

CABINET	AGENDA ITEM No. 6
18 SEPTEMBER 2023	PUBLIC REPORT

Report of:	Executive Director of Resources and S151 Officer and Service Director of Financial Management and Deputy s151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Governance	
Contact Officer(s):	Emma Riding, Service Director of Financial Management and Deputy s151 Officer Amanda Rose, Head of Communications	Tel. 452520

BUDGET SIMULATOR LAUNCH

RECOMMENDATIONS	
FROM: Cabinet Member for Finance and Corporate Governance	Deadline date: 8 September 2023
<p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> The launch of the Budget Simulator from 19 September 2023, which will be open for the public to submit responses for a period of 6 weeks, closing on 31 October 2023. 	

1.0 ORIGIN OF REPORT

1.1 This report comes to Cabinet as part of the Council’s process for developing a Medium-Term Financial Strategy and budget setting process. It seeks to launch the use of a budget simulator to gather the views of residents, businesses and stakeholders around the Councils budget.

2.0 PURPOSE AND REASON FOR REPORT

2.1 Purpose

This report is submitted for Cabinet to consider under its Terms of Reference No. 3.2.1, “To take collective responsibility for the delivery of all strategic Executive functions within the Council’s Major Policy and Budget Framework and lead the Council’s overall improvement programmes to delivery excellent services.”

2.2 Background

The Council used a budget simulator for the first time as part of the 2023/24 budget setting process, which allowed members of the public to learn more about the breadth of services the Council provides and to have a say on where they think we should be focussing spending and making savings. It also allowed them to better understand the very difficult situation that the council faced and its predicted budget pressure for 2023/24.

The simulator was a success, with four times as many responses received than our regular budget consultation – almost 200 across the four weeks as opposed to the usual 50. More crucially, it got people talking about budget setting and some of the comments demonstrated that people had no

idea how difficult it was to provide the breadth of services that the council does with such a small budget.

It also allowed the Council to see which services were most important to residents, with education and children's social care featuring high in their prioritisation. A large majority also opted for increasing council tax to address the budget challenge.

Current Budget Position

The Council has come a long way in the past year and moved closer to securing its finances long-term. However, inflation remains high and puts an additional strain on the cost of delivering local services, like it has for household budgets. In addition, demand for services such as adult social care and children's social care remain high. In children's social care, we are spending an additional £3.5m on care for young people with very complex needs.

The Council's Medium Term Financial assumptions have been revised, outlining predicted budget gaps of £5.1m in 2024/25, rising to £6.1m in 2025/26 and £10.5m in 2026/27 as set out in the following table:

	2024/25	2025/26	2026/27
Funding	217,262	224,972	230,791
Net Revenue Expenditure	222,363	231,071	241,299
Estimated Budget Gap	5,101	6,100	10,508

These were reported to Cabinet on 10 July ([item 11](#))

We are not alone in the situation that we face. It remains a very challenging time for all local authorities, with some facing budget gaps running into many tens of millions.

The Council is progressing with a detailed budget planning process, including officers, the Corporate Management Team and members who sit on the Cabinet and Financial Sustainability Working Group, but as part of this process the Council wants to gain the views of residents to understand what's important and valued.

Why launch the budget simulator?

As mentioned above, the Council has budget gaps to fill in the coming years and wants to gain suggestions from the public around where it should be focussing its spending and where it should or could make savings.

The simulator tool provides the perfect platform to gain these views, so they can be considered when developing and considering budget proposals later this year.

Budget Simulator

The budget simulator is a web-based tool which allows the public to make choices to reduce or increase expenditure in service areas via 'sliders', with the ultimate goal of delivering a balanced budget.

Due to the success last year this report proposes to launch the simulator again as part of the 2024/25 budget setting, but in a way that increases engagement further.

For this year's simulator the Council will build on last year's. The main changes will be:

- The inclusion of a short video for every category, explaining the impact of increasing or decreasing funding – this is something Delib (software provider) has introduced and added to its product following the council's suggestion.
- There will be more service categories, to make it a more interesting challenge for the public.

The Council is aiming to significantly increase engagement by:

- Taking the simulator out wider into the community through direct engagement.
- Council representatives including members and officers will attend community meetings across the city to talk about the simulator and encourage participation.
- Use of multiple social media platforms to promote the simulator.
- Working with the media to attract coverage of the simulator.
- Using well known personalities and organisations to encourage participation.
- Attractive designs, use of audios and videos, and the development of toolkits for members and community connectors.
- Posters for display in council buildings and for community use across the city.
- Encouraging secondary schools to use it as part of a lesson. Asking schools to share it with families.
- Sharing with college/university students.
- Sharing with the business community.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	18 September 2023
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The following table outlines the timetable for the budget and MTFS process, outlining how the budget simulator will feed into this process:

Date	Event
10/07/2023–Cabinet	MTFS Q1 update ✓
18/09/2023–Cabinet	Budget simulator tool ✓
19/09/2023–Consultation	Launch Budget Simulator- 6 weeks
31/10/2023–Consultation	Close Budget Simulator
13/11/2023–Cabinet	MTFS Q2 update, including feedback from the Budget Simulator
04/12/2023–Cabinet	Launch Budget Consultation
04/12/2023–Consultation	Launch Budget Consultation
07/01/2024–Consultation	Close Budget Consultation
22/01/2024–Joint Scrutiny	To consider the draft MTFS (Q3 update) & Budget Report and recommend any changes to Cabinet
12/02/2024–Cabinet	To approve the Final MTFS (Q3 update) & Budget Report and recommend to Council
21/02/2024–Council	To approve the Final MTFS (Q3 update) & Budget Report, including the associated strategies.

4.0 CONSULTATION

4.1 This report seeks to launch a budget simulator tool on the website for a 6-week period from 19 September. The budget simulator is easy to use and will allow residents, businesses and members to gain a greater understanding of what we spend our money on, and how reducing expenditure or investing in services has consequences or benefits for the Council and residents. Users will also have the opportunity to provide comments and ideas. This will help the council understand what is important when we consider our budget proposals later this year.

The results of the consultation will be published within the MTFS Quarter 2 update on 13 November. As outlined within section 3, there will be a budget consultation later in the year.

5.0 CORPORATE PRIORITIES

5.1 The Budget and MTFS forms a key part of the Council's Performance and Improvement Framework and aims to demonstrate that the Council's finances over the medium term are secured to deliver the Council's priorities over the next three years. Seeking the views of the public forms part of that process.

This therefore supports all the Council's priorities, but forms a key element of the Council's budget setting process, therefore it is strongly geared towards enabling the Council to deliver on the following priority:

- Supported by a Sustainable Future City Council - adjust how we work, serve, and enable, informed by strong data and insight capability, and led by a culture of strong leadership.

6.0 ANTICIPATED OUTCOMES OR IMPACT

6.1 For Cabinet to approve the launch of the budget simulator.

7.0 REASON FOR THE RECOMMENDATION

7.1 To gather views of the public to support the Councils Budget Setting Process.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 No alternative option has been considered.

9.0 IMPLICATIONS

Legal Implications

9.1 There are no legal implications in respect of what is proposed which at this stage is proposing a tool to generate engagement from members of the public in respect of budget preparation.

9.2 Human Resources implications

No specific implications in this report.

9.3 Equality Impact Assessments

No specific implications in this report.

9.4 Carbon Impact Assessments

The report contains no proposals for changes to service delivery and therefore there is no decision to take which may impact carbon emissions of the council or the city.

10.0 BACKGROUND DOCUMENTS

No specific background documents used.

11.0 APPENDICES

No specific appendices in this report.

