



Report of the Head of Democratic Services

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

Date: 5th January 2021

Subject: Initial Budget Proposals for 2021/2022

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 type="checkbox"/> Yes <input checked="" 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 the Executive Board's initial budget proposals for 2021/22 for consideration, review and comment on matters and proposals relating to service areas that fall within the Scrutiny Board's remit. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.
- 1.2 The Executive Board's initial budget proposals report for 2021/22, considered at its meeting on 16th December 2020, is attached to this report. The Executive Board's report sets out the initial budget proposals for 2021/22, set within the context of the Medium Term Financial Strategy approved by Executive Board in September 2020, the Spending Review 2020, and proposed budget savings reports received at Executive Board in September, October and November, which had stemmed from the 'Financial Challenge' programme to contribute towards bridging the estimated budget gap for 2021/22.
- 1.3 While consultation with all Scrutiny Boards has already been undertaken in relation to the proposed budget savings proposals that were approved by Executive Board in September, October and November (see section 4.1 below), the attached report presents details of a further £5.2m of potential savings that were approved by Executive Board during its meeting on 16th December 2020 and subsequently submitted for wider consultation with stakeholders, including Scrutiny.

2. Background information

- 2.1 A range of background information is set out in the attached Executive Board report that provides the context in which the Initial Budget Proposals for 2021/22 have been prepared.

3. Main issues

- 3.1 In accordance with the Council's Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board setting out the Initial Budget Proposals for 2021/22, as well as providing an update on the provisional budgets for 2022/23 and 2023/24.
- 3.2 The Executive Board has thus far approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings. Combined with £0.3m savings resulting from a review of the capital programme and a reduction of 50 full-time equivalent (FTE) posts through a review of the Housing Revenue Account (both considered at September's Executive Board), these total £58.2m, with an anticipated reduction in the workforce of 816.5 FTEs.
- 3.3 During its meeting on 16th December 2020, the Executive Board also approved a further £5.2m potential savings, with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. These are set out in Appendix 4 of the attached report.
- 3.4 Taken together with the £58.2m proposals previously approved, the total savings proposals identified so far come to £63.4m (rounded). The total anticipated reduction in the workforce is 914 FTEs. However, in terms of achieving a balanced position for the 2021/22 budget proposals, the Scrutiny Board is asked to note that a further £5.3m of proposals are also expected to be brought to February's Executive Board, along with the Council's Budget Report. Once available, should Scrutiny Members wish to review and provide feedback to the Executive Board on these additional proposals then special arrangements can also be put in place to facilitate this ahead of the Executive Board's February meeting.
- 3.5 The initial budget proposals for 2021/22, as set out in the attached report, are 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 proposals relevant to their terms of reference.
- 3.6 While consultation with all Scrutiny Boards has already been undertaken in relation to the proposed budget savings proposals that were approved by Executive Board in September, October and November - with initial feedback being reported back to Executive Board in December (see section 4.1 below) - any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26th February 2021

3.7 Relevant Executive Members and senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Scrutiny Boards have already considered savings proposals relevant to their remits at two stages: they have reviewed proposals for September's Executive Board through both working groups and their public Scrutiny meetings in October; whilst proposals for October's and November's Executive Boards have been considered at working group meetings of each Board in November. However, it is noted that this consultation process took place before the Chancellor announced the details of his 2021/22 Spending Review.

4.1.2 A composite report summarising Scrutiny feedback across all working group and public sessions during this first phase of consultation was presented to the Executive Board in December 2020 for consideration. This is set out in Appendix 3 of the attached report.

4.1.3 Any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26th February 2021

4.1.4 The attached Executive Board also states that, where required, further meaningful consultation and engagement has been and will be carried out with staff, trade unions, service users and the public as appropriate on the 'service review' savings proposals. Though some proposals will require a more lengthy engagement exercise, it is anticipated that the vast majority will have closed in time for the outcomes to inform the council's decision-making and be incorporated into February's Budget.

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 The proposals within the attached Executive Board report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the 2021/22 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2021.

4.2.3 Fuller details are provided in the attached Executive Board report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Best Council Plan sets out the Council's ambitions and priorities. The Plan's development and implementation continues to inform, and is informed by, the Authority's funding envelope and by staffing and other resources. The current Plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget.

Climate Emergency

- 4.3.2 Should any specific service and budget proposals that emerge through the development of the Council's 2021/22 Budget create potential climate emergency issues or opportunities, these will be addressed in the final Budget reports to Executive Board and Full Council in February 2021.

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 The attached Executive Board report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the approved initial budget proposals are submitted to Scrutiny for review and consideration. The outcome of the Boards review, through a collated Scrutiny Board report, will be presented to the February 2021 meeting of Executive Board at which proposals for the 2021/22 budget will be considered prior to submission to Full Council on 24th February 2021.

- 4.5.2 Fuller legal implications associated with the proposals presented are detailed in the attached Executive Board report.

4.6 Risk management

- 4.6.1 The Council's current and future financial position is subject to a number of risk management processes. Not addressing the financial pressures in a sustainable way, in that the Council cannot balance its Revenue Budget, is identified as one of the Council's corporate risks, as is the Council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review and reporting.

- 4.6.2 Failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services including those that support the most vulnerable and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.

- 4.6.3 Financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach will continue to be included in the in-year financial reports presented to Executive Board.

4.6.4 In addition, risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within the initial budget proposals are detailed in the attached Executive Board report.

5. Conclusions

5.1 In accordance with the Council's Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board on 16th December 2020 setting out the Initial Budget Proposals for 2021/22, as well as providing an update on the provisional budgets for 2022/23 and 2023/24.

5.2 The Executive Board had previously approved three sets of savings proposals for 2021/22 through its September, October and November 2020 meetings which were subsequently submitted to Scrutiny for consultation. A composite report summarising Scrutiny feedback during this initial phase of consultation was presented to the Executive Board as part of its December 2020 meeting. However, the Executive Board has now approved a further £5.2m potential savings, with an anticipated reduction in the workforce of 97.5 FTE budgeted posts. These are set out in Appendix 4 of the attached report. In terms of achieving a balanced position for the 2021/22 budget proposals, the Scrutiny Board is also asked to note that a further £5.3m of proposals is expected to be brought to February's Executive Board, along with the Council's Budget Report.

5.3 As such, any additional comments or recommendations made by the Scrutiny Board during today's meeting will inform a further 'phase 2' composite report by Scrutiny to be submitted to the Executive Board for consideration at its meeting in February 2021; prior to submission of the proposed budget to full Council on 26th February 2021.

6. Recommendations

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and identifies any specific comments and/or recommendations for consideration by Executive Board as it prepares its final proposals for consideration by full Council in February 2021.

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.