

<b>Subject:</b>	<b>Draft General Fund Budget &amp; Resource Update 2021/22</b>		
<b>Date of Meeting:</b>	<b>21 January 2021</b>		
<b>Report of:</b>	<b>Acting Chief Finance Officer</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1 PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report provides an update on the council's General Fund resource position including changes in assumptions arising from the provisional Local Government Financial Settlement issued on the 17 December following the government's November Spending Review announcement.
- 1.2 It also provides updates on estimated cost and demand pressures based on latest trend data and projections as well as using latest information on anticipated pay and price inflation. The draft savings proposals provided to the 3 December Policy & Resources Committee were incomplete due to the impact of the pandemic on the budget timetable. These have now been completed and a full set of draft savings proposals for 2021/22 is included in the report. These are accompanied by draft Equality Impact Assessments where required.
- 1.3 This report accompanies separate reports that update the resource forecasts for the council's two tax bases, Council Tax and Business Rates. The forecast tax revenues, including the assumption of a 4.99% Council Tax increase (including a 3% Adult Social Care Precept), have been built into the overall resource position together with the estimated impact of the recommendations for the 2021/22 Council Tax Reduction Scheme, which is also on this agenda.
- 1.4 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. Many of these risk areas are expected to result in significant one-off funding requirements in 2021/22 and this is a key area of budget consideration.
- 1.5 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 savings proposals at Appendix 1 and accompanying Equality Impact Assessments at Appendix 2.
- 2.3 Notes that subsequent decisions, updated financial data and information from central government regarding the final Local Government Financial Settlement (LGFS) may impact further on the development of budget proposals for 2021/22.

### **3 RESOURCES AND PLANNING ASSUMPTIONS 2021/22**

#### **Provisional Local Government Financial Settlement (LGFS)**

- 3.1 The provisional Local Government Finance Settlement for 2021/22 was announced on 17 December 2020 and reflected the headline funding announcements included in November's one-year Spending Review. This announcement included:
- Confirmation of an allowable 3% Adult Social Care precept which would provide an additional £4.450m if agreed;
  - Confirmation that the threshold at which an increase in Council Tax requires a local referendum will be 5% including a 3% Adult Social Care (ASC) precept. Any proposal to increase council tax by 5% or more would therefore need to be accompanied by an agreed substitute budget, which would need to be implemented if the increase were voted down by the electorate.
  - Additional Adult Social Care grant funding of £0.944m. This is lower than the £1.5m assumed in the December budget report as there was a significant change to the distribution method used for allocating the £300m nationally. This type of funding has previously been allocated based on a Relative Needs Formula (RNF) but on this occasion, the government have taken into account the revenue raising ability of each council from the ASC precept and as a result the council's allocation is substantially lower than predicted;
  - A new grant to support lower tier councils of £0.624m (which this council benefits from as unitary authorities are effectively combined upper and lower tier authorities);
  - An allocation of £8.023m from the £1.55bn additional Covid-19 pressure funding nationally for 2021/22. It is important to note that this funding must be regarded as one-off funding for 2021/22 for the purposes of medium term financial planning;
  - Confirmation of funding provision for 75% of irrecoverable losses of Council Tax and Business Rate Retention income (i.e. the Collection Fund deficits) in 2020/21. For Council Tax this relates to the reductions in revenue arising from increased Council Tax Reduction claimants and delays in new property completions but it has now been clarified by government that it will not include cover for irrecoverable (bad) Council Tax or Retained Business Rate debts. This is because the government's assumption is that councils will continue to pursue and ultimately recover outstanding debts. This clarification significantly changes the assumed Collection Fund deficit position and places the onus on local authorities to minimise bad debts as far as possible to reduce their financial losses;
  - A new one off Local Council Tax Support grant of £2.968m to cover the impact in 2021/22 of the increased costs of Council Tax Reduction and other help to economically vulnerable households. This grant now takes on

even greater significance for councils as it may ultimately be needed to cover bad debts not now covered by the 75% Collection Fund deficit protection;

- Confirmation that the Troubled Families and additional Adult Social Care grants awarded in 2020/21 will be continued at the same level;
- A small inflationary increase of £0.036m to the Revenue Support Grant from £6.630m to £6.666m; and
- A marginal increase to the New Homes Bonus of £0.018m.

3.2 The government announced additional Homelessness and Rough sleeping funding of £151m nationally for 2021/22 in the Spending Review however the council is still awaiting details of this allocation. The distribution method for this is unknown at present but is predicted to provide a minimum of £1m based on previous distributions.

3.3 The final Local Government Finance Settlement is expected to be announced at the end of January/early February 2021.

### Updated Investments & Service Pressures

3.1 As noted in the December Policy & Resources Committee report, further work was needed to fully understand all of the underlying and emerging cost pressures, particularly across areas such as local services managed by the Economy, Environment & Culture (EEC) directorate and also in relation to the considerably enhanced homelessness and rough sleeping provision currently in operation. All cost and demand pressures will continue to be kept under review up until the production of the final budget report for February Policy & Resources Committee and Budget Council which will be based on cost and activity trends up to and including December 2020 (Month 9).

3.2 The table below shows a summary of the latest estimates of cost and demand pressures, including one-off pressures related to the impact of the pandemic.

<b>Table 1: Recurrent and One-Off Priority Investments and Cost Pressure Funding</b>	<b>Assumed Recurrent Pressure Funding</b>	<b>Latest Recurrent Pressures Identified</b>	<b>Latest Short Term Covid Pressures (one-off)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Health & Adult Social Care	12.700	12.700	-
Families, Children & Learning *	5.000	5.643	0.400
Housing, Neighbourhoods & Communities	-	1.250	2.150
Environment Economy & Culture	-	0.936	3.450
Strategy Governance & Law	0.500	0.240	0.371
Finance & Resources	-	0.306	0.250
All Other Services	0.500	-	-
Corporate priorities	1.000	1.200	0.230
Allowance for ongoing PPE costs	0.500	-	0.500
CTR Discretionary Fund/Welfare Reform			0.390
Financing Costs	0.500	-	-
<b>Total Investments &amp; Pressures</b>	<b>20.700</b>	<b>22.275</b>	<b>7.741</b>
December P&R *		23.529	7.190
Change since December		-1.254	0.551

*\* Note, the current and comparative December figures exclude £1m relating to Troubled Families originally shown as a pressure but for which continued funding has now been confirmed.*

- 3.3 The table indicates that the level of recurrent and one-off investment needed to meet cost and demand pressures in high priority services remains high but has remained relatively stable since the December report with some improvement to the recurrent estimates.

### **Corporate Plan Investments**

- 3.4 Including the additional cost of the Council Tax Reduction (CTR) scheme proposals now reflected in the tax base calculation (approx. £0.350m), a net additional investment of £0.250m is proposed to address Corporate Plan priorities compared to the December draft proposals. These are still subject to finalisation but at this stage the proposed investments are as follows:

<b>Table 3: Proposed Corporate Plan Investments</b>	<b>Annual Cost £m</b>	<b>One-off Cost £m</b>
Priority expansion of the Housing first scheme to support a further 10 people	0.100	
Creation of a 'revolving door fund' for community wealth building via an on-lending pilot. Set up costs.		0.020
Creation of a Climate Assembly Action Fund	0.100	
Hydrogen feasibility study		0.030
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 in an Environmental Education Strategy for the City		0.150
Enforcement Officer post for Energy Performance Certificate (EPC) non-compliance	0.045	
Investment in 'pocket parks'	0.030	
Low traffic Neighbourhood pilot	0.020	
Feasibility study for a seafront sustainable transport corridor		0.030
Investment in improving school streets	0.100	
Investment in the Brighton Youth Centre project	0.150	
Additional provision for support to victims of domestic violence	0.050	
Investment to provide a focused Race Education Strategy and delivery	0.100	
Creation of a new Disability Officer post	0.045	
Clean ups/Graffiti Removal & Crime Reduction Initiatives	0.020	
<b>TOTAL CORPORATE PLAN INVESTMENTS</b>	<b>1.200</b>	<b>0.230</b>

## Council Tax and Business Rates

- 3.5 The council's tax bases have been reviewed and the details of the projected tax bases and associated taxation revenues are included in the separate tax base reports on this committee agenda.
- 3.6 The net effect of the tax base review is an improvement in resources of £0.209m for 2021/22 compared with projections made earlier in the year. However, this includes an assumed one-off negative impact of the pandemic of £1.120m which can be covered by the Local Council Tax Support grant in 2021/22 before the position is assumed to recover in 2022/23. Taking this into account, the underlying tax base will therefore improve by £1.329m compared with earlier forecasts.
- 3.7 The tax base calculation must now also incorporate proposed changes to the Council Tax Reduction (CTR) Scheme reported elsewhere on this agenda. The additional cost of proposed changes in 2021/22 is approximately £0.350m and this will now be reflected in the tax base calculation rather than being shown as a Corporate Plan investment as previously.
- 3.8 The projected 2020/21 Collection Fund deficit has also been reviewed as part of this process and currently stands at £4.127m after accounting for 75% government funding support. However, the government have also allowed any remaining deficit to be spread over 3 years and therefore the one-off amount to be managed in 2021/22 is £1.376m.

### Latest Budget Gap (Shortfall) 2021/22

- 3.9 Following the Spending Review announcement, in the December draft budget report officers estimated that the latest budget shortfall for 2021/22 would be in the range £14.839m to £13.039m subject to further reviews of cost and demand pressures and confirmation of the impact of the Spending Review via the provisional LGFS. In the event, the provisional LGFS was £0.145m better than the most optimistic forecast and, together with an improved tax base projection and using latest cost and demand estimates, the budget shortfall is currently projected to be £10.405m as shown below.

<b>Table 2: Budget Gap Latest</b>	<b>December position £m</b>	<b>Latest position £m</b>
<b>Budget Gap ('Moderate View' Scenario)</b>	<b>17.300</b>	<b>17.300</b>
Change in priority investments and service pressures	2.829	1.575
Lower cost of a restricted pay award	-2.190	-2.429
Increase in ASC funding (from assumed £4m)	-0.400	-0.450
New ASC grant	-1.500	-0.944
New 'lower tier' grant	0.000	-0.624
Increased Covid-19 grant funding (from assumed £6m)	-0.200	-2.023
Homelessness/Rough Sleeping funding	-1.000	-1.000
Other minor changes		-0.021
Tax base changes including CTR Scheme proposals		+0.141
Use of Local Council Tax Support grant		-1.120
<b>Revised Budget Gap (January)</b>	<b>14.839</b>	<b>10.405</b>

## Addressing the Budget Gap

- 3.10 To address the original budget gap officers worked on an assumption of a £17.3m savings requirement. The budget gap improved to between £14.839m and £13.039m following the Spending Review. In pursuit of this revised range, draft savings proposals of £10.588m have been identified and were shared on a confidential basis with the Cross-Party Budget Review Groups in mid-December. These are now provided at Appendix 1.
- 3.11 As noted in Table 2 above, the provisional Local Government Financial Settlement has improved some resources while recurrent cost/service pressures have also improved by £1.254m, mainly due to improved capital financing cost projections (£0.5m) and the removal of the provision for the anticipated transfer of Land Charges to Land Registry (£0.5m) which has not been notified by government. Taking into account the latest budget gap of £10.405m identified in Table 2, the proposed savings of £10.588m would therefore leave resources of £0.183m available, which could be held for investment or held to provide a risk provision. This is a relatively small sum and is likely to change further, particularly in relation to ongoing reviews of service pressures, finalisation of the budget proposals for the February Policy & Resources Committee, and any changes arising from the final Local Government Financial Settlement.
- 3.12 A key area of risk in the forecast concerns Homelessness due to both the numbers continuing to require support but also due to the increasing cost of Temporary Accommodation leases. The longer the current lockdown continues, or any further lockdown, and the closer this runs up to or into next financial year, the higher the risks, as this will impact on the service's efforts to resolve issues and help people to 'move on' to sustainable settings well into next financial year. The new Rough Sleeping funding is also expected to be one-off and should therefore ideally be set against one-off homelessness costs (see later). In lieu of this, at this stage it is advisable to set aside available resources against this risk as a Homelessness Risk Provision. This can either be used to address additional costs/risks or, if these do not arise, can be used to offset one-off homelessness costs (see Table 4 below) rather than using reserves.
- 3.13 Table 3 below summarises the current position assuming a £0.183m Homelessness Risk Provision is set aside.

<b>Table 3: Addressing the Budget Gap</b>	<b>December position £m</b>	<b>Latest position £m</b>
<b>Revised Budget Gap (January)</b>	<b>14.839</b>	<b>10.405</b>
Draft Savings proposals	-6.369	-10.588
<b>Remaining Budget Gap/Surplus</b>	<b>8.470</b>	<b>-0.183</b>
Homelessness Risk Provision		0.183
<b>Balance</b>		<b>0</b>

- 3.14 The table above indicates that at this stage a balanced recurrent budget is possible for 2021/22. However, a key point to remember is that both the £8.023m Covid-19 grant and £1.000m Rough Sleeping grant for 2021/22 are likely to be one-off funding only. By funding recurrent budget with these grants, this will potentially create a large additional budget gap in 2022/23 unless these funding sources are replaced with alternative provision in the 2022 Comprehensive

Spending Review. All figures and assumptions are still subject to further changes as noted above.

## Reserves Position and One-off Funding

### Latest Position in 2019/20

- 3.15 Targeted Budget Management (TBM) is the council's system of budget monitoring and the TBM Month 7 (October) report presented to this committee in December showed 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.
- 3.16 The working balance will be recommended to continue at a minimum of £9.0m to meet general risks applicable to a unitary authority.
- 3.17 Table 4 identifies the 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, however, this will be updated for the February budget report which will incorporate a forecast up to the end of December 2020 (Month 9).
- 3.18 The table shows an estimated shortfall in one-off resources of £9.147m. This is a significant call on one-off resources, although this has improved slightly since the December report (£10.174m). This position is expected to change further and will be updated for the February budget report. The main factors expected to affect the position are:
- A further update to the TBM in-year forecast position which will be updated for month 9 (December);
  - A comprehensive review of reserves and provisions which is undertaken annually as part of the budget process. This is necessarily undertaken toward the end of the budget process to ensure the latest information is available;
  - Updated estimates of short term Covid-19 pressures expected in 2021/22.

<b>Table 4: One-off resources, liabilities and potential allocations (as at Month 7/October)</b>	<b>£m</b>	<b>£m</b>
<i>Unallocated general reserves</i>		<b>0</b>
<i>Revenue Budget position 2020/21 (TBM):</i>		
- Forecast outturn overspend (as at TBM Month 7/October)		<b>0.030</b>
<i>In-Year Collection Fund Position:</i>		
Estimated 2020/21 Council Tax collection fund deficit (brought forward and in year collection)	2.659	
Estimated 2020/21 Council Tax collection fund deficit (reduction	2.351	

in Debit due to Covid)		
75% SR2020 provision for collection fund debts	-1.763	
Estimated 202/21 Business Rates Retention collection fund deficit	3.520	
75% SR2020 provision for collection fund debts	-2.640	
<i>Sub-total: Projected In-year Collection Funds deficit position</i>		<b>4.127</b>
<i>Less (2 years) allowed deferral of deficit over 3 years</i>		<b>-2.751</b>
<b>Projected One-off Resources shortfall at start of 2021/22</b>		<b>1.406</b>
<b>One-off Allocations in 2021/22 (from Table 1):</b>		
Latest Short Term Covid-19 and other one-off service pressures	7.121	
One-off investment in Corporate Plan priorities	0.230	
Allocation to the Council Tax Reduction Discretionary Fund	0.190	
Allocation to the Welfare Reform Support Fund	0.200	
<b>Total One-off Allocations in 2021/22</b>		<b>7.741</b>
<b>Current One-off Resources shortfall</b>		<b>9.147</b>

- 3.19 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 one-off pressures and consider options for mitigating some of these costs. If sufficient one-off resources cannot be identified to meet the one-off resource shortfall, the council may need to consider the use of earmarked reserves to manage the position, with subsequent repayment of reserves in future years.

#### **Staffing Implications (General Fund Services)**

- 3.20 An estimate of the posts to be deleted in relation to the draft budget proposals has been made and indicates that approximately 37 full time equivalent (fte) posts are expected to be deleted from the council's staffing structure. Many of these posts are already being held vacant in lieu of savings proposals but some may initially result in staff being potentially placed at risk of redundancy. This is difficult to estimate with certainty but approximately 11 fte staff have been identified as potentially at risk at this early stage of the process. This information has been shared with the council's recognised trades unions and the staff affected in advance of the release of the Policy & Resources report.
- 3.21 As in previous years, actual numbers will be dependent on the detailed options proposed and on the results of formal consultation with staff and unions. As previously experienced, it is likely that some of these will be resolved through turnover, or through redeployment to other vacancies across the council, thereby further minimising the risk of redundancies.
- 3.22 As always, 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.

#### **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 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.
- 4.2 Any alternative proposal will need prior assessment by the Section 151 Chief Financial Officer and will not normally be allowed where an estimate is not considered to be robust for one of the following reasons:
- The risk of not achieving the saving is assessed to be high;
  - There is insufficient evidence or information to assess the potential saving;
  - The alternative proposal is adding to or bringing forward an existing saving without further information as to how this can be achieved;
  - The alternative proposal requires one-off investment or loan financing that cannot be supported;
  - The alternative proposal is beyond the powers and duties of the local authority.

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

##### **Budget Timetable**

- 5.1 The remaining timetable for the 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 5: Budget Timetable**

<b>Date</b>	<b>Event</b>	<b>Notes</b>
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 (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.

- 5.2 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.
- 5.3 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. 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 can be provided to all political groups.

**Other consultation and engagement processes are as follows:**

- 5.4 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.
- 5.5 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.
- 5.6 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.
- 5.7 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 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.
- 5.8 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.

## **6 CONCLUSION**

- 6.1 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.

## 7 FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

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

*Finance Officer Consulted: James Hengeveld*

*Date: 11/01/21*

### Legal Implications:

- 7.2 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.

- 7.3 The 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: 11/01/21*

### Equalities Implications:

- 7.4 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 the council is doing so.

- 7.5 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.

- 7.6 All proposals with a potential equalities impact in 2021/22 will have an EIA completed and provided to all Members for the Budget Council. Draft EIAs are provided in this report at Appendix 2 which are cross-referenced with savings proposals in Appendix 1. Staffing EIAs will also be completed alongside the formal consultation process on proposed staffing changes and feedback will be provided in the February report.

- 7.7 Comments and feedback on the draft EIAs are invited from all stakeholders and 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:

- 7.8 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 aim to provide for many initiatives to be supported and researched to inform future budget rounds.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 7.9 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.
- 7.10 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.
- 7.11 The budget report to February Policy & Resources 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 Budget Proposals 2021/22
2. Draft Equality Impact Assessments 2021/22

**Documents in Members' Rooms**

1. None

**Background Documents**

1. Budget files held within Finance