

Subject:	Draft Budget & Resource Update 2021/22		
Date of Meeting:	3 December 2020		
Report of:	Acting Chief Finance Officer		
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Ward(s) affected:	All		

Note: The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the government's Spending Review was announced on 25 November and additional time was needed to analyse the headline impact on local authorities and include this in the report.

FOR GENERAL RELEASE

1 PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report provides an update on the resource position as far as it is known including changes in assumptions and the key headlines from the Spending Review announcement. It also includes revised estimates of demographic and cost trends based on the latest information and forecasts. At this stage, tax base estimates have not been revised as updated data and analysis is not yet available.
- 1.2 This year has clearly been unprecedented and has resulted in very large additional costs and income losses for the council for which the government have provided local authorities with significant support and compensation. For this council there remain many challenges and unknowns going forward and the key areas of risk are therefore identified and discussed in the report.
- 1.3 Members will be aware that the pandemic has also impacted on the normal budget planning timetable and therefore this report does not contain a full set of draft budget proposals at this stage. While investment and service pressure requirements in priority areas have been estimated, the full range of potential savings is still being worked up and this process is delayed by approximately one month. However, some proposals that are more developed are included here in the interests of sharing information as soon as practicable while the timetable for completing the 2021/22 process is set out in the report.
- 1.4 In the interim, high level budget strategies are provided at Appendix 1 that set out the service and financial context for each of the council's service directorates together with the approach each directorate is taking to service delivery and supporting the council's Corporate Plan priorities. Areas of focus for potential savings that are currently in development are also discussed. The Budget

Strategies will ultimately form part of the council's Budget Book which will be included in the final budget proposals to Budget Council.

- 1.5 The provisional Local Government Finance Settlement is not normally made available until December each year. The full impact of the settlement as well as the full set of draft budget proposals and Equality Impact Assessments will come to the January Policy & Resources Committee along with the tax base estimates as required by statute. The outcome of the current Council Tax Reduction Scheme consultation will also come to the January meeting. Final budget proposals will come to the February Policy & Resources Committee and Budget Council as normal.

2 RECOMMENDATIONS:

That the Policy & Resources Committee:

- 2.1 Notes the updated forecasts and latest resource information set out in the report.
- 2.2 Notes the Draft Budget Strategies at Appendix 1 including the areas of focus for potential savings.
- 2.3 Notes the early draft budget savings proposals at Appendix 2.
- 2.4 Notes that the full set of draft budget proposals and Equality Impact Assessments will be brought to the January Policy & Resources Committee together with an update on the provisional Local Government Financial Settlement.
- 2.5 Notes the revised timetable including the impact on proposed consultation timelines set out in Section 7.
- 2.6 Notes that subsequent decisions, updated financial data and information from central government regarding the Local Government Financial Settlement (LGFS) are likely to impact further on the development of budget proposals for 2021/22.
- 2.7 Agrees to the un-pausing and continued pausing of the capital schemes as set out in paragraph 5.18.

3 FINANCIAL CONTEXT AND RISKS

- 3.1 Effective financial planning has become increasingly important over recent years due to the increasing financial challenges facing the council. Failure to effectively manage the council's finances will ultimately impact on service delivery and has serious reputational implications, potentially leading to government intervention. The financial impact of the pandemic has brought financial resilience to the fore and many authorities are now concerned about the level of reserves available to maintain their financial stability. Recent examples of financial scrutiny or intervention relating to local authorities include:
- An external audit Public Interest Report followed by a Statutory Section 114 report being issued by the Chief Finance Officer (CFO) of Croydon LBC to restrict all spending, bringing with it associated media and reputational impact;
 - Various objections to local authorities' statements of accounts, particularly concerning financing decisions and commercial property deals, requiring investigation and adjudication by external auditors;
 - Various legal challenges from residents in respect of council decisions, particularly where urgent cuts have had to be approved to balance the books, most notably the upheld legal challenge to Bristol City Council regarding proposed reductions to children's disability budgets;

- Intervention by government in respect of failing services where they can appoint commissioners to take over whole services, notably Doncaster Met which narrowly avoided Secretary of State intervention in Children's Services by agreeing to create a new trust;
- In the severest case, Northamptonshire, direct intervention by government will result in dissolution of the authority and creation of two new unitary authorities from April 2021.

3.2 The case of Croydon LBC is worthy of note having recently been issued with a Section 114 report by their CFO. The report indicates that the authority has seen its reserves depleted by over £40m within 4 years, accompanied by increasing overspends across social care services while also under-achieving its planned savings programmes. It also entered into substantial housing and property arrangements which have resulted in very large borrowing debt and which are now being reviewed independently by the Local Government Association.

3.3 In their annual reviews, external auditors are therefore increasingly concerned with local authorities' arrangements for securing value for money which includes demonstrating financial resilience and sustainability by providing evidence of effective medium term planning. In the current context, External Auditors will also be looking closely at authorities' plans and approaches for managing the ongoing impacts of the pandemic, particularly taxation (Collection Fund) deficits.

3.4 Brighton & Hove City Council has a strong track record of financial management and a clearly defined annual and medium term financial planning process. This has enabled the early identification of any predicted future budget shortfalls (gaps) and ensured any gap can be addressed by developing and agreeing appropriate savings measures and programmes. These have been and are supported by an 'invest-to-save' Modernisation Fund utilising the government's capital receipt flexibilities. The council's planning and delivery approach has therefore enabled it to remain financially resilient, however, there are a number of areas of potentially high and growing risk that the council needs to be mindful of in the immediate future including:

- The likely requirement to plan for the repayment of reserves over the next few years, particularly in respect of Collection Fund taxation losses experienced this year due to the pandemic (and possibly next year if Council Tax Reduction claimant numbers remain high due to slow economic recovery);
- Current and projected pressures on Adult Social Care resulting in overspending last year, projected overspending this year and significant cost pressures next year which are significantly higher than the available funding announced in the Spending Review;
- The numbers of people supported in, and the cost of, Emergency and Temporary Accommodation and associated support services which have been increasing year-on-year and have only been manageable through additional Homelessness Flexibility Grant awards. Although funding has been received to meet accommodation costs through the pandemic, if people are not successfully 'moved on' to sustainable accommodation or settings, this will increase baseline numbers further and the impact on the council's budget will be potentially very substantial over the next few years. Officers will continue to monitor the number of homeless households approaching the council for support, the cost of this support and the availability of government revenue and capital funding, and will report back to Housing Committee to advise on

whether or not the council's approach to dealing with homelessness is financially sustainable;

- The council's funding base is increasingly reliant on income from fees and charges, particularly parking and permit revenues. Fees & Charges are related to visitor and economic activity and behaviours, which can change over time potentially affecting income levels. The council's relatively high level of fees & charges is evidenced by the compensation grant for losses of Sales, Fees & Charges caused by the pandemic for which this council received the 5th largest amount in the country. The council therefore needs to monitor trends in activity and behaviour and consider the potential impact on future income levels;
- The council's commercial property portfolio, which provides substantial rental income of over £9m, is known to be highly geared toward the retail sector, which had been declining prior to the pandemic and may now be further impacted in the medium term, particularly as government rate relief support falls away. This could put pressure on commercial rent incomes in future;
- The council is highly reliant on suppliers and providers who may be impacted by Brexit either in terms of the cost of supplies or cost of labour, or the impact on supply chains. This could result in increased contractual costs for the council.

3.5 Not addressing these risks and challenges in a planned and timely way over the medium term would inevitably lead to a depletion of reserves and the potential to invite scrutiny from the external auditor in the first instance with, ultimately, further action from the auditor and statutory S151 Chief Finance Officer if robust short and medium term plans were not in evidence.

4 RESOURCES AND PLANNING ASSUMPTIONS 2021/22

Spending Review Headlines

4.1 The government confirmed that the Spending review on the 25 November 2020 will be for 2021/22 only and included key information that will inform the provisional Local Government Finance Settlement (LGFS) for 2021/22. This means that details of government funding for councils is not likely to be announced until later in December.

4.2 The Spending Review only provides high level information and does not indicate the precise distribution of resources to individual councils, however, the key headlines from the announcement are as follows:

- An allowable 3% Adult Social Care precept which could provide an additional £4.4m;
- Additional Adult Social Care grant funding worth potentially £1.5m;
- A share of £1.55bn additional Covid-19 pressure funding which could provide between £6.2 to £7.5m depending on the distribution method;
- Funding provision for 75% of irrecoverable losses of Council Tax and Business Rate Retention income (i.e. the Collection Fund deficits) in 2020/21. This is significant and could be worth up to £8.7m one-off against the projected Collection Fund deficits.
- Continued provision of the compensation grant for losses of Sales, Fees & Charges income for the 1st quarter of 2021/22 reducing the risks of potential income losses next year;

- A public sector pay freeze excluding the NHS and also providing £250 for staff paid £24,000 per annum or less;
- Homelessness and Rough sleeping funding of £151m extra nationally in 2021/22. The distribution of this is unknown at present but should provide a minimum of £1m;
- Continuation of the Hardship Fund next year to support working age Council Tax Reduction claimants through an increase to the discount;
- Confirmation that the Troubled Families and additional Adult Social Care grant awarded in 2020/21 will be continued;
- Confirmation of removing access to PWLB loans for councils with commercial plans;
- More positively, reduction of the PWLB borrowing rate for the General Fund by 1% to be in line with the borrowing rate currently available to the HRA.

4.3 The impact on the council's planning assumptions that can be inferred from the Spending Review announcement are as follows:

- The pay award built into the 2021/22 planning assumptions was 2.2%. The pay freeze, after providing for the Living Wage increase and allowing for a similar increase to the proposed public sector pay award for staff paid less than £24,000 will potentially reduce the cost of the pay award and would therefore reduce the budget gap by an estimated of £2.2m. Note, however, that local government pay is negotiated separately from public sector pay;
- The predicted level of additional grant support was £11m including £4m for Adult Social Care (ASC), £6m for ongoing Covid-19 pressures, and £1m for Troubled Families. This was after assuming continuation of the additional Adult Social Care grant awarded in 2020/21 which has been confirmed. If the 3% ASC Precept is taken up, the overall Spending Review outcome indicates that additional funding of at least £14m should be available, providing a minimum additional £3m compared to the level of funding built into the 2021/22 planning assumptions.
- The forecast Collection Fund deficit that needs to be repaid over the next few years is currently £11.818m. The Spending Review provides that 75% of the deficit will be funded which is worth approximately £8.7m and this reduces the call on one-off resources (reserves) accordingly.
- The level of New Homes Bonus assumed was £0.972m based on legacy payments from previous allocations; the Spending Review confirmed this funding for 2021/22.

4.4 Overall, the Spending Review could potentially improve the council's resources when compared with the resource assumptions reported to this committee in July as follows:

Table 1: Spending Review Assumptions (Recurrent Funding)	Assumed £m	Minimum SR2020 £m	Maximum SR2020 £m
Additional Social Care funding	4.000	1.500	1.500
Additional Social Care Precept at 3% (if approved)		4.400	4.400
Additional ongoing support for Covid-19 impact	6.000	6.200	7.500
Trouble Families Grant continuation	1.000	1.000	1.000
Homelessness/Rough Sleeping	0	1.000	1.500
Resources released by pay restrictions	0	2.190	2.190
Total	11.000	16.290	18.090
Increase in Resources compared with Spending Review Assumptions	-	5.290	7.090

- 4.5 The impact of the projected resource changes emanating from the Spending Review on the council's predicted budget gap for 2021/22 is set out in the table at paragraph 4.13 below.

Updated Investments & Service Pressures

- 4.1 In the July budget planning and resource update to Policy & Resources Committee, 3 scenarios were set out for the potential investment requirement to support priority services, unavoidable pressures and Corporate Plan priorities. The 'Moderate View' estimates were used for planning purposes as shown below. As normal, these have now been revisited based on latest trends and financial data and the position is shown below indicating an increase in recurrent (ongoing) pressures of around £2.8m and significant one-off Covid pressures trailing into 2021/22 of over £6m.
- 4.2 There is still considerable work needed to fully understand emerging pressures in the Economy, Environment & Culture (EEC) directorate and the Housing, Neighbourhoods & Communities directorate in terms of whether or not these will be ongoing pressures or are one-off pressures. For example, currently the level of people accommodated in emergency and temporary accommodation is now significantly above the core budget and without significant numbers of people being helped to 'move on' to sustainable accommodation, this could become an ongoing pressure. Similarly, some of the pressures across a number of EEC services may be able to be accommodated through other funding mechanisms including capital funding which is currently being explored. An estimate of the level of underlying (i.e. ongoing) and one-off pressures has been provided below.

Table 2: Investments & Service Pressures	Assumed Recurrent Pressure Funding 2021/22 (July)	Latest Recurrent Pressures Identified	Latest Short Term Covid Pressures & (one-off) Pressures
	£m	£m	£m
Health & Adult Social Care	12.700	12.700	-
Families, Children & Learning (incl. Troubled Families)	6.000	6.603	0.400
Environment Economy & Culture	-	1.530	2.700
Housing, Neighbourhoods & Communities	-	1.500	2.000
All Other Services	0.500	0.496	0.370
Corporate Plan Priorities	1.000	1.200	0.330
Allowance for ongoing PPE costs	0.500	-	0.500
Land Charges Transfer	0.500	0.500	-
Financing Costs	0.500	-	0.500
Total	21.700	24.529	6.800

- 4.3 The table indicates a very high level investment requirement of over £30 million across both ongoing and one-off pressures based on current trends and estimates. As can be seen in paragraph 4.13 this increases the recurrent budget gap by £2.829m but this is more than offset by increased resources provided by the Spending Review. The one-off pressures, if confirmed, would be a significant call on one-off resources likely to require internal borrowing from existing reserves with subsequent repayment.

Investment in Corporate Plan Priorities

- 4.4 The original planning assumptions included provision for priority investments to support key Corporate Plan objectives including addressing climate change and moving toward a carbon neutral city by 2030. Proposed investments are set out in the table below including a tax base change relating to a proposed 2% increase in the discount provided by the Council Tax Reduction Scheme currently out for consultation.

Table 3: Proposed Corporate Plan Investments	Annual Cost £m	One-off Cost * £m
Hydrogen feasibility study		0.030
Additional spend priority to provide more provision for support to victims of domestic violence	0.050	
Expansion of the Sustainable Carbon Reduction Initiative Fund (SCRIF) financing budget to lever in borrowing for carbon reduction schemes	0.200	
Expansion of the warmer homes initiative (including district heating plans) through an additional financing budget to lever in more investment	0.200	
Addition of a Rewilding Officer post to enhance biodiversity	0.040	
Investment to provide a focused Race Education Strategy and delivery	0.100	

Investment in an Environmental Education Strategy for the City	0	0.150
Creation of a 'revolving door fund' for community wealth building via an on-lending pilot. Expected to be self-financing.	0	
Enforcement Officer post for Energy Performance Certificate (EPC) non-compliance	0.045	
Expansion of the Housing first scheme to support a further 10 people	0.100	
Investment in 'pocket parks'	0.030	
Feasibility study for a seafront sustainable transport corridor	0	0.030
Invest to save Adult Social Care – additional capacity to assist implementation of Better Lives and other demand and cost control measures	0	0.120
Investment in improving school streets	0.040	
Creation of a new Disability Officer post	0.045	
Proposed 2% increase in the discount for the Council Tax Reduction Scheme (tax base change)	0.350	
TOTAL CORPORATE PLAN INVESTMENTS	1.200	0.330

* One-off costs will either be a call on one-off resources or may be funded by the Modernisation Fund subject to the outturn spend on currently funded schemes.

Local Government Finance Settlement and Tax base Forecasts

- 4.5 As noted above, full details of government funding for councils is not likely to be announced until later in December. Last year the government announced a one-year spending review for 2020/21 as an interim measure due to Brexit which effectively rolled forward grants received in the previous year with additional funding to support Adult Social Care.
- 4.6 A key area is the continuing support for Adult Social Care. The table below sets out the ongoing funding applicable to Adult Social Care and the potential resources provided by the Spending Review:

Table 4: Social Care Resources	2019/20	2020/21	2021/22
ASC Precepting *	0%	2% £2.894m	3% £4.400m
Improved BCF	£9.181m	£9.181m	£9.181m
Adults & Children's Social Care grant	£2.100m	£2.100m	£2.100m
Adult Social Care Grant	-	£4.715m	£4.715m
New Social Care Grant (SR2020) **	-	-	£1.500m

* Subject to full Council approval for 2021/22

** Estimated distribution of £300m national funding

- 4.7 Revenue Support Grant is assumed to continue at the 2020/21 level of £6.630m.

Council Tax

- 4.8 The council tax increase for 2021/22 is currently assumed at 1.99% and the spending review confirmed this would be the maximum increase without triggering a referendum. This excludes the potential Adult Social Care precept of 3% which could mean the overall increase would be 4.99%.
- 4.9 The ongoing impact of the pandemic on council tax income is difficult to predict, however there has been a marked increase in the number of CTR claimants, delays in development completions and reduced council tax collection, particularly for older debts. Prior to the pandemic, the assumption on the underlying tax base was an increase of 0.75% however, given the impacts of Covid-19 and the likelihood of these impacts continuing into future years, the tax base estimate has been revised resulting in a reduction of -1.27%. This assumption will be reviewed with the latest data prior to the Council Tax Base being presented to this committee in January.

Business Rates estimate for 2021/22

- 4.10 Similarly, it is very difficult to predict the ongoing impact of Covid-19 on businesses within the city and the impact this may have on the level of business rates income. In 2020/21 the government announced significant retail reliefs to support business through the pandemic. These were in excess of £70m which is more than 50% of the total business rates bills within the city. The spending review included provision for additional targeted rate reliefs for 2021/22 but these will not be announced until the new year. The assumption is that the government will continue to fully compensate the council for any additional reliefs provided.

The projections for 2021/22 have been amended to remove any assumed tax base growth and the inflation assumption has been reduced to 1% to reflect reductions in RPI. Business rates would normally increase by CPI with the government compensating councils for the difference between RPI and CPI increase however the spending review announced a freeze in the business rates multiplier which means there won't be an inflationary increase for rate payers and councils will be fully compensated for the loss of revenue. A further 1.4% allowance has been incorporated for reduced business rates income that could arise from business failures and bad debts. Business Rates forecasts continue to be an area of financial risk which is heightened by the unknown ongoing impacts of the pandemic on businesses and these estimates could change significantly.

- 4.11 Council Tax (including Council Tax Reduction) and Business Rates are key assumptions and estimates which will be reviewed in full during December using latest trends and information to inform these tax bases for the report to January Policy & Resources Committee.

Budget Gap (Shortfall) 2021/22

- 4.12 The Moderate View planning scenario in July recommended working on the basis of a budget shortfall of £17.3m in 2021/22. This is the assumption that officers are currently using to develop budget proposals including savings programmes. The final budget gap projection for 2021/22 will need to be updated but cannot be fully determined until:

- i) The provisional Local Government Financial Settlement is received and analysed;
- ii) The Council Tax, Council Tax Reduction and Business Rate tax bases have been fully revisited in December;
- iii) The Investments & Service Pressures above have been confirmed and the robustness of estimates reviewed by the Chief Finance Officer.

4.13 For illustration only, the table below indicates the latest position on the potential budget gap for 2021/22 including high level estimates of Spending Review announcements. The table starts with the predicted budget gap as at July and then shows positive or negative changes compared with the 'moderate view' planning assumptions made in July.

Table 5: Budget Gap Latest	£m
2021/22 Budget Gap as at July 2020	17.300
Increase in priority investments and service pressures (recurrent)	+2.829
Impact of a pay restrictions on estimates	-2.190
SR2020 additional ASC support	-1.500
Adult Social Care 3% Precept (if approved)	-4.400
SR2020 improvement on £6m assumption for additional Covid support	-0.200
Less Assumed ASC SR Funding	+4.000
Additional Homelessness and Rough Sleeping funding	-1.000
Budget Gap before Savings Proposals	14.839
Early Draft Saving Proposals to date (Appendix 2)	-6.369
Remaining Budget Gap	8.470

4.14 The table above indicates that a maximum budget gap of £14.839m would need to be addressed, assuming the allowable 3% Adult Social Care Precept is taken up by full Council. This gap could improve by a further £1.8m subject to the distribution methods used for the Covid support funding and the Rough Sleeper funding.

Reserves Position and One-off Funding

Latest Position in 2019/20

4.15 Targeted Budget Management (TBM) is the council's system of budget monitoring and the TBM Month 7 (October) report elsewhere on the agenda shows a projected overspend of £0.030m on the General Fund, which includes a projected overspend of £0.313m on the council's share of NHS controlled s75 partnership services. The overall overspend shows a substantial improvement of £7.823m since Month 5 as presented to the Committee in October and brings the position close to balance. This has resulted from a combination of effective cost control measures including negotiated supplier reliefs, application of the furlough scheme where applicable, and effective deployment and vacancy management together with significant improvements in income forecasts due to the busy summer, improved recovery of benefits for emergency accommodation tenants, increased funding from the NHS, and very substantial government grant support.

4.16 In terms of service budgets, this puts 2020/21 in a relatively healthy position in-year, however, a note of caution is required because the large government grants are likely to be masking significant underlying pressures including the growth in Adult

Social Care placements, significantly increased numbers of people accommodated in temporary and emergency provision, and potential ongoing losses of income for services that may not be able to operate fully or are impacted by the economic situation.

- 4.17 The council's share of the net deficit on the Council Tax and Business Rates collection funds is forecast to be £11.818m and must also be funded from one-off resources in the 2021/22 budget. However, the Spending Review 2020 has provided that 75% of Collection Fund deficits will be funded by government. The projected deficit and 75% funding are reflected in Table 6.
- 4.18 The working balance is recommended to continue at a minimum of £9.0m to meet general risks applicable to a unitary authority.
- 4.19 Table 6 identifies potential resources and liabilities that will need to be taken into account in setting the 2021/22 budget. At this stage, this assumes that spending in 2020/21 will be in line with the TBM Month 7 (October) report projections included elsewhere on this agenda.
- 4.20 The table shows an estimated shortfall in resources of £2.984m based on the current TBM (month 7/October) and collection fund positions and assuming 75% collection fund deficit funding from government. The potential one-off requirements identified in the table mean the shortfall in resources increases to £10.174m. This position is expected to change and will be updated for the February budget report. The main factors expected to affect the position are:
- The latest TBM position which will be updated for month 9 (December). Any improvement to the current overspend forecast will increase available one-off resources and vice versa;
 - A comprehensive review of reserves and provisions which is undertaken annually as part of the budget process;
 - A further review of in-year Collection Fund (tax yield) performance. Any improvement will reduce the shortfall and vice versa;
 - Updated estimates of short term Covid-19 pressures.

Table 6: One-off resources, liabilities and potential allocations (as at Month 7/October)	£m	£m
Unallocated general reserves		0.000
Revenue Budget position 2020/21 (TBM):		
- Forecast outturn overspend (as at TBM Month 7/October)		-0.030
In-year Collection Fund ¹ position 2020/21:		
- Estimated 2020/21 Council Tax collection fund deficit	-8.298	
- Estimated 202/21 Business Rates Retention collection fund deficit	-3.520	
Sub-total: Projected In-year Collection Funds position		-11.818
Projected One-off Resources shortfall at start of 2021/22		-11.848
75% SR2020 provision for Collection Fund deficits		+8.864

¹ Collection Funds are separate accounts where taxation revenues received from the Council Tax and Business Rates are allocated and compared to the expected tax yield for the year.

Revised shortfall		-2.984
Potential One-off Allocations in 2021/22:		
- Latest Short Term Covid-19 and other one-off service pressures	-6.470	
- One-off investment in Corporate Plan priorities	-0.330	
- Allocation to Council Tax Reduction Discretionary Fund	-0.190	
- Allocation to Welfare Reform Support Fund	-0.200	
Current One-off Resources shortfall		-10.174

4.21 The table above clearly indicates a very substantial call on one-off resources. As indicated above, there are a number of factors likely to cause a change to these figures while further work is also needed to fully understand Covid-19 and one-off pressures and consider options for mitigating some of these costs.

5 BUDGET STRATEGIES AND PROPOSALS 2021/22

5.1 In July, the Executive Leadership Team (ELT) were instructed to develop budget proposals working on the assumption of a predicted £17m 'moderate view' budget gap in 2021/22. Budget proposals are required to take into account a range of factors including:

- i) Provision for pay, price and pension uplift inflation to ensure that the budget for all services is maintained in real terms prior to any decision to change the level of investment;
- ii) An estimate of the level of investment need to meet demographic or other demand changes and exceptional cost increases, primarily for statutory or priority services;
- iii) Unavoidable contractual or corporate commitments emanating from previous decisions, e.g. financing costs of approved capital schemes, or from legally binding agreements or liabilities;
- iv) Development of savings proposals to meet the projected budget gap.

5.2 Budget proposals are also developed in the context of the council's Corporate Plan and the 6 priorities therein. The plan is a medium term planning framework through to 2023/24 but includes objectives that go well beyond this timeframe. Clearly, not all priorities can be met in full in 2021/22 but many will be supported by either capital or revenue investment. At this stage, and in this very unique year, the budget setting process has been impacted by the pandemic and is approximately one month behind schedule. Detailed proposals are therefore still being worked through but directorates have been able to set out high level budget strategies which are included at Appendix 1.

5.3 The appended Budget Strategies will ultimately form a key part of the council's 'Budget Book' which provides full exemplification of all revenue and capital budgets across all services including the Housing Revenue Account for Council Housing stock. The Budget Strategies indicate the overall direction of travel for the delivery of services in each directorate and set out each directorates' approach to supporting Corporate Plan priorities.

5.4 The Budget Strategies also set out the service and financial context within which each directorate is operating, including any key demographic, demand or cost pressures affecting statutory or priority areas and requiring additional investment. They also indicate where there is a plan or opportunity for capital investment to

meet Corporate Plan priorities, e.g. new build housing. They also give an indication of 'Areas of Focus for Savings' which are likely to form part of the finalised budget proposals coming forward to January and February Policy & Resources Committee and Budget Council.

5.5 In summary, the main areas for savings opportunities being explored include:

All Council Services:

- All services will explore opportunities to generate additional income from fees & charges. A corporate target of 1% must first be met but increases above this will normally generate a saving. Increases in the surplus from on-street parking and permit income must be applied to transport-related expenditure. However, this normally releases core council funding currently applied to transport related services.
- Many services, across all directorates, will explore opportunities for service redesign, process efficiency and utilising digital developments to improve customer service and efficiency. These savings approaches can be used to improve value for money of services or provide 'more for less'. These changes can have implications for staff and residents requiring consultation and equality impact assessment.
- All services will explore opportunities for contract and procurement savings through the use of competitive procurement routes and buying frameworks as well as looking for opportunities for joint procurement with partners, including through the Orbis partnership.

Health & Adult Social Care:

- Implementation of the Better Lives and Stronger Communities Target Operating Model to help manage demand pressures and improve service outcomes through preventing admissions to new long term placements;
- Optimise home care support to keep people in their own homes to reduce the current rates of conversion from short term to more expensive long term placements;
- Improve market management, including enhanced joint commissioning with the CCG (joint buying power);
- Redesign in-house provision to support the above objectives and reduce expensive out of area placement costs. This includes building on Covid-19 learning to optimise asset-based approaches to service delivery including closer working with the voluntary sector.

Families, Children & Learning:

- The Directorate is exploring options for savings on Adults with Learning Disabilities through a number of targeted strategies including:
 - Continuation of the 'Move On' project supporting adults with LD to move on from high cost placements into new living arrangements which promote independence.
 - Appropriate joint funding arrangements to be pursued i.e. Continuing Health Care funding.
 - Improved transition arrangements for young people. The Specialist Community Disability Service 14-25 pod will seek to provide a greater focus on this high cost area.

- Review of existing block contracts for outsourced services to address any over provision and more effective utilisation of voids.
- Expansion of Shared Lives capacity.
- The project to increase the number of in-house foster placements and reduce reliance on more expensive independent provider provision is ongoing which should enable further savings on Children's Agency Placement costs.
- Ensuring value for money is obtained when using external providers; this is supported by the children's services framework contract arrangements and preferred provider guidelines.
- Relationship based social work practice and the specialist adolescence service continues to contribute to diverting children from the care system by meeting need and managing risk within the home.
- Explore the potential to increase income from traveller sites.

Housing, Neighbourhoods & Communities

- An 'end to end' review of Temporary Accommodation (TA) services through a TA Improvement Programme. The programme will include a review of income collection, voids turnaround, TA procurement, management of lettings etc, as well as work to increase the number of Council-owned TA units.
- Explore potential options for the refinancing of the Seaside Homes agreement to develop more cost effective ways of supporting homeless people;
- Explore savings opportunities in Communities, Equalities & Third Sector services through small scale efficiency gains and non-statutory support services.

Economy, Environment & Culture

- Increase on-street pay & display parking tariffs to generate additional income thereby releasing core budget for savings;
- Introduce emission-based on street parking tariffs, linked to the objectives of a car free city centre and a reduction in congestion/ improvement in air quality.
- Review of resident parking permit fees, including increasing fees in areas of high demand zones to moderate the demand and encourage alternative modes of transport.
- Increase licence fees for skips, scaffolds, hoardings, materials and A-Boards.

Finance & Resources and Strategy, Governance & Law

- Corporate Services and Support Functions will continue to explore opportunities for generating external income by providing contracted services. This must balance the income generated with any impact on the capacity of these functions to provide the council with the support it needs.
- Services within the Orbis Partnership (Finance, HR, Procurement, Audit and IT&D) will explore opportunities to deliver the targeted savings within the 3-year Orbis Business Plan. These savings may not fall evenly across services or across partners but are expected to deliver £1.1m for the partnership, of which BHCC's share would be approximately £0.250m.

- The Revenues & Benefits Service will explore further potential savings in recognition of the ongoing transfer of caseload over to Universal Credit managed by the DWP.

5.6 Some savings proposals are sufficiently developed to be able to estimate the potential saving and are provided in more detail in Appendix 2 in the interests of sharing information as soon as it is available. However, these proposals are at an early draft stage and are not yet accompanied by Equality Impact Assessments (EIAs) (where an EIA is required). A fuller set of draft proposals will be developed for the January Policy & Resources Committee and will be shared confidentially with the cross-party Budget Review Groups planned for mid-December and subsequently with the trades unions in early January, including draft EIAs where applicable. These proposals, including any further updates and changes, will be submitted to the 21 January 2021 Policy & Resources Committee (the agenda will be publicly available on 13 January).

5.7 It should be noted that consultation processes in relation to any budget proposals will be in accordance with the timetable set out in Section 7 but, for the avoidance of doubt, nothing can fetter the necessary statutory or agreed consultation time required to ensure that there is meaningful consultation with residents, staff or other stakeholders potentially affected by budget proposals.

Capital Investment Programme and Capital Strategy 2020/21

Capital Investment Programme

5.8 The detailed capital investment programme will be brought to the February Policy & Resources Committee as normal. The capital programme will update existing capital schemes for any change in phasing and/or cost estimates. The programme will cover existing and new scheme proposals including:

- Housing Schemes including HRA schemes and the Housing Joint Venture;
- Education & Skills investments including provision for school places;
- Sustainable Transport including Local Transport Plan investments;
- Major Regeneration schemes including the Strategic Investment Fund (SIF), Brighton Waterfront, Madeira Terraces and New England House;
- Other Investment Funds including the Asset Management Fund, Planned Maintenance and IT&D Fund;
- Carbon reduction and sustainability investment programmes including Solar Panels and the Sustainable Carbon Reduction Initiative Fund (SCRIF);
- Major IT & Digital implementation and replacement programmes.

5.9 Other investment options and capital financing routes are currently being explored and will come forward to February Policy & Resources subject to the affordability of financing options, viable outline business cases, or available capital resources including capital receipts. Schemes currently being explored include:

- Expanding the SCRIF programme as a priority investment to support being a carbon neutral city;
- Expanding the warmer homes scheme as a priority investment (including district heating plans);
- Considering alternative options for refurbishing the Madeira Terraces remaining arches potentially through attracting additional heritage funding;
- Exploring capital investment options in future for Brighton Youth Centre;

- Expanding the Home Purchase scheme through, for example, the use of Right-to-buy receipts currently applied to the General Fund;
- Exploring a business case for a covered cycle rack scheme;
- Retrofitting and renewable investment in council housing (HRA);
- Exploring business cases for alternative Adult Social Care provision (e.g. further extra care provision);
- Exploring options for investment in street trees.

Modernisation Programme Funding

- 5.10 Over the previous 5 years, the council has focused on identifying and supporting the delivery of savings through its Modernisation Programme supported by significant capital investment. This is enabled by generating capital receipts from the sale of surplus assets to create an invest-to-save budget using the government's capital receipt flexibilities, which allowed capital receipts to be applied to revenue saving projects and programmes.
- 5.11 In 2020/21 the council approved the continuation of funding for the Modernisation Programme but at a lower level of £15m over the period 2020/21 to 2023/24. At present the government have only extended capital receipt flexibilities to 2021/22 however this could change. Regardless of this, there are other methods of funding invest-to-save programmes including unsupported borrowing where there is a good business case for doing so.
- 5.12 The Modernisation Fund is expected to be deployed as follows:
- **Invest-to-Save Budget Proposals:** Based on the experience of the previous 4 years, £2.000m is estimated to be required to support implementation of specific savings and efficiency programmes including service redesigns, recommissioning and process improvements. Investment requirements are currently being reviewed and finalised and will be refreshed each year. This resource will be held in a reserve and only released through review of business cases by the officer Corporate Modernisation Delivery Board. Committee approvals would also be sought where required by Financial Regulations and the council's constitution.
 - **Customer Digital:** £4.350m is anticipated to be required over the next 3 years to support ongoing investment in digital infrastructure and applications and to support continued development of the council's digital services and integration of data across systems and services to improve the accessibility, efficiency and ease-of-use of on-line services. The investment is set at a lower level than in the previous four years as the underpinning work to develop the necessary technology platforms has been completed.
 - **Modernisation Enablers:** £4.3m is estimated to be required to support ongoing change and modernisation programmes over the 4-year period. This includes everything from an effective project management support team, business improvement analysts, workstyles property team support, investment in 'Our People Promise' and staff development and skills programmes, together with additional specialist support where required. This investment has been scaled down to reflect the lower level of expected budget gaps over the next 4 years.
 - **Managing staffing changes:** efficiency programmes and a continual drive for improved value for money will often result in changes in the level or mix of staffing and skills required across the council. Changing staffing levels or skills

will often need financial consideration in order to effect voluntary severance for roles or posts no longer required or needing to be replaced with different roles or skills. Estimated resources of £2.000m are required to meet severance costs to manage change.

- **IT Modernisation Investment:** Investment in IT equipment, software, systems and services (e.g. voice and data) is important to enable the organisation to remain secure, resilient and efficient. Historically, the organisation has suffered from long periods of under-investment which has had to be addressed over the last 4 years through approval of large IT Capital Schemes including Windows 10 roll-out, replacement of the Housing and Social Care systems, General Data Protection Regulation upgrades, etc. Minimum IT Modernisation Investment of £1.100m is included here in an attempt to avoid a similar build-up of IT ‘investment backlog’ by supplementing existing budgets and enabling the council to keep up with necessary infrastructure changes.

5.13 The Modernisation Fund is kept under review as budget plans develop and spend-to-save opportunities and investment requirements emerge in more detail over the planning period. The indicative profile of Modernisation Fund requirements is shown in the table below.

Programme Area	2020/21	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m	£m
Customer Digital	1.750	1.750	1.550	1.050	6.100
Modernisation enablers	1.510	0.920	0.930	0.940	4.300
Invest to Save (4-Year Plans)	0.650	0.550	0.450	0.350	2.000
Managing staffing changes	0.700	0.500	0.400	0.400	2.000
IT Modernisation Investment	0.800	0.300	0.000	0.000	1.100
Total	5.410	4.020	3.330	2.740	15.500

Capital Strategy 2021/22

- 5.14 The Prudential Framework requires local authorities to produce a Capital Strategy which is to be presented and approved by members each year. The purpose of the Capital Strategy is to provide a single place for transparency and accountability of local authority non-financial investments and its capital investment programme, including any commercial investments in commercial property or loans to third parties.
- 5.15 The aim of the Capital Strategy is to ensure members are fully conversant with the risks of non-financial investments and are aware of how the risks are proportional to the council’s core service activity. The document will include:
- The proposed Capital Investment Programme
 - The Governance & Risk Framework
 - Potential and pending non-financial investments
 - An overview of the council’s Risk Exposure
- 5.16 The Modernisation Programme investments above will be incorporated into the full Capital Strategy alongside new and perennial capital investments that will support

major regeneration projects, improved transport infrastructure, provision for school places, and major housing improvements and new build programmes. Key decisions are likely to be required in respect of strategic funds including IT & Digital investment, Strategic Investment Funds (supporting regeneration) and Asset Management Funds. The Capital Strategy will form part of the General Fund budget report to ensure that the link between capital and revenue decisions is maintained and ensure that budget resourcing decisions are taken in the context of the full range of proposed revenue and capital budgets, resources, investments and savings.

- 5.17 As previously, a 5-year capital programme has been developed and will be included in the Medium Term Financial Strategy. The Capital Strategy, including the detailed Capital Investment Programme, will be presented to Policy & Resources Committee and Budget Council in February prioritising the resources available and incorporating the information identified above.

Capital Schemes Paused in 2020/21

- 5.18 Three capital schemes remain paused for 2020/21 pending review at this committee. As the financing costs for these schemes will not now fall in 2020/21, two of the schemes are recommended to be un-paused. However, following the announcement of the outcome of the review of the Prudential Framework and the prohibition of the use of PWLB borrowing for commercial yield, the Madeira Terraces scheme now needs to be completely reassessed and it is therefore recommended that this schemes remains paused and alternative options are considered for the February Policy & Resources Committee.

Table 8: Capital Schemes Currently Paused

Scheme Description	2020/21 Borrowing £000*	Recommended for December Review
Sustainability & Carbon Reduction Investment Fund	500	Un-pause
Sustainability & Carbon Reduction Investment Fund - Transport BUDGET AMENDMENT	3,900	Un-pause
Purchase of Commercial Properties to support Madeira Terraces Investment - BUDGET AMENDMENT	20,000	Continue pause and reassess the entire scheme in the February Capital Strategy to P&R and Budget Council
Total	24,400	

* Associated financing costs will not now be incurred until 2021/22 at the earliest.

Staffing Implications (General Fund Services)

- 5.19 At this stage in the budget process it is not possible to determine how many posts and staff may be affected by forthcoming proposals. An estimate of posts and staff affected, including any staff potentially at risk of redundancy, will be made for the January Policy & Resources report and will be shared with trades unions in early January. As in previous years, actual numbers will be dependent on the detailed options proposed and on the results of formal consultation where required. As previously experienced, it is likely that a significant number of these posts are

already being held vacant and some will become vacant through normal turnover, thereby minimising the risk of redundancies.

5.20 If the forthcoming proposals do potentially place any staff at risk of redundancy the council will support them by:

- Providing appropriate support to staff throughout the change process to enable them to maximise any opportunities available;
- Controlling recruitment and ensuring there is a clear business case for any recruitment activity;
- Managing redeployment at a corporate level and maximising the opportunities for movement across the organisation;
- Managing the use of temporary or agency resources via regular reports to Directorate Management Teams (DMT's);
- Offering voluntary severance where appropriate to staff affected by budget proposals on a case by case basis.

These measures will remain in place as consultation with trade unions, staff and other stakeholders is undertaken. Where necessary, a targeted voluntary approach to releasing staff in areas undergoing change will be managed to support service redesigns whilst ensuring that the organisation retains the skills that will be needed for the future.

6 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

6.1 The budget process allows all parties to engage in the examination of budget proposals and to put forward viable alternative budget and council tax proposals to Budget Council on 25 February 2021. Budget Council has the opportunity to debate the proposals put forward by this Committee at the same time as any viable alternative proposals.

6.2 Any alternative proposal will need prior assessment by the Section 151 Chief Finance Officer and will not normally be allowed where an estimate is not considered to be robust for one of the following reasons:

- i) The risk of not achieving the saving is assessed to be high;
- ii) There is insufficient evidence or information to assess the potential saving;
- iii) The alternative proposal is adding to or bringing forward an existing saving without further information as to how this can be achieved;
- iv) The alternative proposal requires one-off investment or loan financing that cannot be supported;
- v) The alternative proposal is beyond the powers and duties of the local authority.

7 COMMUNITY ENGAGEMENT & CONSULTATION

Budget Timetable

7.1 The Timetable for draft and final budget proposals is given in the table below. This timetable does not include detailed plans for ongoing consultation with stakeholders as this will be determined in conjunction with those involved.

Table 9: Budget Timetable

Date	Event	Notes
3 Dec 2020	Policy & Resources Committee (P&R)	Draft Budget & Resource Update report including Budget Strategies; Budget Monitoring (TBM) month 7 report.
10 - 18 Dec 2020	Service Budget Review Group Meetings (BRG)	Confidential BRG review of early draft proposals – one meeting per directorate – attended by relevant cross party portfolio leads and director
Mid-Dec	Provisional Local Government Financial Settlement	Receipt and analysis of the provisional settlement expected around mid-December.
Mid-Dec to early-Jan	Development of draft proposals	Further work and refinement of draft budget proposals incorporating the impact of the Provisional Local Government Financial Settlement
7 Jan 2021	CFO/Unions	Sharing overall draft budget proposals
7 – 12 Jan 21	Department Consultative Group's	Sharing and explaining Budget Proposals for the relevant directorate
w/c 11 Jan 21	BRG	January P&R finance reports (see below) shared with cross-party Finance Leads
13 Jan 2021	P&R Publication	Publication of 21 Jan P&R papers and start of consultation processes with other stakeholders.
21 Jan 2021	P&R	Budget Update and Draft Budget Proposals report; Council Tax Reduction Scheme 2021/22 report; Council Tax Base report; Business Rates tax base report.
28 Jan 2021	Council	Council Tax Reduction Scheme 2021/22 report (from P&R).
1 Feb 2021	CFO/Unions	Sharing overall final budget package
11 Feb 2021	P&R	General Fund and HRA Revenue & Capital Budget reports; TBM month 9 report.
25 Feb 2021	Budget Council	General Fund and HRA Revenue & Capital Budget reports.

- 7.2 General information and advice about the council's budget will continue to be provided through the council's web site which provides information and graphics on how money is spent on services, where the money comes from and a summary of the financial challenges ahead.
- 7.3 The council will also widely publicise its online social media inviting residents and stakeholders to give us their views and ideas on Twitter via #BHBudget. Social media continues to be a key, low cost, mechanism for engaging with residents and other stakeholders. Key proposals from the budget plan will be publicised, along with information about council services, and questions and comments invited from residents immediately following their publication over the period leading to the February Policy & Resources Committee meeting. A summary of response threads will be provided to all political groups.

Other consultation and engagement processes are as follows:

- 7.4 Information will be shared with Strategic Partners and community groups as normal. Local Strategic Partners remain acutely aware of the potential cumulative impact of funding pressures across public sector agencies on the city. The City Management Board, attended by all Local Strategic Partnership representatives, will therefore ensure that information is shared across the sector to assess and mitigate adverse cumulative impacts wherever possible and develop joint actions where appropriate. Engagement with statutory partners will continue on an ongoing basis to further share and understand the potential cumulative impact of budget proposals across the city as they take shape.
- 7.5 In particular, the council will be engaging fully with the Brighton & Hove Clinical Commissioning Group (CCG) with the intention of aligning the budget processes of the two organisations as far as practicably possible. As with the council, the local CCG is likely to remain under severe financial pressure due to continually increasing demands.
- 7.6 There are ongoing briefings and discussions with the Economic Partnership that cover potential funding sources and bids, city regeneration, economic growth, employment and apprenticeship strategies. Statutory consultation with Business Ratepayers will also be undertaken as normal.
- 7.7 For staff, updates will be provided via the council’s intranet and formal consultation with Staff and Unions will be undertaken as normal including Departmental Consultative Group (DCG) meetings during December and January followed by appropriate consultation with directly affected staff. It is recognised that the budget process is delayed by approximately one month due to the pandemic and this will need to be accommodated in consultation time lines to ensure appropriate and meaningful consultation with staff and unions.
- 7.8 Similarly, where appropriate or required by statute, specific consultation will be undertaken with residents and other people directly affected by proposed changes to service delivery.
- 7.9 Many different stakeholders are interested in proposals for fees and charges which are often linked with budget proposals. Please refer to the relevant service committee where proposals are normally considered and approved. The list of meetings is set out in the table below.

Fees & Charges Area	Meeting	Date
Licensing and Enforcement	Licensing Committee	26/11/20
Children & Young People	Children, Young People & Skills Committee	11/01/21
Private Sector Housing – HMO Licensing	Housing Committee	20/01/21
Housing Revenue Account	Housing Committee	20/01/21
Planning	Tourism, Equalities, Communities & Culture Committee	14/01/21
Libraries	Tourism, Equalities, Communities & Culture Committee	14/01/21
Seafront, Outdoor Events and Venues	Tourism, Equalities, Communities & Culture Committee	14/01/21

Table 10: Approval of Fees & Charges		
Fees & Charges Area	Meeting	Date
Environmental Health and Trading Standards	Environment, Transport & Sustainability Committee	19/01/21
City Parks and City Clean	Environment, Transport & Sustainability Committee	19/01/21
Parking and Highways	Environment, Transport & Sustainability Committee	19/01/21
Bereavement Services	Environment, Transport & Sustainability Committee	19/01/21
Life Events (excluding Bereavement Services)	Policy & Resources Committee	21/01/21
Adult Social Care Non-residential care services	Health & Wellbeing Board	26/01/21

8 CONCLUSION

- 8.1 The council is under a statutory duty to set its budget and council tax before 11 March each year. Notwithstanding the delays caused by the pandemic, this report sets out the latest budget assumptions, process and timetable to meet the statutory duty.

9 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 9.1 These are contained within the main body of the report.

Finance Officer Consulted: James Hengeveld

Date: 26/11/20

Legal Implications:

- 9.2 Policy & Resources Committee has delegated power to formulate the council's revenue budget proposals and Capital Strategy and to recommend their adoption by full Council as part of the overall budget setting process.
- 9.3 Any decisions taken as part of the budget setting process are subject to compliance with relevant legal requirements where appropriate before implementation. The early draft budget plans and savings proposals contained in this report are for noting and are subject to change, and do not commit the council to implement any specific savings proposals. When specific decisions on budget reductions are necessary, focussed consultations and the full equality implications of doing one thing rather than another will need to be considered in appropriate detail.

Lawyer Consulted: Elizabeth Culbert

Date: 26/11/20

Equalities Implications:

- 9.4 In Brighton & Hove City Council a budget Equality Impact Assessment (EIA) process has been used to identify the potential disproportionate impacts of proposals on groups/individuals covered by legislation (the 'protected characteristics' in the Equality Act 2010) and actions to mitigate these negative impacts or promote positive impacts. This is a key part of meeting the requirements of the Act and demonstrating that we are doing so.

- 9.5 In law, the potential impacts identified, and how far proposed actions mitigate them, must be given due regard by decision-makers when making budget and resource decisions. However, as noted under legal implications above, in setting the budget members are making resourcing decisions which remain subject to compliance with all necessary legal and statutory consultation requirements.
- 9.6 All proposals with a potential equalities impact in 2021/22 will have an EIA completed and provided to all Members no later than the January Policy & Resources Committee. As normal, these will be cross-referenced with savings proposals. Staffing EIAs will also be completed alongside the formal consultation process on proposed staffing changes and feedback will be provided in the February report.
- 9.7 Feedback will be used by officers to revise the first drafts of EIAs into final versions which will be available to members and scrutiny as they consider the budget proposals at Budget Policy & Resources and Budget Council. They will also be published on the council website.

Sustainability Implications:

- 9.8 One of the key principles for developing budget proposals, aligned with the Corporate Plan, is whether or not proposals and investments can contribute to the 10 year carbon reduction target to become carbon neutral by 2030. This plays out through everything from reviewing the council's Administrative Buildings occupancy and facilitating more remote working for staff, to increasing the number of electric vehicles in its fleet, through to working with the Climate Assembly to identify further opportunities and actions. The capital and revenue budget proposals for 2021/22 cannot address all of the Corporate Plan objectives immediately but do provide for many initiatives to be supported and researched to inform future budget rounds.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 9.9 The national and local picture continues to indicate growing risks in respect of the pressures on the health & social care system and hospital discharge, the growing problem of homelessness, pressures on children's social care, and the cumulative impact of welfare reforms, particularly the roll-out of Universal Credit. There is also potential for further ongoing impacts from the pandemic depending on the speed of economic recovery. This indicates that potential risks remain high and that good quality data and analysis will be required to ensure that trends and the impact of interventions can be closely monitored and understood.
- 9.10 The level of financial risk provisions will need to be reviewed for 2021/22 in the light of the Month 9 budget monitoring position (TBM), the outcome of the Local Government Financial Settlement, the delivery risks inherent in savings proposals, the projected ongoing impact of the pandemic, and available resources. The level of any risk provisions will clearly need to strike a balance between putting scarce resources to one side when there are growing pressures on service delivery.
- 9.11 The budget report to February Policy, Resources & Growth Committee will include the Chief Finance Officer's formal assessment of the robustness of estimates in the budget and the adequacy of reserves and provisions, including an assessment of the need for any additional risk provisions.

SUPPORTING DOCUMENTATION

Appendices:

1. Draft Directorate Budget Strategies 2021/22
2. Early Draft Budget Proposals

Documents in Members' Rooms

1. None

Background Documents

1. Budget files held within Finance