



Report of the Head of Democratic Services

Report to Scrutiny Board (Adults, Health and Active Lifestyles)

Date: 20th October 2020

Subject: Revenue budget update 2021/22 and budget savings proposals

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Adults, Health and Active Lifestyles) with details of the latest revenue budget update for 2021/22 and budget savings proposals, as considered by the Executive Board at its meeting on 24th September 2020.
- 1.2 The Executive Board's report is attached and the Scrutiny Board is asked to consider, review and comment on matters and proposals relating to service areas that fall within the Scrutiny Board's remit. Other Scrutiny Boards will also be considering elements of the budget savings proposals relevant to their terms of reference.

2. Background information

- 2.1 The Medium Term Financial Strategy 2021/22 - 2025/26, also reported to the Executive Board on 24th September 2020, reports an estimated budget gap of £166.3m for the period of the strategy, of which £118.8m relates to 2021/22. Of this £118.8m, £59.7m is due to pressures identified prior to the impact of COVID-19 with the balance of £59.1m resulting from the ongoing financial impact of COVID-19, £66.1m, offset by a £7m net reduction in other identified pressures.

2.2 In response to this financial position, the council has carried out a review of its capital programme and established a 'Financial Challenge' programme of service reviews to identify savings that will contribute towards closing the estimated budget gap and enable the authority to present a robust, balanced budget position in 2021/22.

3. Main issues

3.1 The Chief Officer – Financial Services submitted the attached report to the Executive Board on 24th September 2020. This report details the actions underway and proposed to address the financial gap for 2021/22, currently estimated at £118.8m.

3.2 The attached report explains that a 'Financial Challenge' programme of service reviews has been established to identify savings that will contribute towards closing the estimated revenue budget gap and enable the authority to present a balanced budget position in 2021/22.

3.3 The Financial Challenge programme is being carried out across all services with a cross-council 'Silver' group set up to provide support and ensure a co-ordinated, consistent approach. Directors have also carried out peer reviews of each other's emerging proposals to provide additional high support and high challenge.

3.4 The outcome from the reviews has led to a set of savings proposals which are categorised as either 'Business as Usual' (BAU) or 'Service Review' proposals:

- BAU proposals are those that do not require consultation to implement: for example, they relate to improving the efficiency of the service, are cost reduction measures with no impact on service users or, where there are budgeted staffing reductions, these are anticipated to be met through deletion of vacant posts or voluntary means, as has been collectively agreed. Where voluntary measures have a modest and/or residual impact on the workforce, local / BAU consultation would be expected.
- Service Review proposals (some cross-council, some service-specific) are those requiring consultation: for example, the way in which a service is delivered or the level of service provided is impacted and so meaningful consultation with service users is needed; and/or the proposal relates to a significant internal restructure, requiring consultation with trade unions and staff.

3.5 A summary of the BAU proposals is provided at Appendix 1 of the attached Executive Board report. The total value of these proposals is £24.2m. The Service Review proposals are summarised at Appendix 2 of the attached Executive Board report, with a total value of £8.2m.

3.6 The combined value of the BAU and Service Review proposals is £32.3m (rounded). With an additional £0.3m savings resulting from a review of the capital programme (also reported to September's Executive Board), the total savings figure is £32.6m which would reduce the estimated budget gap for 2021/22 to £86.2m. The Scrutiny Board is therefore asked to note that further savings proposals to address the remaining gap are also expected to be brought to the Executive Board during October and November 2020.

- 3.7 A strategic approach with regard to the level of savings which can be achieved in 2021/22 is also currently being considered with further alternative measures being explored that will take into account this autumn's Comprehensive Spending Review and subsequent local government provisional financial settlement in December.
- 3.8 The budget savings proposals are now being submitted to Scrutiny for consideration, review and comment; and the Scrutiny Board (Adults, Health and Active Lifestyles) is asked to consider matters and proposals relating to service areas that fall within its remit. Other Scrutiny Boards will be considering elements of the budget savings proposals relevant to their terms of reference.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Senior officers and elected members have been engaged in developing the savings proposals set out in the Executive Board's report. Trade unions have also been informed in headline terms of the emerging proposals. Where required, further consultation and engagement will be carried out with staff, trade unions, service users and the public as appropriate on the Service Review proposals set out at Appendix 2 within the Executive Board's report.
- 4.1.2 All Scrutiny Boards will be considering the budget savings proposals, as relevant to their remits, during their October meeting cycle, as well as holding additional working group meetings to further engage in the development of the budget savings proposals.
- 4.1.3 Relevant Executive Members and senior officers contributed to the Scrutiny Board's working group meeting held on 5th October 2020 and will also be attending today's meeting to discuss the attached report and address any issues raised by the Scrutiny Board.
- 4.1.4 The attached report explains that the outcomes of any consultation will inform the council's decision-making and be incorporated into the 2021/22 to 2023/24 Budget Report timetabled for initial consideration by the Executive Board at its December meeting.
- 4.1.5 Linked to this, any comments and recommendations made by the Scrutiny Board (Adults, Health and Active Lifestyles) during this consultation process are to be captured within a composite report from Scrutiny to be submitted to the Executive Board.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Equality Act 2010 requires the Council to have "due regard" to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay "due regard" be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show "due regard"
- 4.2.2 Equality impact screenings have been carried out on the service review savings proposals and included with those proposals at Appendix 2 of the attached

Executive Board report. It is also acknowledged that, where appropriate, equality impact assessments will be carried out as part of the decision-making process.

4.3 Council policies and the Best Council Plan

4.3.1 The Best Council Plan sets out the council's ambitions, outcomes and priorities. The current plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget.

4.3.2 Climate Emergency

4.3.3 There are no specific implications for the climate emergency resulting from this report.

4.4 Resources, procurement and value for money

4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

4.5 Legal implications, access to information, and call-in

4.5.1 All associated legal and access to information implications are detailed in the main body of the attached Executive Board report.

4.6 Risk management

4.6.1 All associated risk management issues are detailed in the main body of the attached Executive Board report.

5. Conclusions

5.1.1 The attached report, as considered by the Executive Board at its meeting on 24th September 2020, presents the latest revenue budget update for 2021/22 and budget savings proposals. All Scrutiny Boards will be considering the budget savings proposals, as relevant to their remits, during their October meeting cycle, as well as holding additional working group meetings to further engage in the development of the budget savings proposals.

5.1.2 Any comments and recommendations made by the Scrutiny Board (Adults, Health and Active Lifestyles) during this consultation process are to be captured within a composite report from Scrutiny to be submitted to the Executive Board.

6. Recommendations

6.1.1 The Scrutiny Board (Adults, Health and Active Lifestyles) is asked to consider the attached report and review and comment on matters and proposals relating to service areas that fall within the Scrutiny Board's remit.

7. Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.