

# Bath & North East Somerset Council

MEETING:	<b>Corporate Policy Development &amp; Scrutiny Panel</b>
MEETING:	<b>29<sup>th</sup> November 2021</b>
TITLE:	<b>2022/23 Draft Budget Assumptions</b>
WARD:	All
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> Appendix 1: 2022/23 Budget Planning Update presentation (to follow)	

## 1 THE ISSUE

- 1.1 The Medium Term Financial Strategy was considered by the Cabinet at their 9<sup>th</sup> September 2021 meeting. It presents the future years Medium Term Financial Strategy that sets how the Council will need to respond to the budgetary impacts of Covid over the next 5 years.

## 2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note and discuss the update to the Medium Term Financial Strategy budget assumptions.

## 3 THE REPORT

- 3.1 The Medium Term Financial Strategy 2022/23 – 2026/27 Cabinet report and supporting detailed appendices were reviewed and discussed at the Corporate Panel on the 27<sup>th</sup> September 2021.

- 3.2 Appendix 1 of this report sets out the Council's current financial position incorporating the draft budget assumptions following the announcement of the Spending Review plans that will be published in more detail through the provisional settlement to Councils during December.

- 3.3 In readiness for the provisional settlement and finalisation of the Council's 2022/23 budget proposals we have:

- Developed proposals to address the budget gap
- Reviewed and refreshed the budget requirement in line with current financial forecasts and performance.

- Identified areas of risk and new funding requirements
- Completed budget assurance meetings to test the appropriateness and robustness of new budget items.
- Reviewed and updated budget funding assumptions following the Spending Review headlines.

3.4 We are now developing the detailed content for wider budget engagement that will need to be informed by the 2022/23 provisional settlement from Government to Councils. Whilst we are expecting this detail in December the Council is developing new savings proposals to address the £13.1m 2022/23 funding gap identified in the MTFs.

There are assumptions built into our current projections that will require engagement and consultation these include:

- We will need to make reductions in cost to enable us to live within our means, whilst continuing to deliver frontline services that support residents such as Adult and Childrens Social Care.
- We will need to increase Council tax to enable the Council to fund inflationary pressures, increases in service demand and ensure a fixed income stream into the Council.
- We will need to think and invest in services differently ensuring capital investment addresses Council priorities.

3.5 We will be making more information available on our MTFs for stakeholder through the Budget Engagement meeting on the 14<sup>th</sup> December.

## **4 STATUTORY CONSIDERATIONS**

4.1 The annual Medium Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council's corporate priorities.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 These are contained throughout the attached report and appendices.

## **6 RISK MANAGEMENT**

6.1 A risk assessment related to the issue and recommendations will be undertaken, in compliance with the Council's decision making risk management guidance.

## **7 CLIMATE CHANGE**

7.1 This is an information only report about the Council's Medium Term Financial Strategy, it therefore does not include any decisions that have a direct impact on Climate Change.

## 8 OTHER OPTIONS CONSIDERED

8.1 None

## 9 CONSULTATION

9.1 The Cabinet Member for Resources and Economic Development (Deputy Leader) has been consulted on the drafting of this report as well as the Chief Executive and Monitoring Officer.

<b>Contact person</b>	Andy Rothery, Chief Financial Officer (S151 Officer) (01225 477103)
<b>Background papers</b>	2021/22 Revenue and Capital Budget Setting reports, 2020/21 Revenue and Capital Outturn Report, 2021/22 Quarter 2 Revenue and Capital Budget Monitoring.
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