

Cost of living impacts on our communities,  
businesses, council and budget

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**Bath & North East  
Somerset Council**

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**Improving People's Lives**

November 2022

# What we will be covering

The impact of the cost-of-living crisis...

...on our communities and businesses

...on the council

...on our budget plans

**Councillor Richard Samuel**

Deputy Leader of the Council and

Cabinet Member for Finance and Resources

...on our communities and businesses

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Deputy Leader of the Council and  
Cabinet Member for Finance and Resources

# Impacts of inflation on our communities

## October 2022 – England

**93%** - of households experienced an increase in cost of living in last year.

**43%** - Reported difficulty paying fuel bills in the last period.

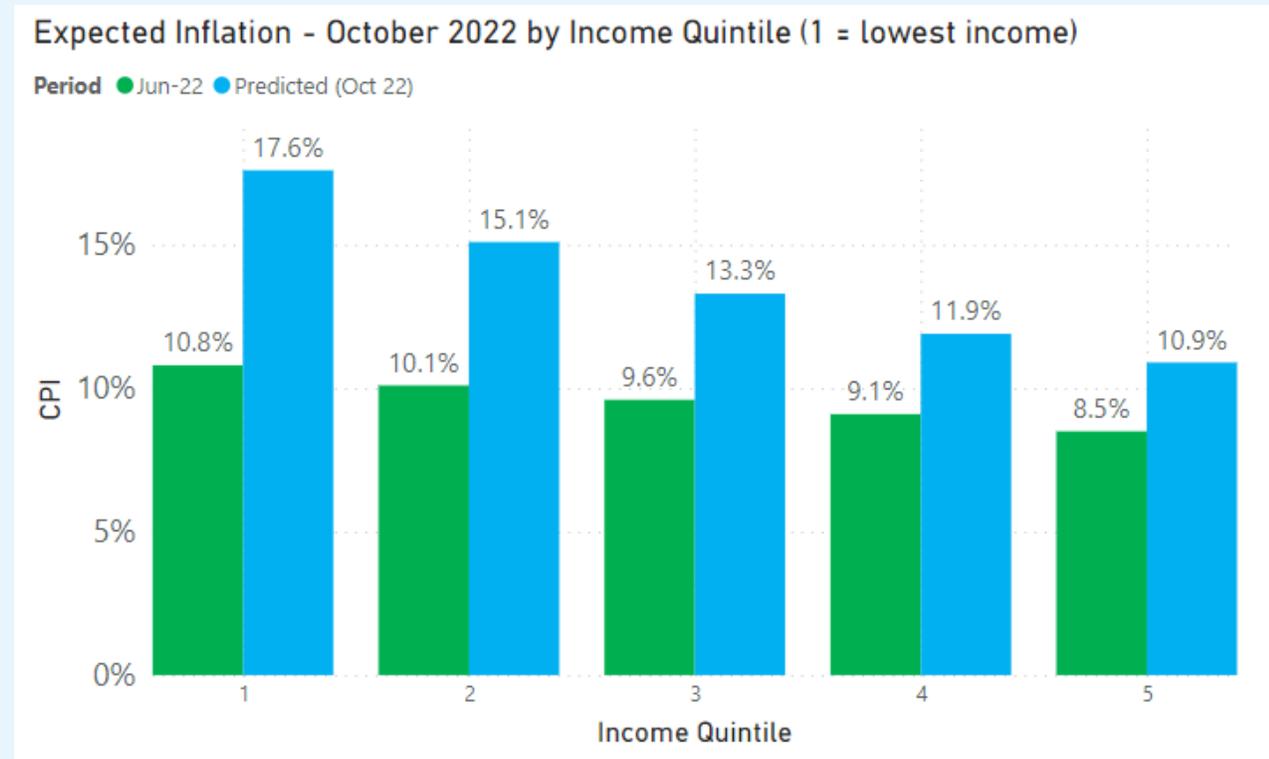
[ONS Opinions and Lifestyles Survey \(29/09/22 – 09/10/2022\)](#)

## On national estimates:

An estimated **4,000** more people in B&NES will fall into **absolute poverty** in 2023 including **1,500 children**

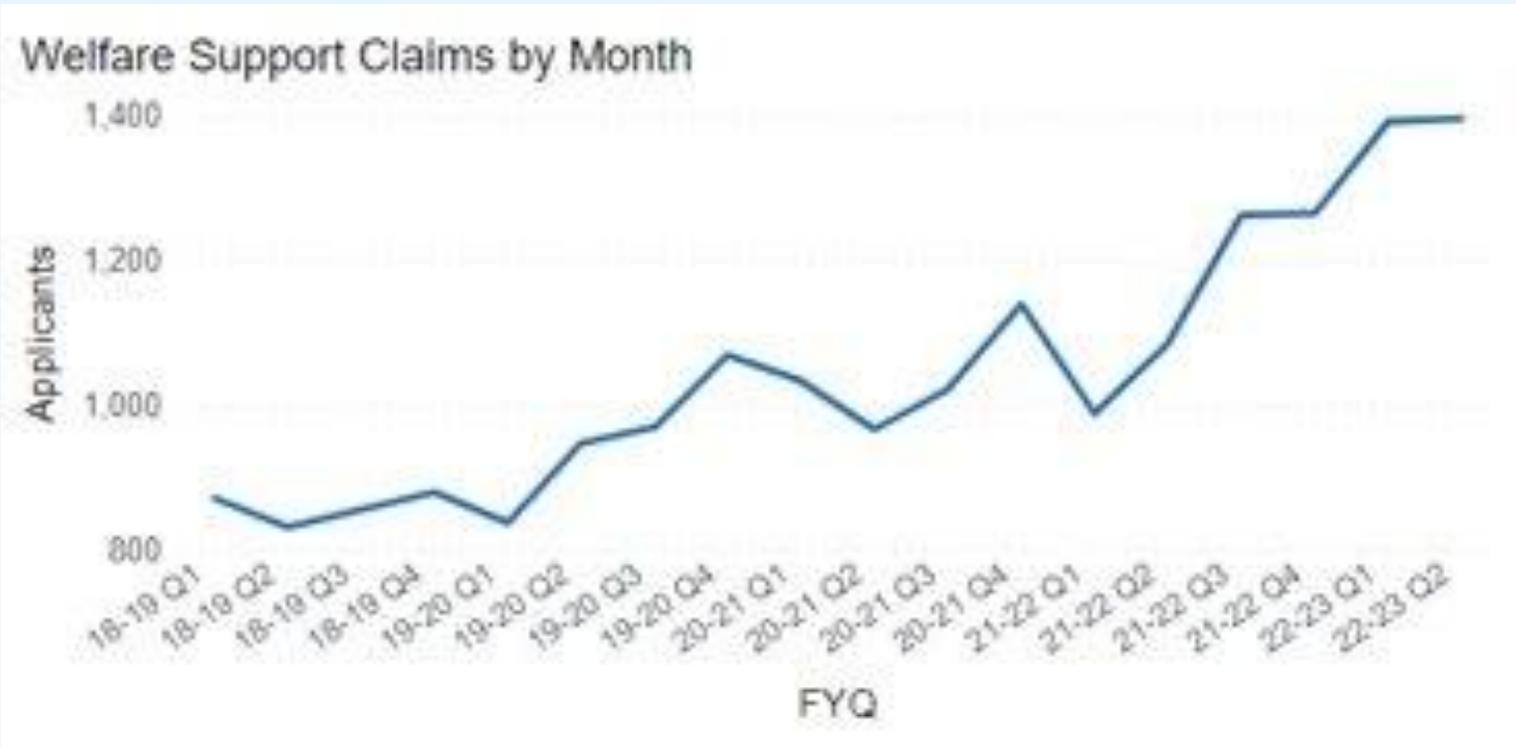
*Adapted from: [Resolution Foundation, 'Inflation Nation' \(March 2022\)](#)*

The experience of inflation is not evenly experienced...

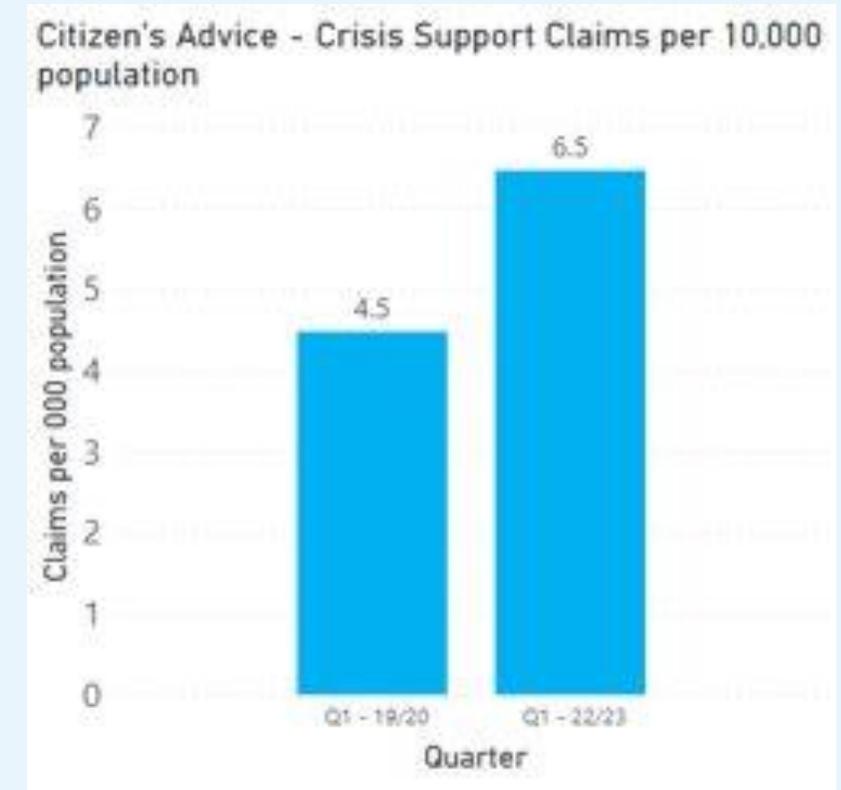


[House of Commons Library, 'Rising Costs of Living in the UK' \(28 Sep 2022\)](#)

# We are seeing increases in the need for help



Source: Internal Data, September 2022



Source: Citizens Advice cost of living dashboard, October 2022

# A co-ordinated response from our partners: Community Wellbeing Hub



**Community Wellbeing Hub**  
Bath and North East Somerset

**WORRIED ABOUT THE COST OF LIVING?**

**HELP IS OUT THERE**

**Contact the Community Wellbeing Hub**

 **0300 247 0050**  
Monday to Friday from 9 am until 5 pm  
Alternatively, you can contact us by text: 07870 868368

 [CWHBanes@hrcgroup.com](mailto:CWHBanes@hrcgroup.com)

 [communitywellbeinghub.co.uk](http://communitywellbeinghub.co.uk)



 <b>Bills, benefits and money matters</b>	 <b>Jobs and training</b>
 <b>Energy costs</b>	 <b>Support for carers</b>
 <b>Support to access food</b>	 <b>Mental health and wellbeing</b>
 <b>Housing advice and support</b>	 <b>Information about a wide range of services</b>

[www.bathnes.gov.uk/costofliving](http://www.bathnes.gov.uk/costofliving)



BANE Sector Group



hrcg  
Care Group



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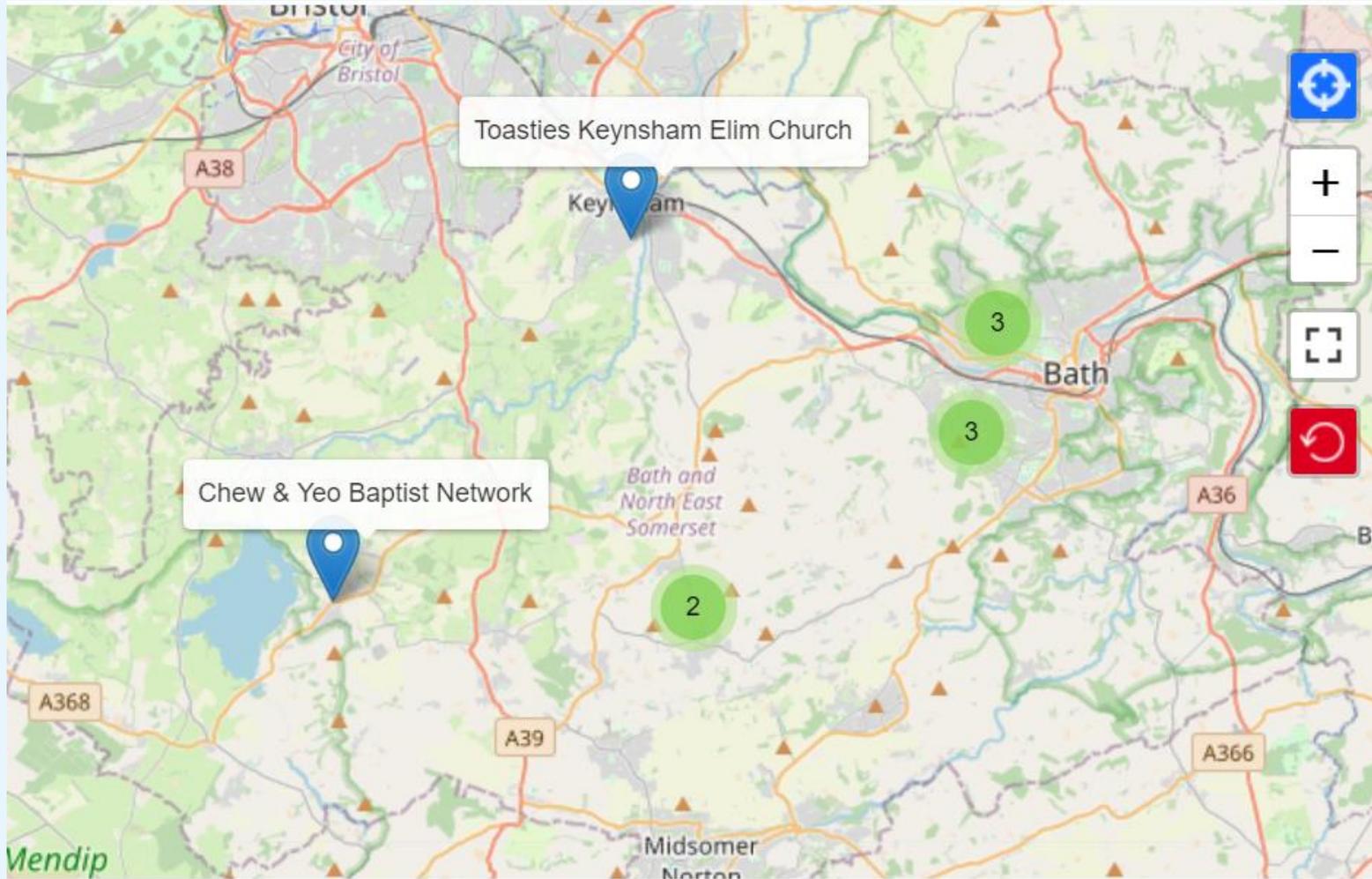
# Warm spaces directory

Providing spaces with respect, dignity and warmth



Bath & North East Somerset Council

Improving People's Lives



View as list

View as map

Displaying 1 - 10 of 22 warm spaces

### Cafe at the Centre/Manvers Street Baptist Church

Manvers Street Baptist Church, Manvers Street, Bath, BA1 1JW

01225 461600

### St Luke's Church

St Luke Church Centre, Wellsway, Bath, BA2 2BD

01225 331898

### Radstock Community Hub and Library

Radstock Community Hub and Library, Radstock, BA3 3PR

01761 437962

### The Salvation Army (Bath Citadel)

Green Park Road, Bath, BA2 2UL

To register

<https://livewell.bathnes.gov.uk/cost-living-support>

# Investing in our businesses and economy

## Strengthening our city and town centres

- ✓ Strong demand for city centre retail space
- ✓ Milsom Quarter Masterplan
- ✓ Regeneration projects in Keynsham and Midsomer Norton and High Streets

## Attracting investment in infrastructure and Transport

- ✓ £130m of WECA investment into sustainable transport
- ✓ Enterprise Zone

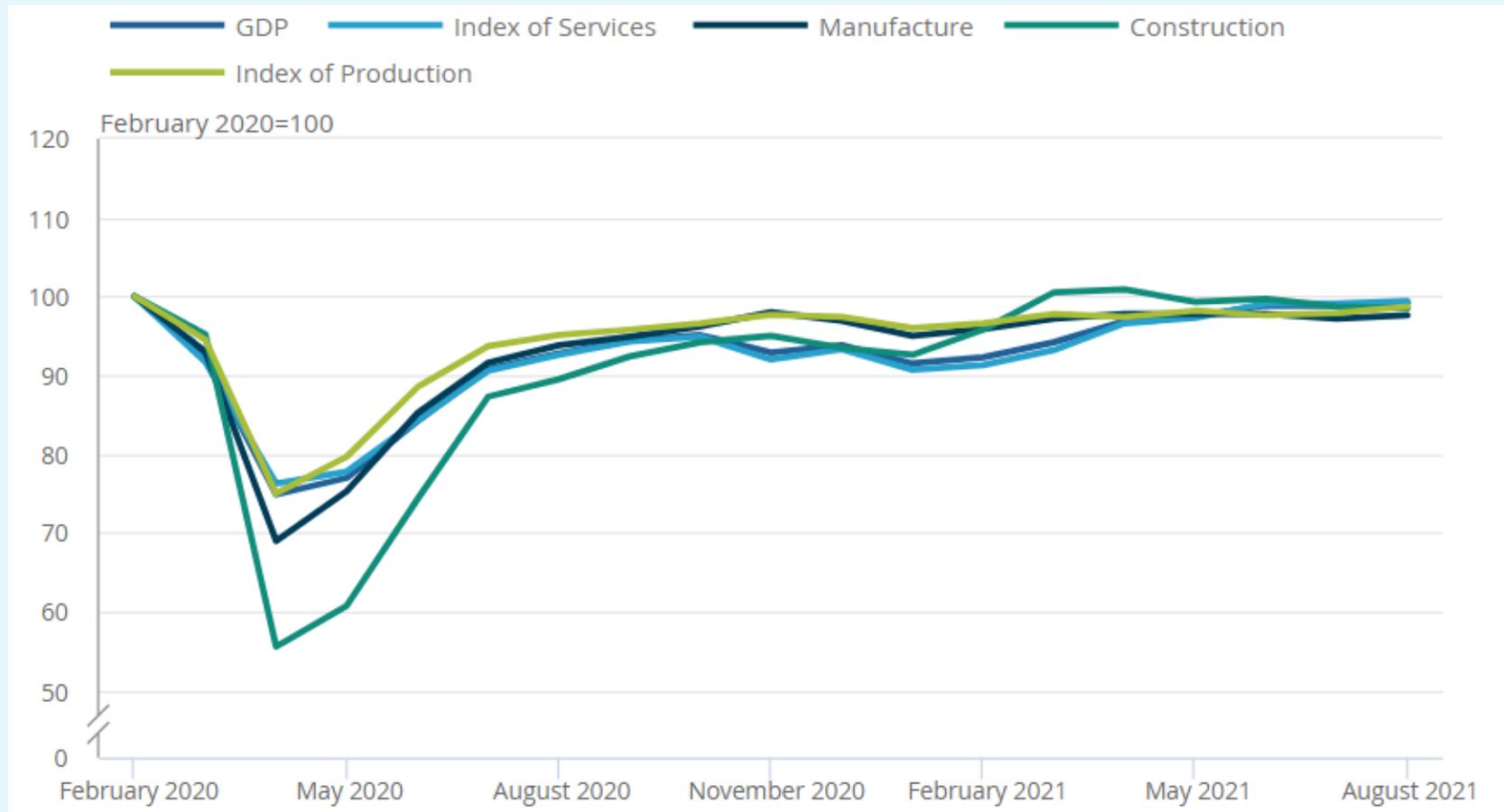


...on the council

**Will Godfrey**

Chief Executive

# Covid Impact on the Economy



# Bath & North East Somerset Financial Performance

## 2021/22 Year End

£128.58m Revenue  
budget

**£4.03m under**

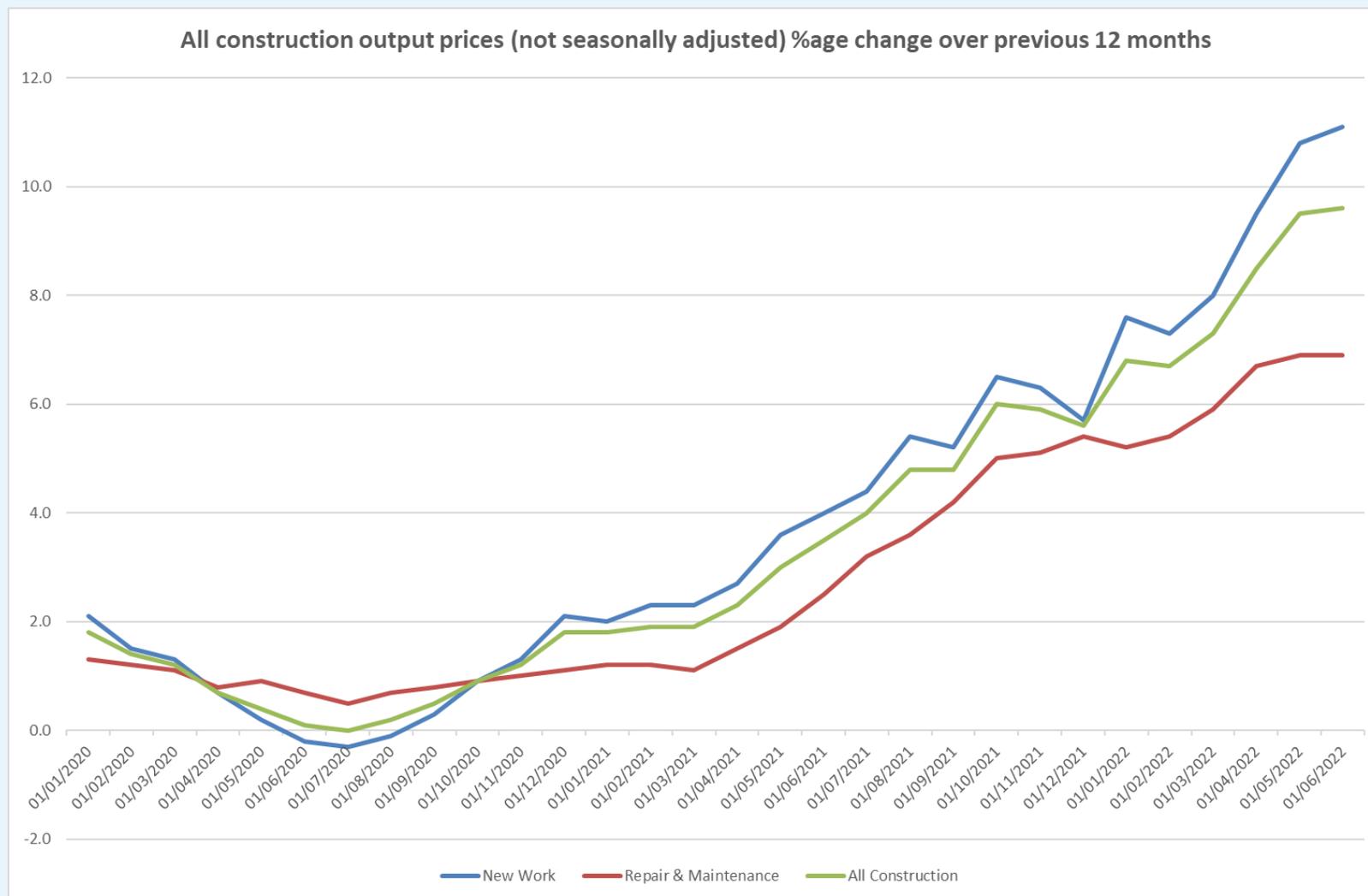
## 2022/23 Qtr 2 Forecast

£126.12m Revenue  
budget

**£4.47m over**

# What's driving the costs?

CPI @ September  
2022 = 10.1%



# In year headlines

## Income performance

- Roman Baths
- Commercial Estate
- Parking



## Workforce costs



## Planning applications



## Children's Services operating costs



## Corporate overhead

- Finance
- IT Services
- Energy

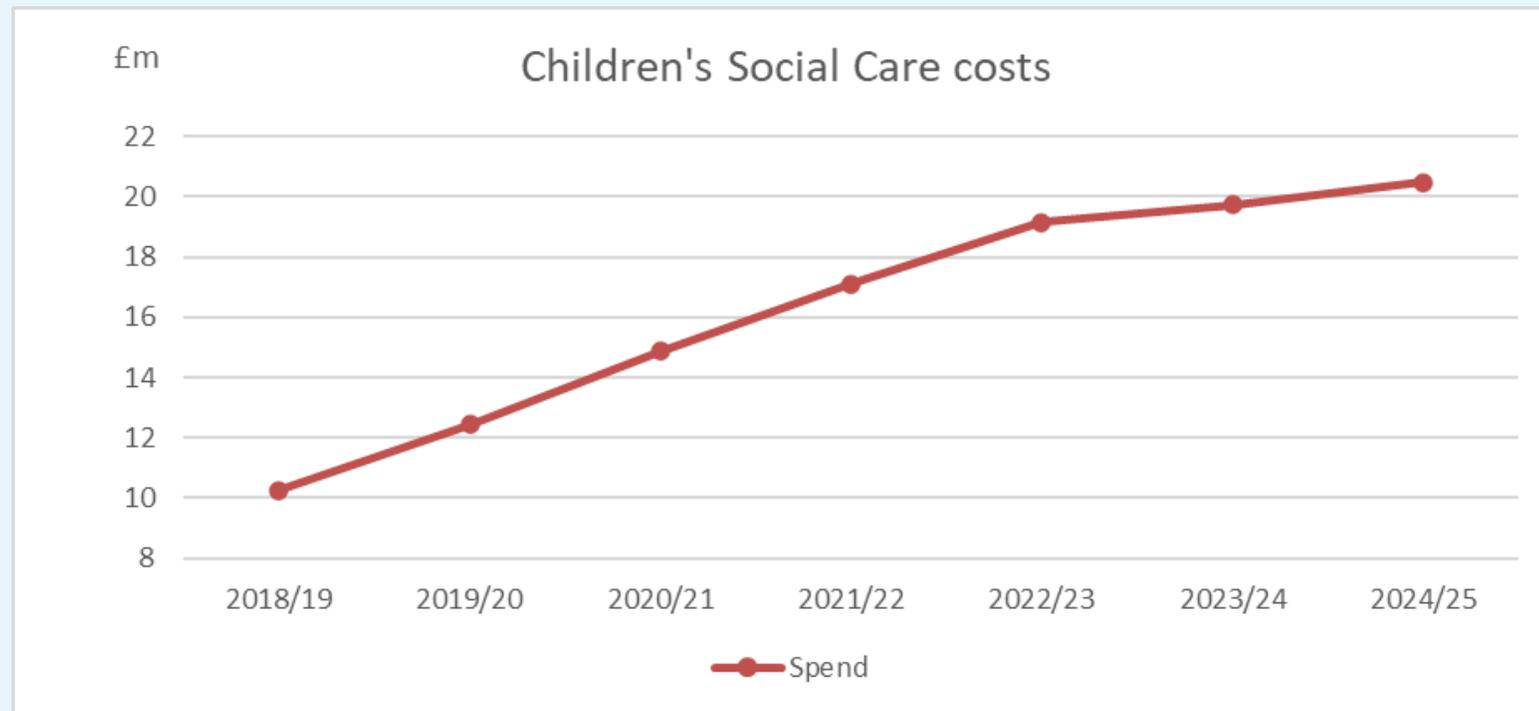


## Waste collection

- Recycling up
- Staff costs



**Rising costs  
and demand  
for services**



# What we're delivering

- Improving waste collection, recycling levels up on previous years by 3%
- Commercial voids down from 10% to 5%
- Roman Baths visitors are down by 34% on pre pandemic, however spend per visitor is up over £5 per visitor
- Returned to the workplace with a new way of working

...on our budget plans

**Andy Rothery**  
Chief Financial Officer

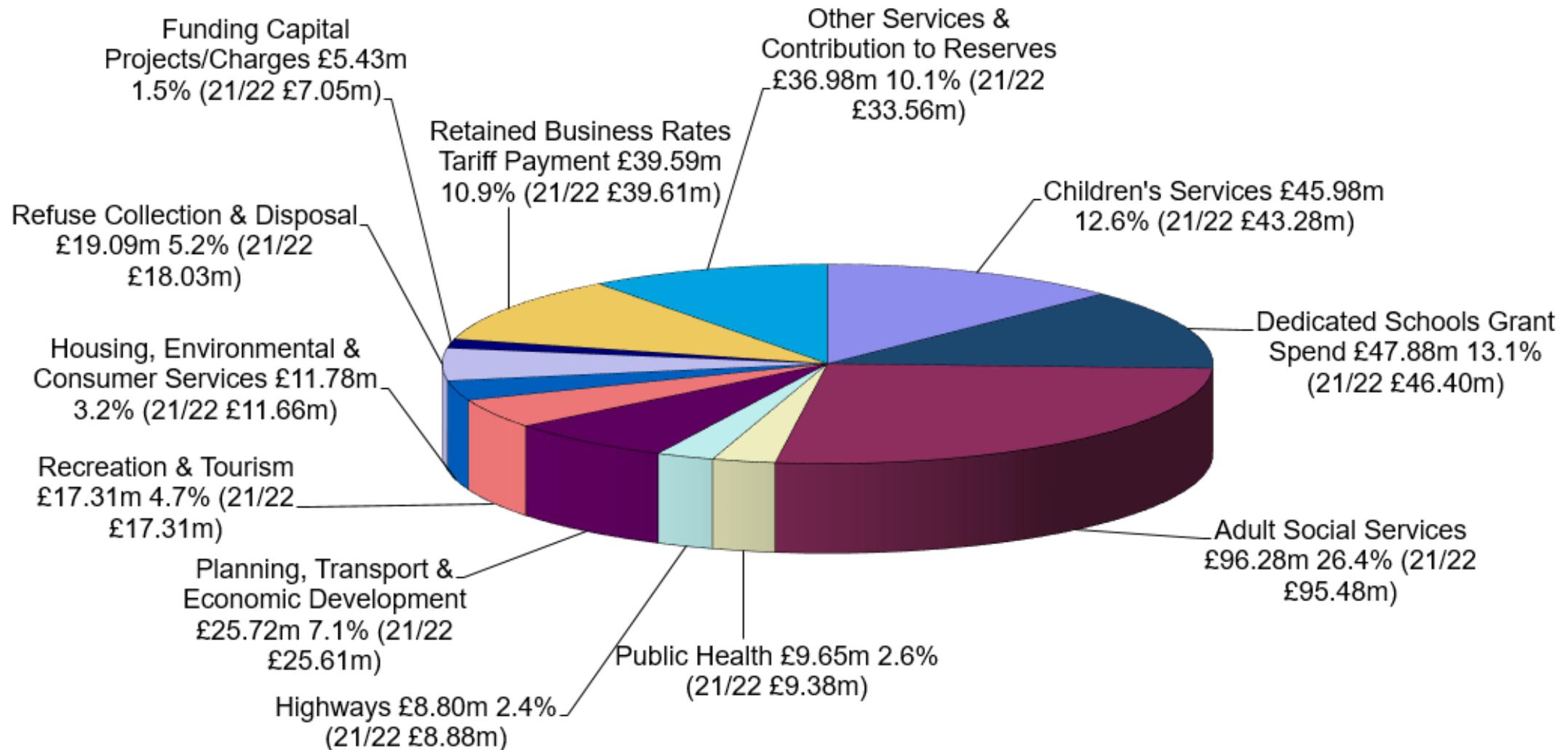
Strategic Objective: **To balance the Councils annual budget**

- We are required to demonstrate we can live within our means

Budget Aims: **The budget is a tool to plan our resources**

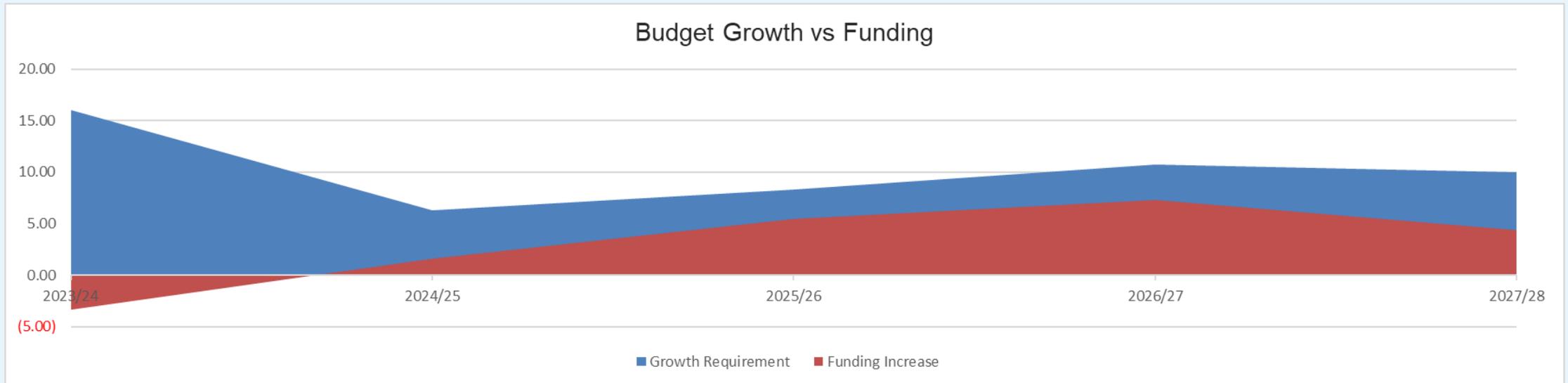
- Deliver value for money with no wasted resources
- No unplanned and unbudgeted activity creating overspends
- Create financial stability and confidence
- Provide assurance through reliable budget management and forecasting

# Council Operating costs £364m



# Five year budget horizon

Budget Planning	Future years assumptions £m					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
Growth Requirement	16.06	6.28	8.32	10.73	9.99	51.38
Funding Increase	(3.37)	1.62	5.45	7.27	4.40	15.38
<b>Annual Funding gap</b>	<b>19.43</b>	<b>4.66</b>	<b>2.86</b>	<b>3.46</b>	<b>5.60</b>	<b>36.00</b>
Savings Proposals	2.32	0.23	0.00	0.00	0.00	2.55
<b>Remaining Funding Gap</b>	<b>17.11</b>	<b>4.43</b>	<b>2.86</b>	<b>3.46</b>	<b>5.60</b>	<b>33.45</b>



# Core budget assumptions

Pay Inflation



Council tax 2.99%



Service demand and activity



Contract Inflation



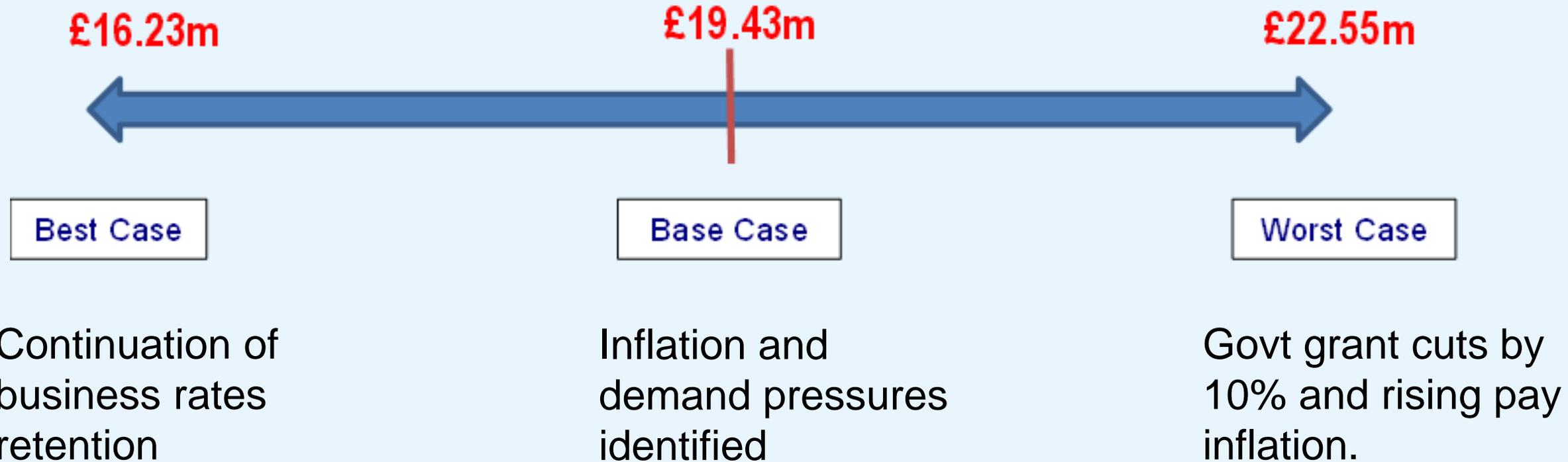
Interest rates



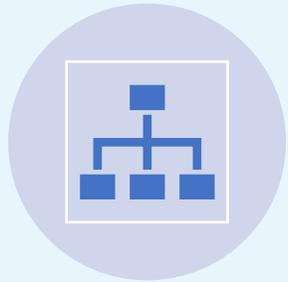
# Core budget assumptions

Pay Inflation	↑	£5.9m
Council tax 2.99%	↔	(£5.1m)
Service demand and activity	↑	£5.45m
Contract Inflation	↑	£3.65m
Interest rates	↑	(£0.25m)
		<hr/>
		£9.65m

# Savings Range



# Closing the gap



Review of operating structures



Sustain and Increase Income



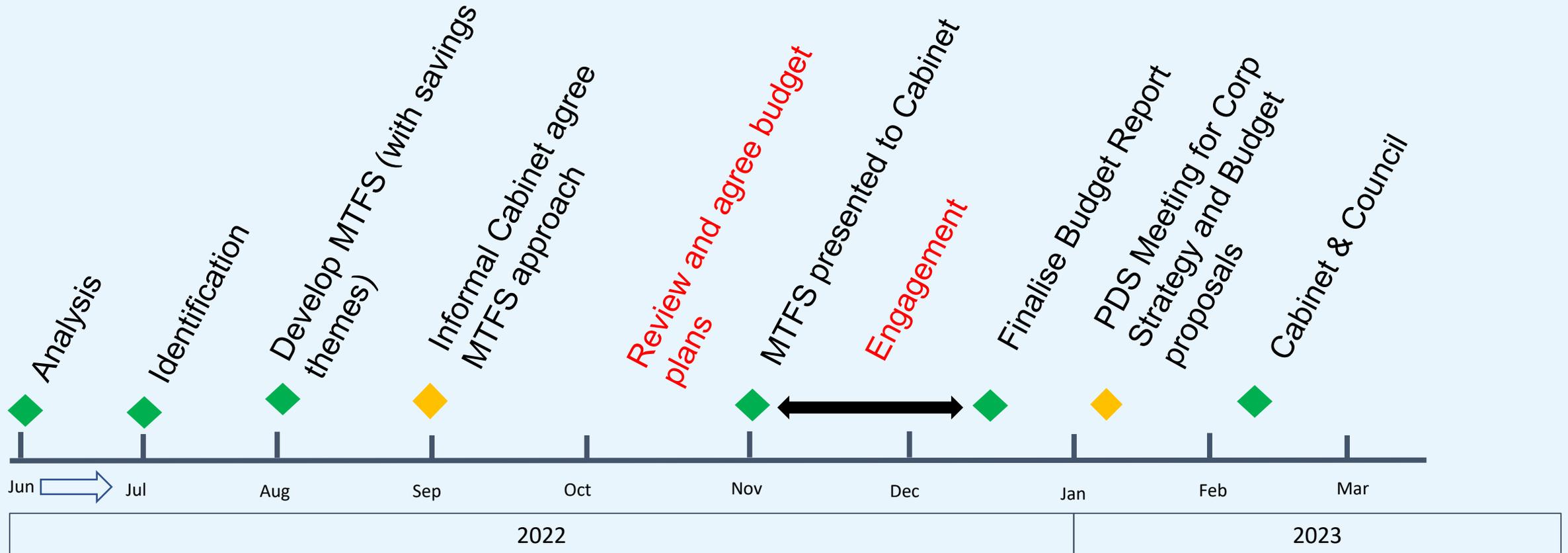
Identify service efficiencies that release savings



Re-prioritise activity

# The Timetable

Key dates for setting the future years budget are set out below – items in amber need considering



# Any Questions?