/23 resources and the budget variations approved in 8.1 produce a proposed Band D council tax of £1,543.93 for 2022/23.

8.3 PAYMENT DATES FOR COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES

- 8.3.1 That the first instalment date for payment of National Non-Domestic Rates and Council Tax shall be specified by the s151 Officer.

8.4 DELEGATION TO OFFICERS

- 8.4.1 That for the avoidance of doubt and without prejudice to any of the powers contained in Article 14 of Part 2 of the Council's Constitution on the Function of Officers, the s151 Officer shall have full delegated powers to act on behalf of the Council on all matters relating to the Council Tax, Non-Domestic Rates and Accounts Receivable Debtors including (without prejudice to the generality of the delegation) entry into any business rate pilot, assessments, determinations, recovery, enforcement and, in accordance with the statutory scheme, full delegated powers to act on behalf of the Council with regard to all aspects of the granting of Discretionary and Hardship Rate Relief to qualifying ratepayers.

8.5 PREPARATION OF ACCOUNTS

- (a) That in preparing the Final Accounts for 2021/22, the s151 Officer be empowered to take appropriate steps to secure the best advantage for the Council's financial position.
- (b) That the s151 Officer be empowered to deal with items which involve the transfer of net spending between the financial years 2021/22 and 2022/23 in a manner which secures the best advantage for the Council's financial position.
- (c) That the s151 Officer report any action taken in pursuance of 8.5(a) and 8.5 (b) above when reporting on the Final Accounts for 2021/22.

8.6 Procurement of External Auditors for 5 years from April 2023

- a) That the Council approves the procurement of External Audit via Public Sector Audit Appointments for the 5 year period from April 2023.

8.7 COUNCIL TAX REQUIREMENT 2022/23

- (a) That the council tax base figures for 2022/23 calculated by the Council at its meeting on 4th January 2022 in respect of the whole of the Council's area and individual parish and town council areas be noted.
- (b) That the only special items for 2022/23 under Section 35 of the Local

Government Finance Act 1992 are local parish and town council precepts and no expenses are to be treated as special expenses under Section 35(1) (b) of that Act.

- (c) That the Council Tax Requirement, excluding parish and town council precepts, be calculated as follows:

Gross expenditure	£1,180,245,854
Income	£955,936,300
Council Tax requirement	£224,309,554
Council tax base	143,420
Basic amount of council tax	£1,564.00
Adjustment in respect of parish and town council precepts	£ 20.07
Basic amount excluding parish and town councils	£1,543.93

That the precepts of parish and town councils are noted and the resulting basic council tax amounts for particular areas of the Council be calculated as follows:

<u>Parish or Town Council Area</u>	<u>Local Precept</u> £	<u>Council Tax Base</u>	<u>Parish/Town Council Tax</u> £	<u>Whole Area Council Tax</u> £	<u>Basic Council Tax Amount</u> £
Addingham	100,255	1,782	56.26	1,543.93	1,600.19
Baildon	306,310	6,273	48.83	1,543.93	1,592.76
Bingley	237,457	8,544	27.79	1,543.93	1,571.72
Burley	256,190	3,014	85.00	1,543.93	1,628.93
Clayton	68,240	2,473	27.59	1,543.93	1,571.52
Cullingworth	45,455	1,313	34.62	1,543.93	1,578.55
Denholme	59,956	1,153	52.00	1,543.93	1,595.93
Harden	39,008	848	46.00	1,543.93	1,589.93
Haworth, Crossroads and Stanbury	106,140	2,357	45.03	1,543.93	1,588.96
Ilkley	340,464	7,227	47.11	1,543.93	1,591.04
Keighley	729,824	15,170	48.11	1,543.93	1,592.04
Menston	119,286	2,209	54.00	1,543.93	1,597.93
Oxenhope	36,645	1,047	35.00	1,543.93	1,578.93
Sandy Lane	15,786	877	18.00	1,543.93	1,561.93
Shipley	149,325	4,714	31.68	1,543.93	1,575.61
Silsden	65,050	3,087	21.07	1,543.93	1,565.00
Steeton with Eastburn	81,800	1,790	45.70	1,543.93	1,589.63
Wilsden	89,995	1,756	51.25	1,543.93	1,595.18
Wrose *	31,668	2,184	14.50	1,543.93	1,558.43
Total of all local precepts	2,878,854	67,818			

- (e) That the council tax amounts for dwellings in different valuation bands in respect of the Council's budget requirement, taking into account parish and town council precepts applicable to only part of the Council's area, be calculated as follows:

	Council Tax Amount for Each Valuation Band							
	<u>Band A</u> £	<u>Band B</u> £	<u>Band C</u> £	<u>Band D</u> £	<u>Band E</u> £	<u>Band F</u> £	<u>Band G</u> £	<u>Band H</u> £
All parts of the Council's area other than those below	1,029.29	1,200.83	1,372.38	1,543.93	1,887.03	2,230.12	2,573.22	3,087.86
The parish and town council areas of:								
Addingham	1,066.79	1,244.59	1,422.39	1,600.19	1,955.79	2,311.39	2,666.98	3,200.38
Baildon	1,061.84	1,238.81	1,415.79	1,592.76	1,946.71	2,300.65	2,654.60	3,185.52
Bingley	1,047.81	1,222.45	1,397.08	1,571.72	1,920.99	2,270.26	2,619.53	3,143.44
Burley	1,085.95	1,266.95	1,447.94	1,628.93	1,990.91	2,352.90	2,714.88	3,257.86
Clayton	1,047.68	1,222.29	1,396.91	1,571.52	1,920.75	2,269.97	2,619.20	3,143.04
Cullingworth	1,052.37	1,227.76	1,403.16	1,578.55	1,929.34	2,280.13	2,630.92	3,157.10
Denholme	1,063.95	1,241.28	1,418.60	1,595.93	1,950.58	2,305.23	2,659.88	3,191.86
Harden	1,059.95	1,236.61	1,413.27	1,589.93	1,943.25	2,296.57	2,649.88	3,179.86
Haworth, Crossroads and Stanbury	1,059.31	1,235.86	1,412.41	1,588.96	1,942.06	2,295.16	2,648.27	3,177.92
Ilkley	1,060.69	1,237.48	1,414.26	1,591.04	1,944.60	2,298.17	2,651.73	3,182.08
Keighley	1,061.36	1,238.25	1,415.15	1,592.04	1,945.83	2,299.61	2,653.40	3,184.08
Menston	1,065.29	1,242.83	1,420.38	1,597.93	1,953.03	2,308.12	2,663.22	3,195.86
Oxenhope	1,052.62	1,228.06	1,403.49	1,578.93	1,929.80	2,280.68	2,631.55	3,157.86
Sandy Lane	1,041.29	1,214.83	1,388.38	1,561.93	1,909.03	2,256.12	2,603.22	3,123.86
Shipley	1,050.41	1,225.47	1,400.54	1,575.61	1,925.75	2,275.88	2,626.02	3,151.22
Silsden	1,043.33	1,217.22	1,391.11	1,565.00	1,912.78	2,260.56	2,608.33	3,130.00
Steeton with Eastburn	1,059.75	1,236.38	1,413.00	1,589.63	1,942.88	2,296.13	2,649.38	3,179.26
Wilsden	1,063.45	1,240.70	1,417.94	1,595.18	1,949.66	2,304.15	2,658.63	3,190.36
Wrose *	1,038.95	1,212.11	1,385.27	1,558.43	1,904.75	2,251.07	2,597.38	3,116.86

* Provisional figure

- (f) That it be noted that for the year 2022-23 the Police and Crime Commissioner and West Yorkshire Fire and Rescue Authority (WYFRA) have not yet notified their precepts.

<u>Precept Amount</u> £	<u>Council Tax Amount for Each Valuation Band</u>							
	<u>Band A</u> £	<u>Band B</u> £	<u>Band C</u> £	<u>Band D</u> £	<u>Band E</u> £	<u>Band F</u> £	<u>Band G</u> £	<u>Band H</u> £
<u>West Yorkshire Fire and Rescue Authority</u>								
9,539,560	44.79	52.25	59.72	67.18	82.11	97.04	111.97	134.36
<u>Police and Crime Commissioner for West Yorkshire</u>								
30,001,760	140.85	164.33	187.80	211.28	258.23	305.18	352.13	422.56

- (g) That having calculated the aggregate in each case of the amounts at (e) and (f) above, the Council set the following amounts of council tax for 2022-23 in each of the categories of dwellings shown below:

	<u>Band A</u> £	<u>Band B</u> £	<u>Band C</u> £	<u>Band D</u> £	<u>Band E</u> £	<u>Band F</u> £	<u>Band G</u> £	<u>Band H</u> £
All parts of the Council's area other than those below	1,214.93	1,417.41	1,619.90	1,822.39	2,227.37	2,632.34	3,037.32	3,644.78
The parish and town council areas of:								
Addingham	1,252.43	1,461.17	1,669.91	1,878.65	2,296.13	2,713.61	3,131.08	3,757.30
Baildon	1,247.48	1,455.39	1,663.31	1,871.22	2,287.05	2,702.87	3,118.70	3,742.44
Bingley	1,233.45	1,439.03	1,644.60	1,850.18	2,261.33	2,672.48	3,083.63	3,700.36
Burley	1,271.59	1,483.53	1,695.46	1,907.39	2,331.25	2,755.12	3,178.98	3,814.78
Clayton	1,233.32	1,438.87	1,644.43	1,849.98	2,261.09	2,672.19	3,083.30	3,699.96
Cullingworth	1,238.01	1,444.34	1,650.68	1,857.01	2,269.68	2,682.35	3,095.02	3,714.02
Denholme	1,249.59	1,457.86	1,666.12	1,874.39	2,290.92	2,707.45	3,123.98	3,748.78
Harden	1,245.59	1,453.19	1,660.79	1,868.39	2,283.59	2,698.79	3,113.98	3,736.78
Haworth, Crossroads and Stanbury	1,244.95	1,452.44	1,659.93	1,867.42	2,282.40	2,697.38	3,112.37	3,734.84
Ilkley	1,246.33	1,454.06	1,661.78	1,869.50	2,284.94	2,700.39	3,115.83	3,739.00
Keighley	1,247.00	1,454.83	1,662.67	1,870.50	2,286.17	2,701.83	3,117.50	3,741.00
Menston	1,250.93	1,459.41	1,667.90	1,876.39	2,293.37	2,710.34	3,127.32	3,752.78
Oxenhope	1,238.26	1,444.64	1,651.01	1,857.39	2,270.14	2,682.90	3,095.65	3,714.78
Sandy Lane	1,226.93	1,431.41	1,635.90	1,840.39	2,249.37	2,658.34	3,067.32	3,680.78
Shipley	1,236.05	1,442.05	1,648.06	1,854.07	2,266.09	2,678.10	3,090.12	3,708.14
Silsden	1,228.97	1,433.80	1,638.63	1,843.46	2,253.12	2,662.78	3,072.43	3,686.92
Steeton with Eastburn	1,245.39	1,452.96	1,660.52	1,868.09	2,283.22	2,698.35	3,113.48	3,736.18
Wilsden	1,249.09	1,457.28	1,665.46	1,873.64	2,290.00	2,706.37	3,122.73	3,747.28
Wrose	1,224.59	1,428.69	1,632.79	1,836.89	2,245.09	2,653.29	3,061.48	3,673.78

- (h) That Council notes the movement in Band D equivalent charges for 2022-23 over 2021-22 as set out in the table below.

	Council Tax 2022-23	Council Tax 2021-22	Percentage change 2021- 22 on 2020-21
	Band D Equivalent	Band D Equivalent	
Bradford Metropolitan District Council	1,543.93	1,499.11	2.99%
West Yorkshire Fire and Rescue Authority *	67.18	67.18	%
West Yorkshire Police Authority *	211.28	211.28	%
Local (Parish Council) Precepts:			
Addingham	56.26	56.26	0.0%
Baildon	48.83	48.83	0.0%
Bingley	27.79	22.07	25.9%
Burley	85.00	82.00	3.7%
Clayton	27.59	30.02	-8.1%
Cullingworth	34.62	31.44	10.1%
Denholme	52.00	45.00	15.6%
Harden	46.00	45.00	2.2%
Haworth etc	45.03	45.01	0.0%
Ilkley	47.11	47.11	0.0%
Keighley	48.11	39.69	21.2%
Menston	54.00	54.00	0.0%
Oxenhope	35.00	35.00	0.0%
Sandy Lane	18.00	18.00	0.0%
Shipley	31.68	30.01	5.6%
Silsden	21.07	28.71	-26.6%
Steeeton/ Eastburn	45.70	44.92	1.7%
Wilsden	51.25	35.75	43.4%
Wrose	14.50	13.50	7.4%
*Provisional figures			

BACKGROUND DOCUMENTS

Executive reports

- 15th February 2021: 2021/22 Budget Proposals and Forecast Reserves – s151 Officer Assessment
- 1st February 2022: 2021-22 Budget Update Report
- 1st February 2022: Qtr 3 Finance Position Statement 2021-22
- 4th January 2022: Calculation of Bradford's Council Tax Base and Business Rates Base for 2022/23
- 7st December 2021 Proposed Financial Plan and Budget proposals for 2022/23 and Addendum

10 APPENDICES

- 10.1 Appendix A: Council Cumulative Budget 2022/23
- 10.2 Appendix B: Schedule of agreed recurring investments previously consulted on (for reference only)
- 10.3 Appendix C: Recurring investment proposals which were open for consultation until 19th January 2022
- 10.4 Appendix D: Time limited investments previously approved by Full Council (For reference only)
- 10.5 Appendix E: Existing pressures which were open for consultation until 19th January 2022
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COUNCIL CUMULATIVE BUDGET 2022/23

SUMMARY OF FINANCIAL IMPLICATIONS

Cumulative gap £000s	2022/23 Budget per this report Feb 1 2022 £000s	Change since Budget Proposals Report £000s	2022/23 Budget per this report Feb 15 2022 £000s
2021/22 Base Budget	385,373	0	385,373
Reversal of non-recurring investment from prior years	(2,968)	0	(2,968)
Base Budget	382,405	0	382,405
Recurring Pressures Previously consulted (Appendix B)	2,138	0	2,138
New Investments for Consultation(App C)	552	52	604
Previously approved Time Limited Investments (App D)	4,250	0	4,250
Pressures in Children's & Adults Social Care (App E)	10,500	0	10,500
Inflation	22,373	0	22,373
Demographic Growth	1,925	0	1,925
Funding Changes	(19,168)	(7,431)	(26,599)
Base Net Expenditure Requirement	404,975	(7,379)	397,596
One Off investments (Council Tax Support) (App F)	1,652	(52)	1,600
Existing approved savings that impact on future years (App G)	(5,489)	(350)	(5,839)
Amendment to existing approved savings (App H)	0	350	350
Capital financing and central budget adjustments	(2,400)	0	(2,400)
Net Expenditure Requirement	398,738	(7,431)	391,307
RESOURCES			
Localised Business Rates 2022/23	(63,300)	6,159	(57,141)
Share of unfunded 2021/22 Business Rates Deficit	597	(597)	0
Top Up Business Rates Grant	(69,259)	0	(69,259)
Revenue Support Grant	(35,879)	0	(35,879)
Assumed additional RSG replacing New Homes Bonus	0	0	0
Council Tax Income 2022/23	(221,431)	0	(221,431)
Share of estimated 2021/22 Council Tax Surplus	(1,125)	0	(1,125)
Use of reserves (Previously Approved).	(4,250)	0	(4,250)
Use of reserves to balance the budget	(4,091)	1,868	(2,223)
Total resources	(398,738)	7,431	(391,307)

*Any impact from 2020/21 and 2021/22 Business Rates Collection Fund deficits in 2022/23 is excluded from the above, and will be covered by the S31 Business Rates Grant Reserve as planned.

** The above table does not include the impact of the Government using RPI to calculate Business Rates Multiplier compensation per paragraph 2.3.

*** It is proposed that the reduced call on reserves to balance the budget will be earmarked to a Social Care reserve to be drawn on as required, as these sectors continue to be impacted by Covid and other budget pressures.

Appendix B - Schedule of agreed recurring investments previously consulted on (for reference only)

Appendix Costs and Savings are shown for both 2022-23 and 2023-24 in comparison to the 2021-22 Budget

Recurring Investments for 2022-23 previously consulted on (For reference only)		2022-23	2023-24
		£'000	£'000
CHR8.3	Skills House – Investment (£1m investment in 21-22 was funded from Covid Grants, but will need to be base budget funded from 2022-23 onwards.	1,019	1,019
CR8.2	IT requirements to support Children’s Services - Additional investment reducing from £843k in 2021-22 to £174k in 2022-23 onwards as previously approved	(669)	(669)
HWR8.1	Adults Commissioning Team expansion (£500k increase in each year for 3 years from 2021-22 as previously planned)	500	1,000
PR8.2	Stronger Communities Team (Full year effect of investment agreed in 2021-22)	250	250
CRR8.4	Legal Services, to support children service demands (additional £135k to take investment up to £577k as approved in 2021-22).	135	135
PR8.3	Culture investment (Full year effect of investment approved as part of 2021-22 budget)	203	203
CRR8.7	Microsoft licences (£700k investment approved as part of 2021-22 budget – increased costs covered by reserves in 2021-22, with base budget required in 2022-23)	700	700
Total		2,138	2,638

Appendix C - Recurring investment proposals which were open for Consultation until 19th January 2022

Proposed Recurring Investments for 2022-23 - for consultation		2022-23	2023-24
		£'000	£'000
	Children’s Short Breaks	552	552
	Council Tax Support for Care Leavers • Council Tax support for care leavers by extending y extending the 100% discount for Care Leavers scheme up to the age of 25 (from 21)	52	52
Total		604	604

Appendix D – Time limited investments previously approved by Full Council (For reference only)

Time limited Investments (for reference only)		2022-23	2023-24
		£'000	£'000
	City of Culture – previously approved by Full Council	3,000	3,000
	Regeneration Opportunity – previously approved by Full Council	1,250	1,250
Total		4,250	4,250

Appendix E – Existing pressures which were open for consultation until 19th January 2022

Existing Pressures for consultation		2022-23	2023-24
		£'000	£'000
	Children's Social Care Pressures	7,500	7,500
	Adults Social Care Pressures	3,000	3,000
	Total	10,500	10,500

Appendix F – One off investment proposal which was open for Consultation until 19th January 2022

One off Investments for 2022-23 - for consultation		2022-23	2023-24
		£'000	£'000
	Council Tax Hardship Scheme – £50 per eligible recipient for 2022-23 only	1,600	0
	Total	1,600	0

Appendix G - Schedule of agreed savings previously consulted on (for reference only)

Schedule of agreed savings previously consulted on (for reference only)		2022-23	2023-24
		£'000	£'000
4A1	Adults - Overall Demand Management Strategy - moving from a dependency model to one that promotes independence and resilience (e.g. reducing numbers coming in to care, care system culture change, speeding up integration, redesign enablement, reviewing financial needs, and continued personalisation).- Final year of 4 year strategy implementation.	(5,489)	(5,489)
6X1	Welfare Advice & Customer Service - Fundamental change to the way the Council and its partners deliver customer facing Services, focussed on customers getting the 'right support at the right time'. – See also proposed delay to 2023-24 in Appendix H below.	(350)	(350)
	Total	(5,839)	(5,839)

Appendix H - Schedule of proposed amendments to previous budget decisions open for consultation until 19th January 2022

Amended prior year budget savings for consultation		2022-23	2023-24
		£'000	£'000
6X1	Welfare Advice & Customer Service - Fundamental change to the way the Council and its partners deliver customer facing Services, focussed on customers getting the 'right support at the right time'. - Delay the full implementation of the £844k approved saving for a further year to 2023-24 as these services are critical to the on-going response to Covid, and continue to review their approach to delivery	350	0
	Total	350	0

Appendix I Proposed Used of Reserves

The £13.650m of reserves that are proposed to be used to fund the £6.473m gap required to balance the budget in 2022-23, and also to create Social Care Reserve of £7.177m are outlined below.

Reserve drawdown		2022-23
		£'000
	Reduce Unallocated Reserve to £0	10,700
	Reduce VAT Partial Exemption reserve from £3m to £2m	1,000
	Reduce 2019-20 Financing reserve from £1m to £0	1,000
	Reduce Renewals and Replacement reserve to £4.2m	950
	Total Reserve draw down	13,650