

## Appendix 1: 2022/23 Pre-Budget Financial Proposals

Figures from Line 1 onwards show **changes** to previous approved levels.

		2022/23 £000	2023/24 £000	2024/25 £000	
	<b>POSITION CARRIED FORWARD FROM 2021/22</b>	<b>15,360</b>	<b>21,360</b>	<b>26,640</b>	
	<b>RESOURCES</b>				
1	Local Government Settlement	(7,251)	(9,717)	(9,717)	Amended view of 2022/23 settlement following the Autumn Budget and Spending Review 2021 (SR2021). This removes a previous assumption of resource loss on the same trajectory experienced in previous years.
2	SR2021 - Employer National Insurance Contributions (Health and Social Care Levy) and National Living Wage <b>(change to Pre-Budget Report)</b>	0	0	0	The Local Government Settlement is expected to include funding equivalent to the cost of the SR2021 increase of 1.25% on Employer National Insurance Contributions and the increase in the National Living Wage up to £9.50 an hour from April 2022. As a change to the £1.5m included on this line in the Pre-Budget Report, this funding has been included in the grant shown on line 7.
3	Council Tax & Business Rates Resource Position <b>(change to Pre-Budget Report)</b>	(4,910)	(1,472)	(693)	Assumes Government compensation for inflation linked Business Rates rise not being charged to business ratepayers plus projected surpluses from tax-base growth. This position has been adjusted from the Pre-Budget position reflecting lower resources in future years to reflect current projections. This position will be updated again during 2023/24 Budget Setting.
4	Adult Social Care Precept @ 1% <b>(change to Pre-Budget Report)</b>	(1,490)	(3,042)	(4,694)	Increase in ASC precept by 1% pa over the SR period to fund costs of Adult Social Care in line with the Autumn Budget and Spending Review 2021. This position has improved a little from the Pre-Budget position to reflect the latest tax-base forecast.
5	New Homes Bonus <b>(change to Pre-Budget Report)</b>	(837)	0	0	Additional New Homes Bonus (NHB) announced as part of the Local Government Settlement. The total level of NHB is £2.195m. This is £663k less than the speculative estimate included in the Pre-Budget Report.
6	2021/22 Social Care Grant	(2,510)	(2,510)	(2,510)	Existing Budget assumes that this grant does not form part of the ongoing settlement. The revised assumption here is that the Government retains this grant as part of the Council's Core Spending Power in place to manage social care costs.
6a	2022/23 Social Care Grant <b>(change to Pre-Budget Report)</b>	(4,309)	0	0	Further Social Care Grant announced as part of the Local Government Settlement. At this stage the grant has not been rolled forward to future years pending the expected review of Local Government Finance in 2022.
7	SR2021 - Assumed Additional Local Government Settlement Resources Includes Services Grant 2022/23 <b>(change to Pre-Budget Report)</b>	(5,574)	0	0	Additional Funding announced within the Local Government Finance Settlement. This includes the funding previously indicated on line 2 within the Pre-Budget Report (£1.5m). At this stage the grant has not been rolled forward to future years pending the expected review of Local Government Finance in 2022 which results in a worsened position from 2023/24 at this stage compared with the Pre-Budget position.
7a	Lower Tier Services Grant <b>(change to Pre-Budget Report)</b>	(603)	0	0	As part of the Local Government Settlement the Lower Tier Services Grant has been extended into 2022/23. At this stage the grant has not been rolled forward to future years pending the expected review of Local Government Finance in 2022.
	<b>Total Change in Resources</b>	<b>(27,484)</b>	<b>(16,741)</b>	<b>(17,614)</b>	
	<b>EXPENDITURE AND INCOME PRESSURES</b>				
	<b>Corporate</b>				

8	2021/22 Pay Award	1,000	1,000	1,000	Additional budget provision to reflect the potential cost of the ongoing effects of the 2021/22 pay award (including lower pay grade and National Living Wage increases) exceeding existing budgetary provision.
9	Employer National Insurance Contributions (Health and Social Care Levy) and National Living Wage	1,500	1,500	1,500	SR2021 confirmed an increase of 1.25% on Employer National Insurance Contributions which will subsequently be treated as a Health and Social Care Levy. It also announced an increase in the National Living Wage up to £9.50 an hour from April 2022. Equivalent funding is expected to be provided within the overall Local Government Settlement (included above).
10	Inflation (change to Pre-Budget Report)	2,773	2,000	2,000	Assumed additional energy and contract inflation reflecting wider market conditions and national inflation rates.
<b>Children's Services</b>					
11	Children's Services - Ongoing pressure against placement mix, market prices and managing increasing caseloads (change to Pre-Budget Report)	2,671	2,615	2,615	The legacy impact of the pandemic means an ongoing impact of external market demand leading to price increases during COVID and the impact on the placement mix resulting from reduced availability in the fostering market and increased reliance on higher cost residential provision. The workforce is also impacted by sustained increased levels in Child in Need, Child Protection & Children Looked After caseloads. <b>The Pre-Budget Report figures had assumed a reduction in the high market prices for future years but this updated position now recognises that sustained high cost and case complexity will continue at 2022/23 levels.</b>
12	Children's Services' permanence, caring for our children and mental health services	2,757	2,857	2,957	Meeting our statutory responsibilities to young carers, responding to the number of children who have secured permanent homes through special guardianship, meeting regulatory responsibilities in Children's Homes and children's tier 2 mental health services.
<b>Education and Inclusion</b>					
13	SEND Transport	200	200	200	Increase in statutory demand for specialist placements both within and outside of the City continues to be the primary driver for increases in SEND transport costs. This figure reflects demand pressures relating to the full year impact of September 2021 increases in activity alongside projected increases from September 2022.
<b>Finance</b>					
14	Revenues and Benefits Capacity	150	150	150	The Revenues and Benefits team has faced an increasing workload particularly in relation to the Council's expanding Council Tax base. This will increase capacity within the function to ensure the team are able to maintain collection performance and undertake vital discount eligibility checks. This investment will be self-funding through increasing the collectable debit and better collection of outstanding debt.
<b>Human Resources and ICT</b>					
15	ICT Licensing and Assurance	1,260	1,440	1,640	Measures to provide greater assurance of the future integrity of the Council's systems and data.
<b>Legal and Governance</b>					
16	Legal Services Capacity	150	150	150	This creates additional capacity and resilience for the provision of specialist legal advice to the Council across all areas of service delivery including adult and children social care, commercial, regeneration, property and transformation projects to counter the risk of not making sufficiently quick progress and/or requirement to procure more expensive external advice
<b>Project Management and Property Services</b>					
17	Commercial Property Rents	500	250	0	A longer impact of covid is being experienced in the payment of commercial rents. This is time-limited provision to allow for the payment of commercial property rents to return to pre covid levels.
<b>Transportation and Highways</b>					

18	Car Parking Off-Street and On-Street	1,000	1,000	1,000	This reflects what is now considered to be a longer term downturn in the use of Council on-street and off-street parking facilities.
19	Residents Parking	100	100	100	The 2021/22 Budget Setting proposals scaled back plans for income generation from residents parking schemes, leaving a £100k residual target to be achieved through a revised consistent pricing mechanism. It has not been possible to agree a satisfactory approach to pricing so this income budget is not achievable presently. A strategic study of parking will be carried out in 2022 to understand the impact on all aspects including residents parking schemes post pandemic, in order to inform future decisions
20	Highways Development Management	150	150	150	This team plays a key statutory role in ensuring new developments are properly planned through the provision of technical advice to the planning function and developers, and effectively overseeing the construction of new transport and drainage infrastructure. The current substantive team is insufficient to manage workloads or ensure we optimise s106 developer contributions, so agency staff have been brought in to provide temporary support. This proposal would allow for 3 additional staff to prevent costly temporary arrangements and improve quality through continuity and consistency, whilst also supporting the Council's ability to secure satisfactory levels of s106 contributions.
<b>Total Change in Expenditure and Income Pressures</b>		<b>14,211</b>	<b>13,412</b>	<b>13,462</b>	
<b>DIRECTORATE AND TECHNICAL SAVINGS</b>					
21	Senior Management Restructure	(325)	(325)	(325)	Savings from a revised structure of the Council's senior management.
22	Commercialisation Programme	(900)	(900)	(900)	This is based on the current list of savings from the Commercialisation transformation programme.
23	Tom White Waste Dividends	(499)	(749)	(998)	The borrowing costs to fund the acquisition of TWW have been built into the Budget but not the corresponding dividends which are assumed within the original business case to fund the purchase. There is an expectation as the post-Covid trading conditions begin to normalise that the company will identify an on-going dividend stream - assumed here to build towards the level of capital financing costs indicated in the report to Cabinet.
24	CSWDC Dividends	(1,000)	0	0	Given historical trends it is not unreasonable to expect an announcement of dividends above the underlying level of c£6m already included in the Council's budget. The figure included here is speculative at this stage but modest by historical standards.
25	Temporary Loan Finance Repayments	(500)	(250)	(100)	Current and or approved plans to partner organisations can deliver an income stream to the Council representing the difference between the rate at which the Council is able to borrow and the rate which it is required to charge on loans provided. Indicative figures are provided here based on actual/potential loans including to Coombe Abbey Park Limited, Hotel Indigo and Birmingham Airport.
<b>Total Change in Directorate and Technical Savings</b>		<b>(3,224)</b>	<b>(2,224)</b>	<b>(2,323)</b>	
<b>POLICY PRIORITIES</b>					
<b>Business, Investment and Culture</b>					
26	Festive Lights	150	150	150	In order to mark the City's year as the UK City of Culture, the Council has invested significantly in its festive lights programme for 2021 both in the City Centre and neighbourhoods. This proposal would ensure the continuation of a similar level of quality into 2022, another landmark year for the city, and beyond.

27	Climate Change Strategy Implementation	125	200	200	The Council is refreshing it's Climate Change Strategy currently which will culminate in a report to Cabinet early in 2022. This together with the recently inaugurated Climate Change Board will start to define the vision on climate change both from a City Council and City wide perspective, and the direction of travel in order to start to deliver on what is a high priority in the Councils One Coventry plan. This proposal would create operational and technical capacity to facilitate more opportunities to work towards the agreed vision
28	Major Events Strategy Capacity	150	150	150	The City will have seen during the City of Culture year, a huge programme of events delivered by both the CoC Trust and the Council itself. There is a risk without investment in capacity that after 2021 and 2022, which also sees the BBC Big Weekend, Commonwealth Games and Queens Jubilee, that the benefit of this is not capitalised upon and any legacy benefit is lost. This resource would create some capacity for officers to service a more aspirational programme on an ongoing basis.
<b>Education and Inclusion</b>					
29	School Improvement	112	225	225	Budget to cover anticipated removal of grant funding for School Improvement functions whilst the local authority works on designing a future delivery model. The figure reflects a 50% reduction in grant from 2022-23 and full removal from 2023-24.
<b>Streetscene and Regulatory</b>					
30	Street Cleaning & Litter Picking	0	250	250	Significant resources are currently being applied to maintaining the cleanliness of the streetscene during the City of Culture and in the lead up to the Commonwealth games through one off resources approved by members for that purpose, and which will see the service through the next financial year. This proposal would enable an improved cleansing regime can be maintained for the new infrastructure and public realm installed in the City centre in particular, on an ongoing basis
<b>Transportation and Highways</b>					
31	Highways - Pavement Programme	500	0	0	The number of both carriageway and pavement defects have increased such that the current level of reactive maintenance budget has not been sufficient to keep on top of the backlogs without use of additional gangs at the expense of other capital works. New equipment has been acquired which will significantly improve the speed at which carriageway defects can be repaired, and create greater capacity for pavement works in future. Due to the much more laborious nature of pavement repairs however, the backlog for these repairs can only be tackled by deploying additional gangs. The acceleration of footway repairs would improve the environment for the less mobile and help promote active travel.
32	City Centre Cleansing & Maintenance	100	100	100	Following the renewal of much of the City's public realm, including the water features, planters, high quality surface materials, and street furniture, it is the intention that the benefit of that investment is maintained for many years to come. In order to prevent the degradation of the new installations, this proposal would enable the ongoing maintenance of these assets thus enhancing the streetscene for the foreseeable future
<b>Total Change in Policy Priorities</b>		<b>1,137</b>	<b>1,075</b>	<b>1,075</b>	
<b>TOTAL BUDGET DEFICIT/(SURPLUS)</b>		<b>0</b>	<b>16,883</b>	<b>21,240</b>	